



COMMONWEALTH of VIRGINIA

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

2007 COMPETITIVE GRANTS REQUEST FOR PROPOSALS



Department of Housing and
Community Development

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NOTES ON PROPOSAL PREPARATION:

A COMPLETED, SIGNED COVER SHEET SHOULD BE THE FIRST PAGE OF THE PROPOSAL. PROPOSAL SUMMARY AND FINANCIAL SUMMARY FORMS SHOULD BE INCLUDED BEHIND THIS COVER SHEET. THESE FORMS SHOULD BE FOLLOWED BY RESPONSES TO COMMON PROPOSAL ELEMENTS AND PROJECT TYPE PROPOSAL ELEMENTS. ATTACHMENTS, INCLUDING CERTIFICATIONS AND PUBLIC HEARING ADVERTISEMENTS SHOULD FOLLOW THESE RESPONSES. ATTACHMENTS SHOULD BE INCLUDED BEHIND NUMBERED TABS.

ALL PERTINENT INFORMATION AND DATA, WHOSE SOURCE DOCUMENT IS ONE OF THE ATTACHMENTS (E.G. A DOWNTOWN MASTER PLAN) SHOULD BE EXTRACTED FROM THE DOCUMENT AND INCLUDED AND HIGHLIGHTED AS NEEDED AS PART OF THE PROPOSAL DESCRIPTION, AS APPROPRIATE. DO NOT ASSUME THAT BECAUSE CRITICAL INFORMATION IS CONTAINED IN AN ATTACHMENT THAT IT WILL BE UTILIZED IN DHCD'S REVIEW. INFORMATION THAT SUPPORTS YOUR CASE SHOULD BE INCLUDED IN THE MAIN BODY OF THE PROPOSAL.

DHCD STRONGLY PREFERS THAT PROPOSALS BE SECURED BY BINDER CLIP OR TWO-HOLE PUNCH FASTENER, AND NOT WITH THREE-RING BINDER, GBC BINDER, PAPER CLIP, RUBBER BAND, OR SIMILAR DEVICES. ITEMS SUCH AS VIDEOS, LARGE MAPS, AND SO ON MAY BE SUBMITTED WITH PROPOSALS, BUT SHOULD SERVE ONLY AS SECONDARY SUPPORTING INFORMATION.

ALL RELEVANT INFORMATION MUST BE INCLUDED IN THE PROPOSAL. CONTACT DHCD WITH ANY FORMATTING QUESTIONS.

2007
COMPETITIVE GRANT

REQUEST
FOR
PROPOSALS

SECTION I
OVERVIEW AND POLICIES

INTRODUCTION

Virginia's CDBG Community Improvement Grant (CIG) option is designed to aid those communities with the greatest community development needs in implementing projects which will most directly address these needs while maximizing citizen participation. There are five options for Community Improvement Grant assistance: Competitive Grants, Community Development Innovation Fund Grants, Community Economic Development Fund Grants, Construction-Ready Water and Sewer Fund Grants, and Urgent Need Open Submission Grants.

The largest category of CIG funding is Competitive Grants. Competitive Grants, as the name suggests, are available annually on competitive basis. Competitive Grant assistance is available to Virginia Community Development Block Grant eligible localities (see **2007 VCDBG Program Design** or **APPENDIX A** for a listing).

There are five Competitive Grant project types: Comprehensive Community Development, Economic Development, Housing, Community Facility, and Community Service Facility. Each Competitive Grant proposal must target at least one project type with all activities meeting a CDBG National Objective. The total amount of funding available for Competitive Grants in 2007 is approximately \$12,890,953 (*please note this amount will be reduced at the time funding decisions are made for the Competitive Round to provide funds for previously awarded multi-year projects*

that will be positioned to move into their second phase of implementation.)

An ORIGINAL and SIX copies of all Competitive Grant proposals and supporting information must be submitted to DHCD by 5:00 pm on March 21, 2007 OR postmarked by this time and date for delivery via Federal Express, United Parcel Service, Priority Mail via the U.S. Postal Service or any other carrier for delivery within 2 business days following the proposal deadline. Proposals not delivered or mailed accordingly may be disqualified. DHCD intends to begin proposal reviews by April 2, 2007. The proposal format and forms are included in this document. DHCD anticipates announcement of Competitive Grant offers by July of 2007.

The Competitive Grant Request for Proposals package and all other documentation related to proposal development under the Virginia Community Development Block Grant Program must be used in conjunction with the 2007 VCDBG Program Design.

Questions regarding Competitive Grant proposal development should be directed to:

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VIRGINIA CDBG PROGRAM GENERAL POLICIES

There are a number of policies which are applicable to all assistance available under the Virginia Community Development Block Grant Program, except where noted:

National Objectives

All proposals and all project activities must address one of the three national objectives as detailed in the earlier section entitled Community Development Block Grant (CDBG) National Objectives.

Eligible Localities

Non-entitlement units of local government, as listed in **APPENDIX A**, are the only eligible recipients of Virginia CDBG funding, but these local governments may contract with Planning District Commissions, non-profit organizations, and other competent entities to undertake project activities.

Eligible Activities

All activities listed as eligible in the Community Development Block Grant regulations under 24 CFR Part 570, Subpart C are eligible for funding under the Virginia CDBG Program. These regulations are available via the World Wide Web at the following address: <http://www.access.gpo.gov/nara/cfr/cfr-table-search.html>.

Citizen Participation Requirements

All applicants must provide citizens an adequate opportunity to participate in the development of proposals for CDBG assistance, particularly Community Improvement Grant proposals. Notwithstanding important, ongoing, informal organizational efforts, each applicant for Community Improvement Grant funding must hold two public hearings to notify citizens of details of its past use of CDBG funding and of the activities, level of funding, and level of benefit targeted by its current application. In regional proposals, all participating local governments must hold these public hearings. Formal citizen participation requirements are further detailed in the 2007 Virginia Community Development Block Grant Citizen Participation Plan for Local Government Applicants which is included as **APPENDIX B**.

Multi-Contract Limitations

Annual requests for CDBG assistance far exceed the amount of funding available. Although CDBG assistance is targeted for those localities which will have the greatest impact on significant community development needs, localities with multiple current contracts for CDBG assistance will not receive

additional assistance until the activities under the old contracts have been completed.

Localities are limited to \$2.5 million in open CDBG contracts. Open contracts are those in which all required funding has not been expended, all contractual obligations have not been met, and/or required closeout forms have not been submitted to and physically received by DHCD. Competitive grant applicants must have received administrative closeout from DHCD on any open grants by March 1 of the year for which they are applying for funding in order for the open grant to NOT count against the \$2.5 million limit. This means that all CDBG-funded activities must be complete and all CDBG funds must be drawn down and spent. This limitation includes Community Economic Development Fund contracts, Urgent Need Open Submission contracts, Planning Grant contracts, and Community Development Innovation Fund contracts. Contracts for Self-Help and Lead Paint Demonstration Fund projects are exempted from the \$2.5 million limitation.

A locality which finds itself in a position to apply for a critical Urgent Need Open Submission or Community Economic Development project and is currently at or near the \$2.5 million limit MAY, at DHCD's discretion, be granted a temporary waiver of the cap limit. The locality should contact DHCD to discuss a possible waiver prior to submittal of the proposal. If the waiver is approved, the Urgent Need or Community Economic Development funds will count towards the cap limit once other CDBG projects are closed (see pages 59 and 68 of the VCDBG Program Design).

In cases where project activities will encompass two or more localities, at least 65% of the project funds must be spent in the locality that is applying for assistance. CDBG funds will be attributed to each participating locality based on the proposed activities, and each locality will be held to the \$2.5 million limit on open CDBG contracts.

Regional Projects

For regional projects, one local government must be designated the lead locality. The lead locality and all participating localities must, prior to receiving a contract with DHCD, enter into a legally binding cooperative agreement to ensure equitable project implementation and compliance with all applicable regulations. Almost any project type may be considered regional if planning or implementation activities occur in or concern each of the participating localities. Regional projects targeting physical improvements must be contained to a single area which includes portions of adjacent CDBG-eligible localities. Each locality participating in a regional project will be held responsible for having dollar value capacity under the Multi-Contract Limitations.

All regional projects are limited to the grant maximum listed for that project type, except Community Improvement Grants for regional infrastructure. Regional infrastructure projects are limited to \$2,000,000 of VCDBG assistance. These projects will be considered regional in the event that the involved localities are either creating a new entity to manage the infrastructure system or are combining systems under a

single entity. Projects that simply extend utility lines from one jurisdiction to another or create interconnections between currently existing systems will not be considered regional.

Regional infrastructure projects must document:

- A significant need to be addressed through services within each locality's borders for the benefit of its residents, including investment by each locality,
- Equity in rates charged to users who are directly benefited by the CDBG investment,
- Assurances that system improvements will be adequately maintained; AND,
- Consolidation of two or more existing utility systems into a single operating entity, such as a Regional Service Authority, or creation of a new operating entity that serves the region with at least 51% of CDBG expenditures devoted to new service or a significant upgrade in service.

Program Income

Income generated by a CDBG project is Program Income and must be returned to DHCD except in cases where a Program Income Plan has been approved. These Plans will, in general, only be approved when the income will be reinvested in the same activity that generated the income and in the same geographic location from which it was generated. Program Income received by DHCD will be used to fund additional eligible VCDBG projects.

Contract Negotiation

Following announcement of the award of a grant, DHCD will schedule a Contract Negotiation Meeting with a locality to further discuss the terms of the grant offer and to identify actions which must be taken by a locality, generally within a 90 day period, in order to receive a contract from DHCD. Failure on the part of a locality to complete identified actions will result in revocation of a grant offer by DHCD. Such actions typically include, but are not limited to, completion of Federal requirements, drafting and execution of other contracts and agreements, resolution of issues from previous contracts with DHCD, and completion of certain management planning activities.

Facility Control

Any facility built or improved with VCDBG funding must be controlled for at least 20 years through ownership or lien by the local government and maintained for the intended use OR the facility or the amount of VCDBG funding invested in the facility must be returned to the local government to utilize for other VCDBG-eligible activities authorized by DHCD.

Anti-Displacement

Localities must minimize the displacement of individuals, families, businesses, organizations, and farms in implementing projects using CDBG funding. This includes direct displacement resulting from real property acquisition, rehabilitation, demolition, and conversion and any indirect displacement.

Localities targeting Community Improvement Grant funding must certify that displacement will be minimized at the local level and that a Residential Anti-displacement and Relocation Assistance Plan will be followed which includes a one-for-one replacement provision. Each recipient of Community Improvement Grant funding must provide financial benefits and advisory services to any individual or entity involuntarily and permanently displaced as a result of a CDBG-assisted activity. This assistance must be provided on an equitable basis.

Acquisition

Proper federal regulatory procedures must be followed when acquisition is identified as a potential project activity and CDBG funds will be utilized. CDBG funds will only pay up to the fair market value established by a formal appraisal and review appraisal.

Project Enhancements

Additional funding of up to 10% or \$100,000 of the VCDBG award *may* be made available to Community Improvement Grant projects for project enhancements. The provision of funding for enhancements may be included in CIG proposals and budgeted accordingly or discussed at the contract negotiation meetings which follow the announcement of CIG awards. Funding will only be authorized for the actual costs of those enhancements which will be consistent with and add measurable value to the original CIG activities. Examples of possible enhancements include the provision of construction skills training to residents of a

neighborhood targeted by a Comprehensive project, the creation of a homeownership creation program in support of a Housing Rehabilitation project or addition of an entrepreneurial component, such as a micro-loan fund, in a Business District Revitalization project.

Project Administration

VCDBG funding may be used to cover administrative costs in Community Improvement Grants of all types. VCDBG-eligible administrative costs are limited to 10 percent of the total VCDBG award with limits depending upon project type. Such costs are limited to:

Project Type	Limits
Community Facility—Competitive Grant	\$ 50,000
Business District Revitalization—Competitive Grant	\$ 80,000
Community Service Facility—Competitive Grant	\$ 60,000
Community Development Innovation Fund (except CDVC Fund)	\$ 60,000
Community Economic Development Fund and Competitive Economic Development Grants	\$ 50,000
Urgent Need	\$ 50,000
Housing—Competitive Grant	\$ 80,000
Two-Activity Comprehensive—Competitive Grant	\$ 80,000
Three-Activity Comprehensive—Competitive Grant	\$100,000
Regional Community Facility Projects—Competitive Grant	\$ 60,000
Construction-Ready Water and Sewer Fund	\$ 20,000

Administrative cost targets may be modified during contract negotiations. VCDBG funding generally may not be used for administrative costs in Planning

Grant projects unless the locality receiving the Planning Grant award has never received prior VCDBG assistance.

Administrative Bonus:

A 10% administrative bonus, over and above the limits expressed for each project type, is available to Comprehensive, Downtown and Housing Rehabilitation projects when these projects are completed within the original contracted period of time. Any extension to the original contract date will render the project ineligible for receipt of the 10% administrative bonus. The administrative bonus will be drawn from:

1. Funds leftover in the grant at closeout of the grant; or, should no such funds be available,
2. Returned funds to the Virginia CDBG program during the program year in which the project was completed.

Administrative bonuses will only be available at the end of the project following the completion of **all** activities. Completion of a project is defined as having all work 100% complete at the original termination date of the contract. In projects where housing rehabilitation and/or façade improvements are a component, the housing/façade program must be complete with no more work scheduled and no more demand for work to be done. In such cases, 90% of all housing/façade work must be complete in order for the locality to claim the project is complete and therefore access the administrative bonus. The funds may only be expended on eligible CDBG administrative or construction cost items.

Project Modifications

DHCD reserves the right to adjust requests for VCDBG assistance and the terms of this assistance to optimize the provision of benefits, ensure that activities and improvements are eligible for VCDBG assistance, and otherwise promote efficient utilization of available funding.

Letters Of Intent

For projects where it is apparent that, because of the timing of the availability of other funding sources or similar factors, project implementation will not commence following an award of VCDBG funding, DHCD reserves the option of offering such a project a Letter of Intent for future VCDBG funding. Such future funding may be a commitment from a current or future year's CDBG allocation. Decisions to issue Letters of Intent will be made during the proposal review process. Applicants will receive notice of an award of a Letter of Intent at the same time other applicants receive notices of awards of funding.

Letters of Intent will generally be provided only to Competitive Grant proposals and will be limited in cumulative value to 30% of any one year's CDBG allocation. All Letters of Intent issued during 2007 will expire on May 1, 2008. DHCD reserves the right to establish an alternative Letter of Intent expiration date between May 1 and September 30, 2008 to accommodate exceptional circumstances. A locality receiving a Letter of Intent can receive a funding offer if it executes formal agreements with all outstanding funding sources, resolves any outstanding issues,

and takes formal steps to begin project implementation, such as publication of an invitation to bid for a project involving construction activities.

No extensions of a specified Letter of Intent termination date will be permitted. Letters of Intent for which all outstanding issues have not been addressed by this date will be voided, terminating all potential future funding obligations related to the original proposal submission. Localities impacted by a voided Letter of Intent will be eligible, multi-contract rule permitting, to submit a proposal for the same project in subsequent VCDBG funding competitions.

Contracts and Payments

DHCD reserves the option of funding projects under more than one performance-based contract and from more than one year's CDBG allocation. DHCD reserves the option of canceling additional contracts due to non-performance on initial contracts.

DHCD will make prompt payments under current contracts pending confirmation that performance expectations are being met. DHCD reserves the option of withholding payments for non-performance under any particular VCDBG project and for non-performance under any other DHCD programs.

DHCD Technical Assistance

DHCD will provide technical assistance to local governments and their agents in preparing and submitting proposals and

otherwise pursuing assistance under the Virginia CDBG Program. This assistance will generally occur via telephone, facsimile transmission, electronic mail, formal meetings, and occasional site visitation.

Environmental Consideration For Construction Projects

Applicants will be advised to contact the Department of Historic Resources early in the project planning process. Community Representatives will assist in incorporating this step into the Environmental Review process.

Planning District Commission Review

Local governments must comply with the [Code of Virginia](#) §15.2-4213. This section of the Regional Cooperation Act requires that Planning District Commissions be notified by local governments of applications for state or federal aid. As this notification is for informational purposes only, it may take many forms during the pursuit of VCDBG assistance. Notification may be more standardized for those VCDBG assistance offerings with formal proposal submission requirements.

Survey Guidance

HUD has released recommendations for applicants to follow when conducting income surveys. This guidance includes an overview of the types of acceptable surveying methods, recommendations for improving research techniques,

procedures for conducting random sample surveys, and a review of acceptable rates of return for surveys. This guidance will be included as an Appendix in the VCDBG Competitive Grant Request for Proposals and should be utilized to the extent possible.

proposals are accepted, funding limits by program and project type, eligible activities, thresholds, selection criteria and other requirements. These packages can be requested from DHCD or downloaded from the DHCD website.

Conflict of Interest

The Grantee and its management agents (when acting on behalf of the Grantee in the administration and implementation of this project) are required to act in conformance with the *Virginia State and Local Government Conflict of Interest Act* and the CDBG Grant Agreement. This applies to any person, and his/her immediate family, who has or had decision making power in the development or implementation of any VCDBG-funded application or project, including elected and appointed officials, employees of the grantee or subrecipient, Rehab / Façade Board members and Project Team members.

Open VCDBG Contracts

Prior to the award of any VCDBG funds for under the Community Development Innovation program, a review of all open VCDBG projects will be conducted. In instances where performance or project issues have been identified, DHCD may withhold new VCDBG funds until these deficiencies are corrected.

Project Selection and Criteria

Proposal packages are available for each VCDBG program. These packages contain specific guidance for the application process, including when

COMPETITIVE GRANT PROJECT TYPES

Virginia's CDBG Community Improvement Grant (CIG) option is designed to aid those communities with the greatest community development needs in implementing projects which will most directly address these needs.

Competitive Grants

Competitive Grants are awarded following the Virginia Department of Housing and Community Development's (VDHCD) competitive review of the applicable proposals. The deadline for submission of Competitive Grant proposals to the VDHCD is March 21, 2007. No proposals will be accepted under this option prior to March 9, 2007. Proposal review will occur in April and May of 2007. Announcement of Competitive Grant offers is anticipated by June of 2007.

Of the estimated \$20,140,953 available in 2007 for Community Improvement Grants, approximately \$12,890,953 will be available for Competitive Grant projects. *This amount will be reduced at the time funding decisions are made for the Competitive Round to provide funds for previously awarded multi-year projects that will be positioned to move into their second phase of implementation.*

There are five primary project types under the Competitive CIG option:

- Comprehensive Community Development
- Economic Development
- Housing

- Community Facility
- Community Service Facility

Localities with potential projects with features applicable to more than one of these project types should contact DHCD for technical assistance.

The policies applicable to these project types are detailed on subsequent pages of this section.

Applicants must have received administrative close-out from DHCD on any open grants by March 1 of the year for which a locality is applying for funding in order for the open grant to NOT count against the \$2.5 million limit. This means that all CDBG-funded activities must be complete and all CDBG funds must be drawn down and spent.

Comprehensive Community Development

These projects target the completion of a range of improvements to a neighborhood in direct response to identified needs therein. These needs should be derived from a recent client-based needs assessment of the neighborhood or target area. This assessment should include analysis of a full range of need areas including housing, water, sewer, streets, drainage, sidewalks, solid waste/garbage, debris removal, street lighting, recreation, police protection, fire protection, and other neighborhood-specific items.

For eligibility as a Comprehensive project, applicants must target the completion of improvements to an appropriate level of significance in relation to needs identified through the assessment. All Comprehensive projects must target at least two significant activities. Furthermore, this significance must be demonstrated by category, such as housing, sewer, or water, rather than by component, such as owner-occupied housing rehabilitation or substantial reconstruction. Comprehensive eligibility provisions are as follows:

For projects with exactly two significant activities:

- Eligible for up to \$1,000,000 in CDBG assistance
- Significant activities will be those which have a representation in the project budget no lower than 20% and no higher than 70% of the total project cost
- Activities with a budgetary representation of less than 20% can be included in the project and may

be eligible for CDBG funding pursuant to typical eligibility factors and provided funding remains under the \$1,000,000 limit.

For projects with at least three significant activities:

- Eligible for up to \$1,400,000 in CDBG assistance
- Significant activities will be those which have a representation in the project budget no lower than 10% and no higher than 60% of the total project cost
- Activities with a budgetary representation of less than 10% can be included in the project and may be eligible for CDBG funding pursuant to typical eligibility factors and provided funding remains under the \$1,400,000 limit.

Street improvements will be eligible for VCDBG assistance where:

- Specific street sections are targeted for improvement through a client-based needs assessment;
- The targeted sections are not built to VDOT or community standards and are not part of a current public maintenance system;
- All higher priority community needs will be addressed using VCDBG or other funding; and,
- The applicant locality can provide documentation that no other funding is available to address these improvements.

The VCDBG investment for the installation or improvement of water / wastewater services for Comprehensive Community Development projects may not exceed an average of \$15,000 per household.

All activities targeted for VCDBG assistance in Comprehensive Community Development projects must be designed in accordance with the policies established in this Program Design for such activities. Where justified and feasible, Comprehensive projects may include Economic Development and Community Services Facility activities. As described under **PROJECT ENHANCEMENTS** on page 6, additional VCDBG funding may be available for additional project activities.

Economic Development

The primary purposes for providing VCDBG assistance to economic development activities are as follows:

- Create job and business opportunities for low- and moderate-income persons, particularly in the most economically-disadvantaged, VCDBG-eligible areas of the Commonwealth; and,
- Eliminate blighting conditions in deteriorated areas as a means of creating better environments for future economic activities.

VCDBG assistance is available for economic development activities under the following categories: **Job Creation and Retention, Business District Revitalization, Site Redevelopment, and Development Readiness.**

Most economic development projects will focus on one activity category. Some projects may focus on two or more. Projects targeting one category are eligible for up to \$700,000 in VCDBG assistance. Projects targeting two or more categories are eligible for up to \$1,000,000. However, no single activity within a multi-activity economic development project may represent more than \$700,000. Projects must, as applicable, abide by **the Industry Commitment, Appropriate Determination, VCDBG Investment, LMI Benefit, Intrastate Piracy, and Ineligible Activities** policies outlined on page 65 of the Community Economic Development Fund section.

DHCD reserves the right to adjust requests for VCDBG economic development assistance and the terms of this assistance to accommodate only

appropriate improvements. These adjustments, if applicable, would be made following competitive evaluation of all Community Improvement Grant proposals.

Projects assisting a basic industry should be submitted through the open submission, Community Economic Development Fund. Projects that will benefit a commercial enterprise, sheltered-workshop, or other non-basic industry must be submitted as a Competitive Economic Development project.

Job Creation and Retention

The *Job Creation and Retention* category under the Competitive Grants option targets projects with job creation resulting from commercial enterprises, sheltered workshops, or other non-basic industries, or projects with job retention by basic and non-basic industries. VCDBG assistance under *Job Creation and Retention* is available for on-site or off-site assistance to these enterprises. Applicants must prove a clear need for the off-site improvements and show justification for their scope and scale through Preliminary Engineering Reports and other analyses.

Competitive Grant proposals with on-site improvements are subject to underwriting (as assistance would be in the form of a loan to the applicant locality). The locality must complete an Appropriate Determination package and submit it to DHCD by February 16, 2007. This package will be available from DHCD after January 1, 2007.

The Community Economic Development Fund is a reservation of \$2,500,000 for projects involving assistance to basic industries which commit to private sector investment and job creation. The provisions of this Fund are detailed on page 59 of the 2007 Program Design. Projects targeting job creation by basic industries will only be eligible for funding under the Community Economic Development Fund.

Projects targeting job creation by basic industries will only be eligible for funding under the Community Economic Development Fund. Regulations allow one of two methods to be used to document that the Grantee and Industry have met the requirements. They are: made available to LMI persons or held by LMI persons.

Job counting may not start without prior approval from DHCD.

The following two categories are designed to improve the economic environment of a locality by enabling the removal of slums and blighting conditions which threaten the health, safety, and welfare of the community as a whole and have an adverse impact on the value of real property which, in turn, adversely impacts community wealth. By addressing these blighting conditions, localities can eliminate hazardous conditions and halt disinvestment.

There are two primary economic environment enhancement options under the VCDBG program: business district revitalization and site redevelopment.

Business District Revitalization

Under this option, an applicant may target the revitalization of a downtown or other commercial district. An applicant must clearly delineate the boundaries of its district and provide its rationale for this delineation.

Boundaries are commonly delineated using both physical considerations, such as where land uses transition from commercial to residential and where a river or railroad run adjacent to an area, and social considerations, such as public perceptions of boundaries.

DHCD has introduced revised guidance to help direct the planning process for business district revitalization planning grants.

Through this process, applicants will undertake activities which are designed to identify opportunities to improve the economic and physical conditions within the community. A key outcome of this process will be the development of an *Economic Restructuring Plan* that will identify the means by which the locality can implement economic improvement strategies that will help ensure the long-term sustainability of the community, particularly the downtown business district.

Applicants must demonstrate that business district revitalization is the highest community development need. Applicants must provide an analysis of housing and other community needs, how these needs have been addressed, and how any remaining unmet needs will be handled.

In order to be eligible for construction funding, applicants must demonstrate that at least 25 percent of the properties

in the potential project area are physically blighted or have at least a 50% vacancy rate.

Because thorough preparation for BDR construction projects is necessary to ensure the desired community outcome of improved overall economic vitality, DHCD is continuing a phased approach for this project type. It often takes a number of years of appropriate planning and development efforts for these projects to be successful and the following process is designed to recognize and accommodate this.

See pages 26 - 27 of the CDBG Program Design for discussion of Planning for Business District Revitalization projects.

Once the planning process has been satisfactorily completed, the locality may apply for up to \$700,000 to carry out the final design and construction / implementation activities. If a Business District Revitalization project will also include activities such as downtown housing, job creation, establishing a loan pool, or other economic revitalization efforts, and / or business district amenities, the locality may request up to \$1,000,000 in total funding (with the **PRIOR** concurrence of DHCD).

Funding for the activities where there are major concentrations of blighted properties (beautification efforts, decorative sidewalks, installation of benches, gateways, signage, overhead relocation, etc...) would be released on a performance basis once the physical and economic blighting elimination activities have been underway and moving toward completion. DHCD reserves the right to offer a construction contract as a multi-

year contract. Offer of funding in the out years would be based on satisfactory performance. Multi-year funded projects will be phased and implemented based on the prioritization of scheduled activities.

An active downtown organization, that generally follows the Main Street principles, must be in place in order to continue with VCDBG funding.

VCDBG funds cannot be utilized for the maintenance of revitalization efforts through business development assistance, marketing, infrastructure maintenance and improvements, or continuance of general Main Street approach will not be funded.

Applicants must identify all elements of physical and economic blight within the defined business district:

Physical Blight

The deteriorated conditions or states of disrepair of district infrastructure, buildings, and other physical elements which detracts from the overall appearance and identity of the district and, in turn, depress property values and the ability to market and attract investment.

Economic blight

The existence of vacant, disinvested, or underutilized buildings and parcels which represent unrealized commercial potential and project a negative image that harms efforts to attract new investment.

Applicants must have in place an *Economic Restructuring Plan* to help ensure the long-term success

and viability of the project. This plan must include clear-cut steps for implementing recommended strategies. Activities necessary to implement the Plan, such as the completion of design elements and / or branding / marketing efforts are eligible costs under this project type. Not more than five percent of the VCDBG funding may be utilized for this purpose.

Applicants must address all blighting conditions using VCDBG funding and other resources pursuant to the track the locality has chosen. VCDBG funding targeted for real property acquisition and demolition or transformation must be linked to the designation of a Redevelopment or Conservation area under Virginia law (see page 6 of the VCDBG Program Design under **Community Development Block Grant (CDBG) National Objectives**).

Demolition of buildings should be programmed only as a last resort. Efforts should be made to minimize the displacement of residents and businesses.

All revitalization activities must include significant participation by district stakeholders, including property owners, business owners, local government officials, and concerned citizens. This participation should follow a modified Main Street approach to business district revitalization.

Potential applicants should contact the Department for additional information on this approach. This participation should, in part, lead to the development of a Revitalization Plan. Specific requirements to ensure continued participation include:

- Requirement that grantee enact and enforce an ordinance that requires all buildings improvements from the time of the grant forward to be done in a manner consistent with established design guidelines. The ordinance must be in effect for a minimum of ten (10) years. Once this ordinance is in effect, DHCD will fund development of design guidelines. DHCD will allow up to \$15,000 or 5% of the CDBG-funded construction budget for façade improvements, whichever is less, to be used to develop design guidelines for the downtown district.
- Grantee must adopt minimum design and maintenance standards (building or property code standards may be acceptable) for those not willing to participate. These standards must be approved by DHCD and must be enforced for a minimum of ten years.
- Commitment to a redevelopment plan which gives the locality the authority to take and condemn blighted properties

if the property owners do not commit to participate.

VCDBG funding may be targeted for implementation of other elements of a Revitalization Plan, including providing support for a business district organization, for marketing efforts to secure private investments, and for minimal cosmetic improvements to non-blighted elements. Entrepreneurship development activities are eligible as an addition to Business District Revitalization projects. See Entrepreneurship Development on page 53 of the CDBG Program Design.

Site Redevelopment

This project category option targets sites which have been rendered unmarketable or unusable by previous uses and which have conditions having an impact beyond the boundaries of the site.

VCDBG assistance may be utilized to correct identified conditions, provided they are justified as blight in accordance with earlier guidance.

Applicants must detail the conditions and demonstrate local consensus that the conditions, real or perceived, exist and that addressing these conditions is a local priority. Treatment of these conditions must result in increased potential for investment on this site and surrounding this site.

Activities may include:

- modification to or demolition of structures existing on these sites;
- be targeted to more than one site under a single project if it can be

demonstrated that the accumulation of these sites has a single identity and/or each individual site has conditions which impact beyond its boundaries.

As with business district revitalization, site conditions and corrections for these conditions should be determined through stakeholder participation. Eligible activities beyond elimination of blighting conditions may include:

- real property acquisition ;
- future use planning

Applicants pursuing funding under this project category are strongly encouraged to consult with DHCD as early as possible. Applicants should be aware of that in many instances, CDBG funds will be treated as a loan, where a guaranteed form of security will be required for the amount of the grant until all program requirements are satisfactorily met and there is the expectation that funds be returned at that time.

Development Readiness

This category allows for the completion of improvements which will result in the future creation of businesses and job opportunities providing primary benefit to low- and moderate-income persons. The focus of this category is on removing barriers to economic investment, particularly in areas of distress. Two such barriers are as follows:

- The existence of previously used sites and structures for which reuse for economically beneficial activities is not cost effective in comparison to development or construction on a new site.

- The lack of building space to accommodate business location or expansion and the prohibitive cost of constructing or adaptively reusing space, especially for small businesses.

This category seeks to address these barriers directly by making resources available for site redevelopment and for commercial building development. In instances where the proposed site or building is publicly owned, eligible activities include:

- Acquisition,
- Site preparation,
- On-site and incidental off-site infrastructure,
- Architectural and engineering costs,
- Building rehabilitation or construction, and
- Administration.

All VCDBG funding spent on these projects, save for administrative costs, must be recovered upon sale or long-term lease of the site or building to a private sector entity which will create the required jobs. Full recovery of the funds must occur within two years of the completion of construction activities.

Failure to secure a private sector entity to purchase or lease the improvements within the required time period will result in the administrative **and** construction costs being repaid by the locality. Recovered funds will be regarded as disallowed costs and will be subject to the Program Income policy outlined on page 5.

The availability and amount of VCDBG funding will depend upon the number of jobs projected to be created. In

Competitive localities, at least 50 full-time jobs must be created and VCDBG participation will, in combination with other public funds, be limited to \$10,000 per job. In Transitional localities, at least 20 full-time jobs must be created and VCDBG participation will be limited to \$10,000 per job. In Distressed localities, at least 10 full-time jobs must be created and VCDBG participation will be limited to \$10,000 per job, except where the local economy is diversified wherein VCDBG participation will be limited to \$25,000 per job.

Applicants seeking to apply for funding under the Local Diversification criteria must contact DHCD prior to the submission of a request for funding.

Only VCDBG-eligible localities may secure funding for development readiness activities. These localities may implement these activities directly using available funding or may lend these funds to a local or regional non-profit economic development entity which will implement the activities. Such an entity must have the capacity to borrow and administer Federal funds for economic development purposes.

In all such efforts, there must be direct links to an entity with the capability and willingness to administer a formal marketing program. Requests for VCDBG funding should be accompanied by a comprehensive marketing strategy for growing and/or attracting businesses and creating employment, primarily through basic industries. The strategy must identify one or more sectors or industries at which marketing efforts will be aimed. The VCDBG assisted site or building should have a prominent

position in the strategy. The strategy must be supported by a marketing program and an organization that is financially and technically capable of conducting the marketing.

Applicants for development readiness assistance must demonstrate that public benefit will result from the VCDBG investment and that there is a clear relationship between the proposed site or building improvements and existing economic development strategies.

Only under the Development Readiness category are somewhat speculative physical improvements permitted since these improvements are treated as loans to the locality and must be secured by a Letter of Credit issued by the locality. Physical improvements under all other economic development categories must be consistent in scope and scale with the underlying needs.

Housing

Housing activities are eligible for VCDBG assistance to improve the living conditions of low- and moderate-income (LMI) persons. VCDBG funding may be used to rehabilitate LMI-occupied housing units or in support of the development of new housing units which will be occupied by LMI persons.

There are two categories of assistance under the housing project type:

- Housing Rehabilitation
- Housing Production Assistance

CDBG funds cannot be used to rehabilitate Section 8 or tax credit properties. An underwriting process will be necessary for tax credit projects. All tax credit projects must have rents at or below the established Fair Market Rent.

CDBG funds cannot be used to rehabilitate housing that has undergone DHCD-funded Section 8 / Housing Quality Standard repairs within the past 10 years.

*Applicants that are participating in a housing rehabilitation project **MUST** agree to send all responsible parties to the annual Housing Rehab Workshop. Applicants must either agree to pay for these costs or include this item as an administrative activity in the project budget.*

Housing Rehabilitation

VCDBG assistance is provided to improve LMI-occupied housing units to DHCD Housing Quality Standards. Assistance is made available under Comprehensive Community Development projects, to units lacking indoor plumbing in Community

Facilities projects, and as a single activity Housing project.

Housing projects targeting housing rehabilitation activities:

- are eligible for up to \$1,000,000 in VCDBG assistance.
- must target housing rehabilitation needs within a single, well-defined project area.

As rehabilitation activities will not begin simultaneously on all eligible housing units, DHCD reserves the right to fund such projects under more than one performance-based contract and from more than one year's CDBG allocation. DHCD reserves the right to cancel additional contracts due to non-performance on initial contracts.

Crucial non-housing activities or non-construction housing support activities that will clearly complement the housing improvements taking place in the project area and will meet a national objective **may be included** in a housing rehabilitation project. VCDBG participation in these activities **shall not exceed 15 percent** of the total amount requested. **Up to 10 percent** of the total housing rehabilitation activity budget may be used for Rehabilitation Specialist services such as inspections, specifications, and bidding.

Rehabilitation assistance is available for both owner-occupied and investor-owned properties.

- **Owner-occupants** must incur a monthly financial obligation following receipt of VCDBG rehabilitation assistance which is based on the monthly amortization of rehabilitation costs over a 10 year

period at 0 percent interest. Owner-occupant monthly payments must be determined by ability-to-pay calculations which take into consideration income, expenses, and other household considerations.

- **The ability-to-pay calculation** will determine the amount the household could afford monthly towards repayment of the VCDBG rehabilitation assistance received. The difference between the total monthly amortization amount and the amount paid by the homeowner must be forgiven. This forgiveness must occur on a monthly basis, not in one lump sum write-off.

HUD's Utility Allowance guidance must be used when calculating a household's ability-to-pay.

- **Ability-to-pay calculations** will be based on 25 percent of household income.
- Ability-to-pay calculations must also be made for the tenant households of investor-owned properties. These calculations permit evaluation of rent affordability. Affordable rent is defined as:

a cost of occupancy that, including tenant-paid utilities, does not exceed 35 percent of total household income. If a project includes assistance from other programs which require a more stringent definition of rent affordability, this more stringent standard must be applied.

- **Investor-owner** participation in rehabilitation must include execution

of a legally-recorded commitment to provide the improved housing units to LMI households for no less than 10 years at affordable rents. Rent levels shall not be increased between the Community Improvement Grant submission date and the date of announcement of CIG awards. Investor-owners may not increase rents beyond actual direct cost increases, such as taxes and insurance, for at least five years, or for the term of the loan, if longer. The rent amount must be clearly established in the rehabilitation contract and shall remain at the same level for all subsequent tenants for the balance of loan term.

No **vacant unit** shall be rehabilitated with VCDBG funding unless the house has a history of being consistently occupied over the last five years and was rented for at least six months of the preceding year, the unit was purchased by an LMI household, or the unit is owned by a locality, housing authority, or non-profit and will be sold to or lease-purchased by an LMI household.

Applicants may utilize up to \$25,000 or \$35,000 of VCDBG funding to rehabilitate eligible housing units, not including mobile homes, to DHCD Housing Quality Standards and up to \$40,000 to substantially reconstruct housing units determined to be unsuitable for rehabilitation.

Manufactured home rehabilitation is limited to \$10,000, plus \$10,000 for well and septic. No other exceptions apply.

In addition to these base costs, applicants may utilize up to \$1,000 per household for temporary relocation costs

AND, with DHCD approval, further exceed these base limits by up to \$20,000 for the following exceptions:

- Installation of a well and/or septic systems or water and/or sewer connections. VCDBG funds may not be used to install “pump and haul” systems;
- Provision of ramps and other accessibility features;
- Provision of one or more additional bedrooms to relieve an overcrowded situation in which more than two bedrooms are necessary or other changes to a unit’s footprint;
- Actual laboratory costs for evaluation of lead dust tests; and,
- Construction of a bathroom

For specific guidance on eligible costs, owner and landlord requirements, costs limits, and other policies for housing rehabilitation projects, please see the CDBG Grant Management Manual, located online at:

www.dhcd.virginia.gov/CommunityDevelopmentRevitalization/Community_Development_Block_Grant_Program.htm

VCDBG funds cannot account for more than 50% of downpayment assistance for a qualified client.

Program Recommendations

Adherence to green building practices, where appropriate, is encouraged. DHCD encourages the use of EnergyStar rated appliances whenever economically feasible. Additional information may also be found at

www.BuildingGreen.com and www.EnergyStar.gov .

DHCD also encourages the use of Universal Design elements when possible. This is particularly applicable where substantial reconstruction will take place.

Housing Production Assistance

VCDBG assistance is available in support of the development of new single- and multi-family housing units targeted for low- and moderate-income persons. VCDBG funding is applicable to most project costs, including final design and construction costs, in projects which will adaptively reuse existing structures for housing. These projects are eligible for up to \$700,000 in VCDBG assistance.

In new construction projects, VCDBG assistance is limited to the design and construction of site improvements. Funding for new construction must generally be obtained from local or other resources. CDBG funding cannot be used for the construction of new housing, except as provided under the last resort housing provisions of 24 CFR Part 42 or as authorized under Section 17 of the United States Housing Act of 1974. CDBG funding may be used for new housing construction costs where a neighborhood-based non-profit has primary responsibility for the development of the new housing.

Where VCDBG funds represent a primary source of funding for the creation of new affordable housing units and will be utilized for onsite improvements, VCDBG funds will only be available as a loan, where the loan must be at the *Applicable Federal Rate* for at least nine years. Payback on the

loan will commence upon the opening of the facility, with any Program Income due to DHCD. This provision primarily applies to projects assisted with tax credit or other equity investment type projects.

All housing production projects must demonstrate a clear local need for additional housing units, provide evidence of significant local demand for the additional units, and target the development of housing units of a quality and quantity which will meet local needs and demands. Project evaluation will reward those projects which result in the greatest number of quality units at the lowest cost per unit.

Projects involving housing rehabilitation and/or housing production assistance may secure additional funding for additional needed project activities as described in **Project Enhancements** on page 6.

VCDBG funds cannot account for more than 50% of downpayment assistance for a qualified client.

If an applicant plans to utilize tax credits as a source of funding, DHCD should be contacted early in the planning process.

DHCD must review all underwriting prior to the submission of an application for VCDBG funds.

Program Recommendations

Applicants pursuing projects that will create new owner-occupied affordable housing are encouraged to develop strategies that will result in mixed-income homeownership opportunities,

not housing that only targets low- to moderate- income persons.

Adherence to green building practices, where appropriate, is encouraged. DHCD encourages the use of EnergyStar rated appliances whenever economically feasible. Additional information may also be found at www.BuildingGreen.com and www.EnergyStar.gov.

DHCD also encourages the use of Universal Design elements when possible. This is particularly applicable where substantial reconstruction of a unit will take place.

Community Facilities

Community facilities include water services, wastewater services, drainage improvements, and street improvements. VCDBG assistance under this option is generally targeted to projects involving water and wastewater improvements, particularly those involving new services to low- and moderate-income persons. Community Facility projects are eligible for up to \$1,000,000 of VCDBG funding.

An applicant undertaking a water and sewer project is required to address the indoor plumbing needs of project area residents. Benefit to a particular household will not be accepted unless the unit currently has or will be provided with indoor plumbing facilities. Housing units receiving indoor plumbing facilities must also meet DHCD Housing Quality Standards. VCDBG funding may be used to improve these units to standard condition. VCDBG participation in indoor plumbing or related housing activities shall not exceed 15 percent of the total amount requested.

Applicants which include water and/or sewer service activities in the design of a project, regardless of the project type, must meet the following requirements:

- Services must be accessible to any LMI household which resides on property adjacent to or near project activities, provided that the estimated cost of completing the physical connection to the housing unit is less than or equal to \$2,500.
- Water meters are required for each customer that connects to the CDBG supported utility line (mobile home park owners are considered a single customer);

- The CDBG investment per utility connection may not exceed an average of \$12,500.

Low- and moderate-income persons cannot be charged an access fee for facilities developed using CDBG funding and neither are these fees CDBG-eligible expenses. The actual physical costs of connections will be eligible for VCDBG funding. To the extent feasible, public water service proposals must include a project design which accommodates appropriate fire protection measures in the project area.

The reasonableness of user charges will be considered in evaluating any revenue-producing project, particularly water and sewer projects. DHCD reserves the right to reduce in a proportional manner grant requests from applicants where utility rates charged by an entity are below the state average.

For projects which extend utility lines from one jurisdiction to another, utility rates must be the same throughout the CDBG project area unless it can be documented that the locality which owns or is served by the CDBG-supported utility line is subsidizing water rates with its general fund. In such cases a disparity in rates may exist between the involved localities. However, in no case can “out-of-town” rates exceed 50 percent of the “in-town” rates.

CDBG funds will not be invested in systems that can or will provide redundancy to a customer base that would be more efficiently served by another entity. Instead, it is expected that jurisdictions will cooperate to identify the best possible system and

entity for providing service to a specified customer base.

Project needs in community facility projects will best be determined through surveys of project area residents and through gathering of documentation from regulatory and other agencies. The demand for services must be established through obtaining signed user agreements from the proposed beneficiaries or documenting a local mandatory hook-up policy and its history of enforcement.

At least 80 percent of the total households to be served must have signed user agreements stating their commitment to use the new system. The locality must obtain these user agreements prior to the submission of a proposal. Of the total households in the project area, at least 80 percent must be **ACTUAL** users (not just have availability of new service). Of the **ACTUAL** users, at least 51 percent must be low- to moderate- income.

Project activities are established through completion of a full Preliminary Engineering Report (PER). At least two copies of the PER must accompany each community facility proposal. If Virginia Department of Health (VDH) approval is required for a project's plans and specifications, the project PER must be submitted to VDH prior to submission of the project proposal to DHCD.

In projects involving the provision of water, sewer, or other community facility services to privately-owned, multi-tenant properties as a contributing factor towards meeting the required LMI benefit, VCDBG assistance will be eligible for expenditure on those features

of the project which provide substantial benefit to current LMI tenants. DHCD will safeguard the provision of benefits to current LMI tenants as follows:

VCDBG funding will be provided to match current LMI needs.

Property owners will be prohibited from creating additional tenant spaces which would dilute a project's LMI benefit. Assistance may be prorated to oversized service or distribution lines. Participation in pump stations, storage tanks, or other features will also be dependent upon the level of LMI benefit in the project.

Savings produced by the VCDBG investment must translate to direct LMI benefit.

Generally, each LMI unit receiving services must be individually metered with billing being a responsibility of a local public agency. No private property owners may charge LMI tenants a connection fee or a surcharge on service usage.

Community Service Facilities

VCDBG assistance is available up to \$700,000 for Community Service Facilities which are physical facilities targeting the provision of important services to low- and moderate-income persons and the greater community. Such facilities include day care facilities, facilities for protected populations such as the elderly and disabled, community centers, health clinics, libraries, schools, hospitals, and skill-building facilities for youth and the unemployed.

All Community Service Facility proposals must demonstrate that facility development is a clear local community development priority. In doing so, applicants must describe other community development priorities and their positions relative to facility development.

Applicants for Community Service Facility projects must clearly demonstrate the local need for the services to be provided. The most reliable information on these needs will result from surveys of potential users and existing service providers. Census information and other statistical information, although useful, provide less reliable justification for the need for a facility. The user surveys should, at a minimum, confirm potential user LMI status, and the need for and interest in the services proposed for the facility. To confirm the need for many types of services, surveys of individual potential users are a better indicator of need than surveys of households. Surveys of existing service providers will permit, at a minimum, identification of gaps

between service need and service availability.

Applicants must also provide documentation of the demand for services. For some types of services, strong preferences obtained through surveying may suffice. For other services, demand may best be represented by the actions of individuals, beyond survey participation, to receive a service, such as the completion of an application or other intake documentation.

Following determination of need and demand, applicants must target the development of a facility to accommodate the new or expanded services. For facilities which will clearly provide needed services to low- and moderate-income persons, applicants may seek to maximize VCDBG participation in the development of the facility. For facilities which will provide of a variety of services to LMI and non-LMI persons, VCDBG participation should be sought in proportion to the level of services being targeted primarily towards LMI persons.

Community Service Facility projects that include a construction element are encouraged to adhere to green building practices, where appropriate.

In addition to the factors outlined above, the evaluation of Community Service Facility projects will include an assessment of the directness of the benefits to be provided to LMI persons. This assessment will be guided by the following questions:

Will the services be available exclusively to LMI persons or predominantly to LMI persons?

Will the services provide palpable, measurable changes in the lives of the participants?

Will the services have any impact on LMI persons becoming non-LMI persons?

COMPETITIVE GRANT PROJECT NEEDS

Project proposals for all Competitive Grant project categories must demonstrate need. An applicant locality must provide adequate evidence that there is a need for the proposed project. A locality must prove the activities of a proposed project will meet at least one of the three CDBG national objectives outlined in **APPENDIX C** and will be appropriate to at least one of the five Competitive Grant project types identified above. A locality will also provide evidence that a proposed project is consistent with its Comprehensive Plan and other planning documents. Documentation of needs should generally be included in **ATTACHMENT # 4**.

CDBG National Objectives

Low- And Moderate-Income Benefit

In its administration of the CDBG Program in Virginia, DHCD is required to utilize at least 70 percent of the annual CDBG allocation to benefit low- and moderate-income persons. The design of the Competitive Grant component of the VCDBG Program reflects the importance of the LMI benefit requirement in that all five project types target this national objective. Only the Business District Development and Site Redevelopment options under the Economic Development type targets another National Objective.

Surveys

The primary method for determining LMI benefit in a VCDBG Competitive Grant project is to survey the probable beneficiaries. A survey sample is included in **APPENDIX E**. The standard for LMI is a household income which is 80 percent or less of Area Median Income for like-sized households. These LMI thresholds are promulgated by the U.S. Department of Housing and Urban Development in its annual Section 8 Income Limits. The limits for Virginia localities in 2006 are included in a table in **APPENDIX D**. In designing its survey, a locality should consult this table to find its figures and include these in the survey. Although incorporated Towns are eligible to apply for VCDBG assistance, a Town will use the income limits for the County in which it is located. The limits for Counties and Cities are included in the table.

For Competitive Grant projects targeting Housing, Community Facility, or Comprehensive activities, a locality will generally complete a door-to-door survey of 100 percent of the households in a potential project area. DHCD views the information derived from this type of survey effort to be the most reliable. Localities should inform DHCD if another survey method is used or if, due to project area size, less than 100 percent of the households are surveyed.

For Competitive Grant projects targeting Community Service Facility activities or other activities which will not provide

direct benefits to neighborhood residents, a locality will generally complete a survey of probable users of a service facility or probable beneficiaries of another type of activity. With this type of survey, a locality should seek to obtain as many responses from probable beneficiaries as possible. Where a service is already provided in a locality and is the target for expansion in a Competitive Grant project, the survey should distinguish between new and existing beneficiaries of this service. Localities should inform DHCD of its methodology for completing this type of survey.

To ensure a successful survey effort, a locality should give careful consideration to the design of the survey and the methodology for administering it. As the purpose of the survey is to gain income and other information from probable beneficiaries of community development activities, the survey should be extensive enough to gain information on relevant community development needs, but brief enough not to discourage participation. Surveys should be taken by trained volunteers following a script and ensuring that each survey is complete. Surveys, particularly neighborhood surveys, should be coded in a manner which enables quick reference between household characteristics and household location while protecting the wishes for confidentiality amongst probable beneficiaries. The locality should provide adequate publicity of survey purpose and survey methodology. Surveys should be taken at times convenient to probable beneficiaries and must be dated when administered. Surveys must be initialed or signed by the person administering the survey.

Current surveys provide the most reliable information on the income level and needs of probable beneficiaries. Surveys completed during previous years MAY provide the basis for a Competitive Grant proposal, but such surveys may not be viewed as providing the most reliable information on the income level and needs of probable beneficiaries. Previous years' surveys may be used as the basis for a Competitive Grant proposal if:

- The survey was conducted **AFTER March 1, 2005**;
- The survey was developed for essentially the same target area; and,
- The survey was developed using Section 8 Income Limits or is convertible to these limits.

A locality must provide a copy of its survey instrument, a summary of survey responses, the script used in completing the survey, and any other document which makes clear the methodology employed and the results obtained. A locality **WILL NOT** submit its original survey responses to DHCD, but will retain these surveys for review by DHCD if a project is funded.

As stated earlier, for Competitive Grant projects targeting Housing, Community Facility, or Comprehensive activities, a locality will generally complete a door-to-door survey of 100 percent of the households in a potential project area. However, in larger projects, a locality must use the following chart as a guide for the appropriate number of required responses.

SAMPLE SIZE

<u># of Households in Target Area</u>	<u># of Interviews or Questionnaires to be completed</u>
up to 50	all households
51 – 55	50
56 – 63	55
64 – 70	60
71 – 77	65
78 – 87	70
88 – 99	80
100 – 115	90
116 – 138	100
139 – 153	110
154 – 180	125
181 – 238	150
239 – 308	175
309 – 398	200
399 – 650	250
651 – 1,200	300
1,201 – 2,700	350
over 2,700	400

Note: The figures in the second column above represent the minimum number of responses, not attempts, needed to draw valid conclusions about different size service areas. Door-to-door and telephone surveys have significantly higher response rates than mail surveys making it easier to reach the desired number of responses. Follow-up is expected if the response rate is low.

If you have any questions about surveying or have a survey that falls outside of the guidance that has been provided, please contact DHCD.

Protected Populations

For facilities which will be designed for and used exclusively by elderly persons, abused children, homeless persons,

severely disabled persons (persons meeting the Bureau of Census' definition), illiterate adults, battered spouses, migrant farm workers, and persons with AIDS, it is presumed that such a facility will benefit LMI persons. The presumption of LMI benefit, however, is NOT also a presumption that a facility is needed. A survey of probable users will generally be completed for this type of facility.

Specific Project Types

Economic Development – Job Creation and Retention

For projects which will provide assistance to entities which will create or retain jobs, such projects will be eligible for VCDBG assistance if at least 51 percent of the jobs to be created or retained are or will be held by or will be made available to LMI persons. The potential or existing employees of such an entity will complete a self-certification of income status. Localities pursuing Job Creation or Retention activities should contact DHCD for further information on project eligibility.

Housing – Housing Rehabilitation

For projects which will provide housing rehabilitation assistance, such assistance must be limited to LMI households. Even though such households are surveyed to determine income status while a Competitive Grant proposal is being developed, these households must have their income formally verified as part of the rehabilitation assistance application process.

Elimination of Slums and Blight

Eligibility under this National Objective is the target of only the Site Redevelopment and Business District Revitalization option under the

Economic Development Competitive Grant project type. Localities seeking to implement activities under this option must develop standards for slums, blight, and/or deterioration in accordance with the Code of Virginia and in consultation with DHCD and must document such deterioration within a target area. Only those proposals demonstrating substantial deterioration and targeting its removal will be eligible under this National Objective. Consult **APPENDIX C** for additional information.

Addressing Urgent Community Development Needs

Only projects addressing conditions for which there has been issued a declaration of emergency by the Governor of Virginia or which the State Health Commissioner has deemed a health threat will be eligible under this National Objective. Consult **APPENDIX C** for more information.

Competitive Grant Project Types

All Competitive Grant projects will target at least one of the five Competitive Grant project types. The items specified below are generally required for preparation of an eligible and competitive proposal, but there may be other assessments or reports applicable to a locality's particular project which may make a proposal even more competitive. **It is critical that, for all Competitive Grant proposals, residents and other stakeholders be utilized in establishing needs in general and completing each of the following items.**

Comprehensive Community Development

A **Neighborhood Needs Assessment** is critical to the preparation of a Comprehensive Community Development proposal. This Assessment will synthesize the input received from residents and other stakeholders from surveys and public meetings and the findings of professionally-prepared assessments of area physical conditions into a single, detailed written summary of overall area needs. This Assessment must include information on general neighborhood characteristics and the condition of housing, water, sewer, streets, and drainage facilities. It should also include pertinent information on sidewalks/pathways, solid waste/garbage, debris removal, street lighting, recreation, police protection, fire protection, and any other areas of need whether educational, cultural, or environmental. A checklist version of a **Neighborhood Needs Assessment** is included in **APPENDIX F**. This version may be used as a starting point for creating the detailed written summary required, but will generally not be sufficient alone.

Comprehensive Community Development proposals must also include proposal information and supporting documentation pertaining to component activities. If housing activities are proposed, the proposal sections and housing supporting documentation mentioned below must also be included in the proposal. If community facility activities are proposed, likewise with community facility proposal sections and supporting documentation mentioned below. This is also true for economic development

and community service facility components. A Comprehensive Community Development proposal is not complete if this relevant information is not included.

Economic Development

If an Economic Development proposal targets physical improvements in the public domain in support of a business or otherwise, the proposal must include a **Preliminary Engineering Report** (see the **Community Facility** section below) or the architectural equivalent if the target is a building. To help demonstrate the long-term viability of a proposed downtown revitalization project, an **Economic Restructuring Plan** must be included. This plan will discuss the strategies that will be implemented to address economic blight. Additional supporting documentation required for an Economic Development proposal depends on which project category accommodates the activities proposed. Job Creation and Retention proposals must include **documentation supporting the need for CDBG assistance** versus other types of financial assistance. Development Readiness proposals must include **documentation of the local barriers to investment** and the need for CDBG assistance versus other types of assistance. See also pages 15-17 for the instructions on Business District Revitalization projects.

Housing

The supporting documentation required for a Housing proposal depends upon whether the target is Housing Rehabilitation or Housing Production Assistance. Housing Rehabilitation

proposals must include documentation that each unit targeted for rehabilitation has been inspected to some extent to assess potential rehabilitation costs.

Housing inspections can range from a walk-through inspection of systems and components to a detailed, checklist-driven inspection of the entire house.

The documentation appropriate for walk-through inspections is a table or spreadsheet identifying the house and the total estimated cost of rehabilitation overall and by system / component. The documentation appropriate for detailed (Section 8) inspections is a **construction write-up and detailed cost estimate**.

At least one write-up (not more than two) and cost estimate based on detailed inspection must be included in any proposal targeting housing rehabilitation activities. DHCD views these write-ups and cost estimates as providing better evidence of rehabilitation costs than walk-through inspections and estimates.

It is critical that cost estimates be very current. Proposals with the most current cost estimates will be in a more credible position as DHCD evaluates the authenticity of project costs.

A sample of a Summary of Walk-Through Inspections is included in **APPENDIX G**. A Sample of a Write-Up and Cost Estimate is included in **APPENDIX H**.

Housing Rehabilitation proposals must also include completed **Ability-To-Pay** (using the HUD Utility Allowance guidance) calculations for as many probable housing rehabilitation beneficiaries as possible. These calculations provide evidence of owner-occupants' capacity for repaying CDBG assistance and of tenant-occupants'

capacity for rent modifications resulting from CDBG participation by their landlords. A blank Ability-To-Pay worksheet is included in **APPENDIX I**. A worksheet for assisting an investor-owner in calculating a base rent is included in **APPENDIX J**.

Housing Rehabilitation proposals should include **documentation of the willingness of owner-occupants and investor-owners to participate in housing rehabilitation activities**. Such documentation may take the form of a User Agreement (see the **Community Facility** section below) modified to state the terms of assistance and, for investor-owners, the requirement that rents be held at levels affordable to tenants, or any other form which documents willingness to participate.

Housing Production Assistance proposals must include a **Market Study** which, among other items, identifies the target population of the housing units proposed and those within this population which will, or have expressed a strong interest in, taking occupancy of these units once completed.

Community Facility

A document which is absolutely critical for completing a Community Facility proposal (and other proposals with infrastructure activities) is the **Preliminary Engineering Report (PER)**. A PER includes information on existing conditions pertaining to one or more infrastructure elements, design alternatives for improvements to existing conditions including costs, and a recommendation for selection of one of the alternatives including justification for the recommendation. Additional

guidance on what a Preliminary Engineering Report should contain is included in an outline in **APPENDIX K**.

A **User Agreement** is also critical for Community Facility proposals. A User Agreement documents the willingness of probable beneficiaries to connect to water or sewer service once such service is made available. This agreement should be explicit about the cost of such service to the beneficiaries. At least 80 percent of the total households to be served must have signed user agreements stating their commitment to use the new system. The locality must obtain these user agreements prior to the submission of a proposal. Of the total households in the project area, at least 80 percent must be **ACTUAL** users (not just have availability of new service). Of the **ACTUAL** users, at least 51 percent must be low- to moderate-income. A sample User Agreement is included in **APPENDIX L**.

Community Service Facility

Community Service Facility proposals must include documentation on the costs of the proposed facility as documented in a **Preliminary Engineering Report or the architectural equivalent**, the needs (particularly the previously unmet ones) to be met at the proposed facility as supported by some sort of **written assessment**, and the willingness of those targeted for benefits to accept the benefits as supported by User Agreements or the like

COMPETITIVE GRANT PROJECT COSTS

The following information will provide guidance on Competitive Grant costs in general and how these costs are to be reflected in the Project Budget.

Project Products / Activities

Specific products are required for particular project types. Other products will be dictated by the findings of needs assessments and reports. There are clear distinctions between most products and most applicants will know to reflect these separately in both the proposal text and project budget (for example, a linear foot of water line is not the same as a linear foot of a street, and so on). In some cases, a product viewed otherwise as discrete will need to be divided into components for budgetary purposes. Additional guidance on where such separation is required is provided below.

Interim Assistance

This category includes the costs of temporary assistance to alleviate harmful conditions in a neighborhood or area where immediate public action is necessary. Such assistance is typically a prelude to more comprehensive treatment of such conditions through other project products. This product must be included in budgets for Comprehensive Community Development or Housing – Housing Rehabilitation proposals.

Demolition / Clearance

This category includes the costs of demolition, clearance, and removal of buildings and improvements where such costs are incidental in the context of the overall project (for example, the demolition of two vacant structures in a project targeting the rehabilitation of 22 owner-occupied housing units). Where such costs are greater, demolition and clearance will be expressed as a line item within an activity (for example, removal of a portion of a building while the remainder is to be adaptively reused). This product must be included in budgets for Comprehensive Community Development or Housing – Housing Rehabilitation proposals.

Economic Development

In Job Creation and Retention and Development Readiness projects, public infrastructure improvements should be separated as noted below under the **Community Facility** section. Private investment in Job Creation and Retention projects should be shown as a product. In Business District Revitalization projects, façade improvements, streetscape improvements, mircoloans for small business development, and individual property acquisition efforts should be shown as separate products.

Housing

In Housing Rehabilitation projects, owner-occupied rehabilitation, investor-owner rehabilitation, and substantial

reconstruction should be shown as separate products. In Housing Production Assistance projects, site improvements, infrastructure, and housing construction should be shown as separate products.

Community Facility

In water and sewer projects, pump stations, lines, storage tanks, plant improvements, and connections should be shown as separate products.

Comprehensive Community Development

These projects will reflect the same product separations as mentioned for the project types above.

Project Line Items

The following is a listing of cost categories wherein Competitive Grant funding can be utilized. This list does not detail every item for which such funding can be expended. Localities are encouraged to contact DHCD for guidance on cost eligibility for potential projects with unique circumstances. Competitive Grant proposals must include documentation on the derivation of all project costs. If an application is selected for funding, the grantee will be required to create a pay for performance budget.

Administrative Costs

Administrative costs are eligible to the extent of the limits outlined on page 6 of this document. Typical administrative costs include Advertising, Audit Services, Legal Expenses, Printing and Postage, Workshop Expenses, and General Project Administration. The largest single administrative cost item is

typically General Project Administration. A locality may plan on administering its own project or may contract with a service provider. Most service providers are private sector entities which must be selected through a procurement process. Some entities, such as Planning District Commissions, may be selected on a non-competitive basis to handle project administration requirements for a locality. Other types of administrative costs may be eligible. Contact DHCD for additional guidance on these other types.

Architectural and Engineering / Design Costs

This category includes the costs of completing the final design of engineered physical improvements. CDBG participation in engineering fees is determined using the fee schedule included in **APPENDIX M**. Housing rehabilitation specialist design costs are a component of housing program administration non-construction costs. Housing program administration non-construction costs are limited to 10 percent of the total CDBG funds targeted for housing rehabilitation activities. For guidance on acceptable architectural costs, please contact DHCD. Additional engineering costs (non-basic) may be eligible, but must be approved by DHCD.

Project Inspection Costs

This category includes the costs of inspecting the construction of physical improvements. Likewise with engineering fees above, CDBG participation is determined using the fee schedule in **APPENDIX M**. Housing rehabilitation inspection costs are also a component of the housing program administration non-construction costs

and must adhere to the limits on these costs. For guidance on architectural costs, please contact DHCD.

Acquisition Costs

This category includes the costs of acquiring real property, including easements and fee simple purchases. Eligible costs include those required in adhering to Uniform Relocation Assistance and Real Property Acquisition Policies Act requirements including appraisal fees, review appraisal fees, and the cost of acquiring targeted property (typically at fair market value).

Relocation Costs

This category includes the cost of relocation payments and assistance for displaced individuals, families, and businesses. Assistance is determined by formula, generally under the Uniform Act mentioned above.

Disposition Costs

This category includes the cost of disposition through sale, lease, or donation of real property and temporary management of property.

Demolition / Clearance Costs

This category includes the costs of demolition, clearance, or removal of buildings or other improvements.

Construction / Implementation Costs

This category includes the costs of construction, reconstruction, rehabilitation, or installation of improvements or facilities and/or the direct costs of delivering a program or service. It is critical, especially in

housing rehabilitation projects, that the most current cost information available be used to determine the rehab / construction costs. Proposals with the most current cost estimates will be in a more credible position as DHCD evaluates the authenticity of project costs.

Other Costs

This category includes costs unique to a particular project or project type. These may include Home Maintenance and Education Training in projects with housing rehabilitation activities, Additional Engineering in Community Facility projects, and so on.

Leverage

Although there is no requirement that localities provide matching funding for Competitive Grant funding, such matching funding is a proposal evaluation consideration. **Local match** (actual or in-kind), which is generally considered to be that originating from an applicant locality, for design and construction activities and some supporting activities directly related to a proposed Competitive Grant project may be counted if expended **on or after July 1, 2005**. **Non-local match** for design and construction activities directly related to a proposed Competitive Grant project may be counted if expended **on or after July 1, 2006**.

COMPETITIVE GRANT CITIZEN PARTICIPATION

VCDBG Citizen Participation Plan

The VCDBG Citizen Participation Plan is included in **APPENDIX B**. This Plan includes important information on public notification of and participation in the preparation of a Competitive Grant proposal.

READ THIS PLAN IMMEDIATELY. FAILURE TO ADHERE TO THE REQUIREMENTS OF THIS PLAN, PARTICULARLY THE PUBLIC HEARING REQUIREMENTS, MAY RESULT IN DISQUALIFICATION OF A COMPETITIVE GRANT PROPOSAL.

Public Hearing Advertisements

Model Advertisement – First Public Hearing

(Locality) will hold a public hearing on (date) at (time) at (location) to solicit public input on local community development and housing needs in relation to Community Development Block Grant (CDBG) funding for a project in our community.

Information on the amount of funding available, the requirements on benefit to low- and moderate-income persons, eligible activities, and plans to minimize displacement and provide displacement assistance as necessary will be available. Citizens will also be given the opportunity to comment on (locality's) past use of CDBG funds. All interested citizens are urged to attend. For additional information, contact (local contact name and information).

Complaints and grievances can be submitted in writing to (locality) at (address) or by phone at (phone number and TDD number) until (cut-off date).

If you plan to attend and have any special needs requirements, please call the number listed above.

Model Advertisement – Second Public Hearing

(Locality) will hold a public hearing on (date) at (time) at (location) to solicit public input on the proposed Community Development Block Grant (CDBG) proposal to be submitted to the Virginia Department of Housing and Community Development for (project name). The (project name) proposal will include the following activities (list activities). Residents of the project area are encouraged to attend.

The draft CDBG proposal will be presented for comment along with information on projected beneficiaries, including the number of low- and moderate-income residents to benefit from the proposed project, and plans to minimize displacement. Citizens will also be given the opportunity to comment on (locality's) past use of CDBG funds. A fact sheet on the proposed project and the draft proposal is available at (location). For additional information, contact (local contact name and information).

Complaints and grievances can be submitted in writing to (locality) at (address) or by phone at (phone number and TDD number) until (cut-off date).

If you plan to attend and have any special needs requirements, please call the number listed above.

Citizen Participation Documentation

All Competitive Grant proposals must include the Citizen Participation Assurances and Certification as found in **Section III – Forms and Certifications, page 93**. This document must be executed by the Chief Administrative Official of the locality (or each locality participating in a Regional project). Copies with original signatures must be included in the original copy of the proposal. Photocopies must be included in other copies of the proposal. This document must be inserted in **ATTACHMENT # 7**.

Copies of Public Hearing advertisements must be included in the proposal with this Certification. Original clippings of these advertisements must be included in the original copy of the proposal.

Photocopies must be included in other copies of the proposal. These copies must be inserted in **ATTACHMENT # 7**.

PROPOSAL EVALUATION CRITERIA

All Competitive Grant proposals will be competitively evaluated in one selection process. Proposals will be evaluated using the following criteria:

Composite Fiscal Stress

The relative fiscal stress of the local governments submitting proposals is derived from the most recent Composite Fiscal Stress Index Scores table generated by the Virginia Commission on Local Government.

Regional Priorities

A proposal's relationship to the project priorities annually established by each Planning District Commission will be evaluated for this item.

Project Needs and Outcomes

This item considers the needs the proposed project will address, evaluates the relationship of the project activities to underlying needs, and assesses the likelihood these activities will be carried out in a timely fashion to both meet these needs and have measurable long-term impact on the community.

Readiness and Capacity

This item considers whether the applicant demonstrates that adequate resources and personnel will be committed to a project and demonstrates

that it has the political will and sense of urgency to implement the project in the near future. This item looks beyond whether a project is needed to determine if it is, in fact, a high priority for the applicant. This item will also examine whether an applicant has taken appropriate measures to get ready to implement a project's products and / or has demonstrated an understanding of what needs to be done to ready for implementation.

Costs and Commitment

This item considers whether project costs are reasonable and supportable and the level of financial participation in project activities offered by local and other non-CDBG resources.

Meeting a National Objective

This item considers the extent to which a project will benefit low- and moderate-income persons or result in the elimination of slums and blighting conditions.

Proposals will be scored on a scale of 1000 points with each of the above items having a point value. Depending on the number and type of proposals received, proposals may be grouped with other proposals targeting similar community development needs for initial scoring. Following initial scoring, proposal groupings will be eliminated and all proposals will receive a final evaluation.

Proposals will be ranked based on scoring with the highest scoring proposal receiving the highest ranking. Grant offers will be made to local governments which submitted the highest-ranking proposals to the extent of the approximately \$12,890,953 available. *Please note that this amount will be reduced at the time funding decisions are made for the Competitive Round to provide funds for previously awarded multi-year projects that will be positioned to move into their second phase of implementation.*

DHCD RESERVES THE RIGHT TO MODIFY THE EVALUATION CRITERIA.

**2007
COMPETITIVE GRANT**

**REQUEST
FOR
PROPOSALS**

**SECTION II
PROPOSAL FORMAT AND INSTRUCTIONS**

COMPETITIVE GRANT PROPOSAL FORMAT

Cover Sheet

All proposals must include a complete Cover Sheet. The Proposal Summary, Financial Summary, Common Proposal Elements, Project Type Proposal Elements, and Attachments are to be affixed to this Sheet.

Applicant

Provide the name of the applying unit of local government. A listing of eligible applicants is included in the APPENDIX A. If this is a Regional application, enter the name of the lead applicant (only one locality may be listed as the official lead applicant).

Local Government

Address/Contact Person

Provide the mailing address of the applicant locality. Provide the name and phone number of a person who can provide additional information about the proposal, PREFERABLY the person who prepared the proposal. Also provide the name and phone number of the Chief Administrative Officer.

Chief Elected Official

Provide the name of the Chief Elected Official (CEO) of the applicant locality.

Project Name

Provide the local name and /or applicant's title for the project which reflects either its physical location and project type or purpose (i.e., Lowground Road Housing Rehabilitation Project), or

its service area and project type or purpose (i.e., Severn Business Incubator Project or Petsworth Workforce Training Center Project).

Project Type

Identify the proposal's project type. It must be one of the following: Comprehensive Community Development, Economic Development, Housing, Community Facility, or Community Service Facility.

Project Description

PLEASE COMPLETE THIS SECTION AFTER COMPLETING THE CORE PROPOSAL. This description should identify the location of the proposed project, should include a summary of the products / activities to be completed, including sizes and quantities, and the level of benefit to be provided. This benefit level should be expressed in either number of total and LMI persons served and/or percentage of blight eliminated. An example:

The City will improve the Dovetown neighborhood through construction of approximately 4,000 linear feet of eight-inch water line, rehabilitation of 12 owner-occupied and four investor-owned housing units, substantial reconstruction of four housing units, demolition of four dilapidated structures, and clearance of debris and inoperable vehicles. This project will benefit 70 persons, 55 of whom are low- and moderate-income.

Project Cost

List the sources of funding in the project in terms of the categories shown. These sources should be the same as those shown in the **SOURCES BUDGET**.

Non-Local

Non-VCDBG funding expended on or after **July 1, 2006** for design and construction activities directly related to the project MAY be counted for leveraging, but will not be reimbursed.

Local

Non-VCDBG funding (actual or in-kind) for design and construction activities and some supporting activities directly related to the project MAY be counted for leveraging, if expended on or after **July 1, 2005**.

Active CDBG Projects

List all active, open CDBG projects, along with the year the contract was awarded and the total dollar amount. Refer to pages 3-4 for a description of DHCD's CDBG multi-contract limitations. List multi-year projects, including phases that are not yet under contract.

Please note: In cases where project activities will encompass two or more localities, at least 65% of the project funds must be spent in the locality that is applying for assistance. CDBG funds will be attributed to each participating locality based on the proposed activities, and each locality will be held to the \$2.5 million limit on open CDBG contracts.

National Objectives

Provide a description of which National Objective (LMI benefit, prevention and/or elimination of slums/blight, or urgent community need) is being met by the proposed project activities, along with the dollar amount that can be attributed to the specific Objectives.

Population

Specify the population of the applicant locality.

Preparer

Provide the name and phone of the person who actually prepared this application.

Affirmation Statements

The first statement provides an assurance that the applicant is currently eligible to receive the full amount of the CDBG funding being requested per the multi-contract limitations, and that the applicant will not have more than \$2.5 million in open, active CDBG grants. The second statement affirms that the applicant will ensure that all responsible parties will attend any mandatory DHCD-sponsored trainings, to include the Construction Management and Grants Management workshops, and to provide representation at all management team meetings. Both statements must be checked.

Certification and Signature:

Provide the name, title, and signature of the Chief Administrative Officer of the applicant. This statement certifies that the proposal and attachments are true and correct, that the proposal has been authorized by the governing body of the locality, and that it has been submitted

for Planning District Commission review. This signature also attests to the two affirmative statements above. For Regional proposals, this box should be completed by each participant. A Local Government Resolution must be included in **ATTACHMENT # 7**.

Proposal Summary

All proposals must include the Proposal Summary pages. This section is to be included behind the Cover Sheet, but in front of the Financial Summary, Common Proposal Elements, Project Type Proposal Elements, and Attachments sections.

National Objective – Low- and Moderate-Income Benefit

PART I

ALL PROPOSALS TARGETING BENEFIT TO LOW- AND MODERATE-INCOME PERSONS MUST COMPLETE THE FIRST PART. Most VCDBG projects involve the provision of services to predominantly LMI beneficiaries within a geographic service area. Surveys provide evidence of LMI status and indicate potential for LMI benefit. Summarize the survey results here. Although surveying is recommended for service area projects such as Community Service Facilities, if surveys are not completed for this type of project, an applicant still must complete the first few elements of this part to let DHCD know of the number of people in the service area. It is possible that these figures may be derived from census data, but, again, surveying is recommended. The survey script, survey sample, and results should be included in **ATTACHMENT # 4.**

PART II

The second part is for Comprehensive, Community Facility, Housing, and certain Economic Development projects

and any other targeting LMI benefit to a clearly-defined project area. Specify the number of people and households, both total and LMI, to be served through any of the specified products. For projects with products which are not specified here, but through which significant benefits will be provided, an applicant should feel free to modify this table to specify this other product.

PART III

The third part is for Community Service Facility and other projects targeting LMI benefit in a broad service area. Specify the number of people and households, both total and LMI, to be served through any of the specified services. Only count those persons who receive a measurable change through critical services, not passive benefits from recreation activities, general training, lectures, and the like. Provide the number of unduplicated benefits anticipated in any one year period.

Compliance Charts

These charts capturing demographic information on race, ethnicity, and households must be completed for all comprehensive community development, housing, and community facility projects. Provide information for both the locality as a whole and the project area selected for project benefits.

National Objective – Slum and Blight Elimination

This item has two parts. Complete **both** parts for all projects meeting the national objective of eliminating slums and blight.

PART I

In the first part, identify the structure type and number of structures in the

project area. Indicate the number of occupied / unoccupied and blighted structures, and percentage of blighted structures by type.

In order to be eligible for construction funding, applicants must demonstrate that at least 25 percent of the properties in the potential project area are physically blighted or have at least a 50% vacancy rate (see pages 37-38 of the VCDBG Program Design).

Answer a series of questions regarding the assessment of physical and economic features within the project area and linkage of this project to Section 36-49 of the Code of Virginia. Information on the assessment methodology and copies of assessment tools must be included in **ATTACHMENT # 4**. Provide 3 copies of a Master Plan or similar document with proposal copies. Include other documents in **ATTACHMENT #5**. Acknowledge Section 36-49 of the Code of Virginia and the locality's willingness to undertake blight removal in accordance with the Code in the Resolution in **ATTACHMENT # 7**.

Applicants that have a Slum and Blight project **MUST** complete the Slum and Blight Elimination Chart and the Blight Assessment questions. Failure to complete this information will significantly impact the project evaluation.

Additional narrative responses to these items may be included in the **Project Type Proposal Elements** section.

Census Information

List the local census place or county code, census tract number, and census

block or block group numbers. All tracts and blocks involved in the project should be included. If more than one tract is involved, provide block or block group numbers for each census tract. If the service area is jurisdiction-wide, list only the place or county code. Provide the most detailed level of information possible. If all of the blocks in a block group are included, list only the number of the block group. A Census block is a three-digit number appearing on Census maps generally indicating land bounded by streets. The Census block group is a one-digit number indicating a group of blocks all beginning with the same number.

Common Proposal Elements

All proposals must include detailed responses to each of the following items. Responses must be organized in paragraphs, charts, and tables under the title of each of these items. Appropriate spacing and breaks must be inserted between items to eliminate cluttering and confusion. Responses to the Common Proposal Elements should be attached behind (1) Cover Sheet (2) Proposal Summary, and (3) Financial Summary sections and in front of Project Type Proposal Elements and Attachments.

Project / Service Area

Describe the geographic area in which project activities will occur. Identify the specific area boundaries, whether streets, natural features, or locality or regional boundaries. What makes it distinct? Include information about its physical features, land use patterns, availability / condition of infrastructure, density, demographics, and so on. Maps of the project or service area must be included in ATTACHMENT # 3.

Project Needs / Opportunities and Demand

Applicants must prepare a response which addresses each of the four questions shown below. Responses to ALL of these questions should be limited, in sum, to two typed pages or less.

Where does this project fit within the locality's overall community development needs?

BRIEFLY discuss the locality's overall community development needs, including housing, infrastructure, and economic development. Where does this project fit? Why is it a priority at this time? What is the locality's plan for handling other identified needs outside of this project?

What is the need / opportunity associated with this project?

Specify and quantify the needs related to this project. Specificity and quantification punctuate the severity of the identified needs and provide initial measures for judging ultimate project outcome. A brief example follows:

The recently annexed area of North Enterprise, bounded by Route 601, the N&W tracts and Mason Creek, is the only area in Enterprise Town not served by public utilities. A 2006 survey revealed that: 1) 20 out of 45 houses had frequent septic failure, 2) 10 homes experienced fecal coliform contamination of wells, and 3) 4 homes do not have indoor plumbing.

How were the project needs identified and quantified?

List and describe the investigations and assessments that were performed to determine the quantified needs requested under the preceding section. Was a neighborhood needs assessment completed for this project? Was a survey completed? Were housing inspections completed? Was a Preliminary Engineering Report completed? If secondary data was used, what are the sources? How were the quantities requested above determined for this project? When were these assessments and investigations completed? Did you carryout a Planning

Grant contract with DHCD for this project? If so, were all requirements met? Has the contact been closed?

How are stakeholders involved in this project and do they demand a solution?

Detail how project area residents or project stakeholders were involved in the determination of the needs requested under the section above. Do these stakeholders concur with the identified needs and do they support this proposal as part of a “fix” for these needs? Do they DEMAND that this project continue? How is this demand confirmed? Describe the level of activity the stakeholders have exhibited in this project.

Project Products

In concise terms, describe the actions or activities to be undertaken during this project to resolve the identified needs. Use these to complete the Project Description on the Cover Sheet and make sure these are consistent with the products and line items from the **PROJECT BUDGET**. Examples include:

- *Installation of 4,800 linear feet of 6-inch water line.*
- *Installation of 9,000 linear feet of 8-inch gravity sewer line.*
- *Provision of indoor plumbing facilities to 4 homes which will also be improved to DHCD Housing Quality Standards.*
- *Acquisition and clearance of 2 abandoned, blighted structures.*
- *Issuance of 8 business loans to eligible entrepreneurs.*
- *Adaptive reuse of 4,000 SF structure as an adult day care center serving 20 persons.*

Project Outcomes

In concise terms, describe the measured results from the identified products or activities. Outcomes are the long-term benefits of the project. The decision to invest scarce CDBG funding will not be made solely on an applicant’s ability to identify needs and develop solutions for these needs. An applicant must demonstrate that a project will have a long-term benefit for community residents and the overall locality. For business district revitalization projects, describe how the completion of physical improvements / activities (facades, streetscapes, business loans, etc…) will contribute to the long-term elimination of economic blight. Examples of outcomes include:

- *All 25 households have potable water.*
- *All 14 houses have improved access to public facilities..*
- *All 5 severely blighted buildings have been removed.*
- *8 persons made financially self-sufficient having started small businesses.*
- *Property values have increased 5 percent.*
- *Affordability has been improved through the creation 8 affordable housing units.*

For business district revitalization projects, summarize projected outcomes noted in the applicant’s economic restructuring plan.

Capacity

THIS IS A CRITICAL ITEM. Provide the names and profiles of the individuals who will be responsible for implementing the project. Provide the

name, capability, and role of the individual with the greatest day-to-day project responsibility first, followed by information on the person with the next highest level of responsibility, and continue until all relevant individuals have been identified. If professional assistance is required to complete this project and this assistance has not yet been procured, please indicate which type and level of assistance is needed and when this assistance will be procured. Describe the experience of the locality and responsible parties in VCDBG-funded projects. Describe the role of project area stakeholders or stakeholder organizations in the implementation of the project. Provide assurances that administration of existing housing programs will not be adversely affected by award of this grant.

Readiness

THIS IS A CRITICAL ITEM. Provide evidence that the locality is aware of the community development needs and has the political will to address these needs to the fullest extent possible. Describe why the targeted project is viewed as a necessity by the locality. Describe the activities undertaken prior to this attempt at VCDBG funding to identify and address community development needs in the target area. What steps need to be taken before VCDBG Competitive Grant funding can be expended? Have all regulatory issues been addressed? Have all user agreements and other demand documents been completed? Has final design work been started? Have acquisition activities been started? What environmental review steps have been completed? For applicant's using an Environmental Review completed for another entity (such as Rural

Development) does this adequately include and represent the VCDBG activities? Have all necessary environmental notices been published? If all letters have been sent out under your Environmental Review process notifying all pertinent agencies, please provide copies in **ATTACHMENT #4**. If a Finding of No Significant Impact has been published, please provide documentation to include a copy of the published notice showing the date of publication in **ATTACHMENT #4**. Where steps to **START** a project have not yet been taken, identify the steps that need to be taken in the near future. Provide adequate evidence that the project can start **CONSTRUCTION** (or implementation for a non-construction project) by April of 2008 (assuming contract execution by October 2007). If construction **CANNOT** be started by April of 2008, please specify what can be done by April of 2008 to start the proposed project **AND** specify the date by which construction can start (July 2008?, October 2008?, or later?). Detail any efforts at organizing the management of this project which have been undertaken and the status of such organizational activities at the time of proposal submittal. What difficulties and complexities are foreseen in the management and implementation of this project? How will these difficulties and complexities be addressed?

Project Type Proposal Elements

All Competitive Grant proposals must target at least one project type.

Proposals targeting a single project type must include BRIEF responses to items listed under that project type name in the following pages.

Proposals targeting multiple project types must include detailed responses to items listed under each of the related project types.

Responses must be organized in paragraphs, charts, and tables under, first, the project type name, and, second, the item title. Appropriate spacing and breaks must be inserted between items to eliminate cluttering and confusion. Responses to the Project Type Proposal Elements should be attached behind the Cover Sheet, Proposal Summary, Financial Summary, and Common Proposal Elements sections and in front of the Attachments. Again, these elements are, depending on project type, required IN ADDITION TO the preceding elements.

Comprehensive Community Development

All Comprehensive Community Development proposals must include complete responses to items in this section as well as complete responses to items in all sections which represent SIGNIFICANT activities in the project (see pages 12-13). *Remember to complete the appropriate tables for other sections as necessary.* If a particular activity is MINOR (such as a

small number of incidental water and sewer connections), the proposal does not have to include responses to the items in the related section. When in doubt about whether an activity is MINOR or SIGNIFICANT, include a response.

DHCD requires the preparation of a comprehensive Needs Assessment in order to be eligible to apply for a Comprehensive Community Development project. This document should be attached to the proposal and it should **AT A MINIMUM** provide the information shown in **APPENDIX F**. It is recommended that the needs assessment be in the form of a narrative that includes information from surveys, public / stakeholder meetings, PERs, and project area site review by professional engineers and planners, and others. **APPENDIX F** is provided to provide an *outline* of the types of information needed to fulfill this eligibility requirement. Applicants should not consider the completion of this form as the equivalent of a needs assessment. A survey of project area residents does not fulfill the needs assessment requirement. **ATTACH A COPY OF THE NEEDS ASSESSMENT IN ATTACHMENT #5.**

RESPOND TO THE FOLLOWING FOR THIS TYPE OF PROJECT:

Project Results

Comprehensive Community Development projects are required to correct the water, sewer, and housing deficiencies in the project area (using CDBG AND non-CDBG funding). Other needs must also be addressed where applicable. The needs and products for Comprehensive projects are

to be expressed in the Common Proposal Elements section of the proposal. Regarding the project area needs and products, tell briefly which needs will be 100% corrected and what this will mean to the neighborhood. Where identified needs will not be completely (100%) corrected, provide a brief explanation.

Project Area Selection

Describe how this neighborhood or area was selected over other neighborhoods and areas in the locality. Explain why it has the boundaries shown on the project area map. What type of selection PROCESS was used? Was a jurisdiction-wide study performed to reveal areas with relatively serious community development needs? Is the area traditionally recognized as a neglected or deteriorated community? What considerations were included in the delineation of the project area borders? Include any additional relevant information in **ATTACHMENT #5**.

Street Improvements

Comprehensive Community Development applicants with projects involving street improvements are required to show evidence that specific street sections were targeted for improvement through a client-based Needs Assessment, that the targeted sections are not built to VDOT or community standards and are not part of a current maintenance system, that all higher priority needs will be addressed in a project, and that no other funding sources exist for construction of these street improvements. Indicate whether the project includes street improvements. If street improvements will be included, explain how these will be implemented and provide evidence that the any improved streets will be taken into the

state maintenance system (adopted by VDOT). If the street cannot be adopted into the VDOT system, include documentation outlining why. If CDBG funding is targeted for these improvements, explain why.

Resident Involvement

Briefly describe how the neighborhood organization or advisory committee AND neighborhood residents will be involved in all phases of project implementation. Briefly describe the role the community has agreed to take on after the improvements are made in order to maintain the benefits provided. Also describe any additional neighborhood improvement activities which the community might subsequently undertake to ensure continued participation and communication.

Please note that per the 2007 Program Design, the VCDBG investment for the installation or improvement of water / wastewater services for Comprehensive Community Development projects may not exceed an average of \$15,000 per household.

Economic Development – Job Creation and Retention

Projects assisting a basic industry should be submitted through the open submission, Community Economic Development Fund. Projects that will benefit a commercial enterprise, sheltered-workshop, or other non-basic industry must be submitted as a Competitive Economic Development project.

RESPOND TO THE FOLLOWING FOR THIS TYPE OF PROJECT:

Industry Information

Identify the business or businesses to be assisted under this project. Give the full business name, its mailing address, its phone and facsimile numbers, and, if applicable, its SIC code number.

Describe the business activities of the each of the businesses listed. If the assisted business has diverse activities, disclose all of these activities and provide details on the activities which will occur at the facility to be assisted under this project. **APPLICANTS MUST INCLUDE INFORMATION ON THE AMOUNT AND TYPE OF INVESTMENT TO BE PROVIDED LOCALLY BY THE ASSISTED BUSINESSES.** Include, also, information on employment levels and business activities at other facilities in Virginia. Provide, in **ATTACHMENT #5**, an Industry Commitment Letter which includes the information specified on here and on pages 59-67 of the **2007 VCDBG Program Design**.

Job Summary

Disclose the number of total jobs, full-time jobs, and part-time jobs to be

created or retained by the business at the assisted facility. Identify the number and percentage of jobs targeted for LMI persons. **THE PERCENTAGE MUST EXCEED 51%.** Complete the equation following the table. **VCDBG ASSISTANCE IS GENERALLY LIMITED TO \$10,000 PER JOB.** Provide the CDBG assistance per job figure by dividing the total amount of CDBG funding requested for the project by the total number of full-time jobs to be created. When making this calculation, use full-time equivalencies (FTE). This means only a full-time job is given the value of one job, a part-time job is given the value of one-half of one job. For example, 30 full-time and 20 part-time jobs equal 40 FTE jobs, *not* 50. For job retention projects, these numbers should reflect the actual job levels at the assisted facility, including the actual number of LMI persons employed.

Describe the categories of jobs to be created and indicate the number for each type. The skill level and hiring requirements for each category of job and approximate wage/salary levels for these jobs must be discussed as well as the benefits (insurance, medical) to be provided.

Keep in mind that job creation must occur within 2 years of the date of the completion of the private investment. Additionally, the documentation of job creation, including jobs to LMI persons, may not conclude until the completion of the CDBG-funded construction activity or the achievement of the total job creation and 51% LMI benefit, as agreed to in the executed Industry Agreement, whichever is later.

Quality of Benefit

Discuss the low- and moderate-income benefit of this project. Will it be solely quantitative wherein the 51% benefit requirement is that which guides the project? Will it also be qualitative where pay rates may potentially make LMI persons ultimately non-LMI, where crucial job skills are being taught, or where unique benefits are being offered? Will educational attainment beyond high school be required? Will special skills be required?

Targeting Activities

What efforts will be made to ensure that 51% of the jobs are available to or held by LMI individuals? Indicate whether or not the assisted business will use the Virginia Employment Commission or the equivalent for recruitment or direct job advertisements to LMI persons. Will any other targeting activities occur? Detail the targeting and intake activities associated with this project.

Training Activities

Indicate whether or not the assisted business will provide job training. If job training will not be provided by the business, please indicate whether qualifications sought include any education or skills beyond those normally acquired through a high school education. If additional skills are necessary, will the assisted business handle the costs of this additional training? Are there any other local entities that will assist with training, such as local adult education programs, technical schools, or community colleges? Detail the training activities associated with this project.

Need For VCDBG Investment

Discuss the need for VCDBG funding for this project. Are there no other sources of funding for the targeted improvements? Are there no local funds available? Are the improvements of a scope and scale consistent with the stated needs of the business? **IF ON-SITE IMPROVEMENTS ARE DESIRED, AN APPROPRIATE DETERMINATION PACKAGE MUST BE SUBMITTED TO DHCD BY FEBRUARY 17, 2007.**

Private investment must occur within 2 years of the commencement date of the CDBG contract between DHCD and the locality.

Impact on the Community

Aside from the creation of jobs, what impact will the proposed project have on the community as a whole? How will it impact businesses currently located in the community? Will the project contribute to these businesses or will it detract from their ability to remain in business? Will the proposed project create jobs that are of high quality that provide future growth and training for local citizens? How will the proposed project contribute to current land use and development patterns?

Economic Development – Business District Revitalization

Under this option, an applicant may target the revitalization of a downtown or other commercial district. An applicant must clearly delineate the boundaries of its district and provide its rationale for this delineation.

Boundaries are commonly delineated using both physical considerations, such as where land uses transition from commercial to residential and where a river or railroad run adjacent to an area, and social considerations, such as public perceptions of boundaries. See also pages 15 and 65.

Important Changes Adopted in 2005, Continuing for Program Year 2007

Because thorough preparation for BDR construction projects is necessary to ensure the desired community outcome of improved overall economic vitality, DHCD is continuing a phased approach for this project type. It often takes a number of years of appropriate planning and development efforts for these projects to be successful and the following process is designed to recognize and accommodate this.

Through this process, applicants will undertake activities which are designed to identify opportunities to improve the economic and physical conditions within the community. A key outcome of this process will be the development of an *Economic Restructuring Plan* that will identify the means by which the locality can implement economic improvement strategies that will help ensure the long-term sustainability of the community, particularly the downtown business district.

In order to be eligible for construction funding, applicants must demonstrate that at least 25 percent of the properties in the potential project area are physically blighted or have at least a 50% vacancy rate.

Applicants must demonstrate that business district revitalization is the **highest** community development need. Applicants must provide an analysis of housing and other community needs, how these needs have been addressed, and how any remaining unmet needs will be handled.

Business District Revitalization Planning Grants and Construction Projects

A locality may apply for up to \$700,000 to carry out the final design and construction / implementation activities. If a Business District Revitalization project will also include activities such as downtown housing, job creation, establishing a loan pool, or other economic revitalization efforts, and / or business district amenities, the locality may request up to \$1,000,000 in total funding (with the **PRIOR** concurrence of DHCD).

Funding for the activities where there are major concentrations of blighted properties (beautification efforts, decorative sidewalks, installation of benches, gateways, signage, overhead relocation, etc...) would be released on a performance basis once the physical and economic blighting elimination activities have been underway and moving toward completion. DHCD reserves the right to offer a construction contract as a multi-year contract. Offer of funding in the out years would be based on satisfactory performance. Multi-year funded projects will be phased and implemented based on the prioritization of scheduled activities.

General Guidelines

An active downtown organization, that generally follows the Main Street principles, must be in place in order to continue with VCDBG funding.

VCDBG funds cannot be utilized for the maintenance of revitalization efforts through business development assistance, marketing, infrastructure maintenance and improvements, or continuance of general Main Street approach.

Applicants must identify all elements of physical and economic blight within the defined business district:

Physical Blight

The deteriorated conditions or states of disrepair of district infrastructure, buildings, and other physical elements which detracts from the overall appearance and identity of the district and, in turn, depress property values and the ability to market and attract investment.

Economic blight

The existence of vacant, disinvested, or underutilized buildings and parcels which represent unrealized commercial potential and project a negative image that harms efforts to attract new investment.

Applicants must have in place an *Economic Restructuring Plan* to help ensure the long-term success and viability of the project. This plan must include clear-cut steps for implementing recommended strategies. Activities necessary to implement the Plan, such as the completion of design

elements and / or branding / marketing efforts are eligible costs under this project type. Not more than five percent of the VCDBG funding may be utilized for this purpose.

Applicants must address all blighting conditions (physical AND economic) using VCDBG funding and other resources pursuant to the track the locality has chosen. VCDBG funding targeted for real property acquisition and demolition or transformation must be linked to the designation of a Redevelopment or Conservation area under Virginia law (see Appendix C under **Community Development Block Grant (CDBG) National Objectives**).

Demolition of buildings should be programmed only as a last resort. Efforts should be made to minimize the displacement of residents and businesses.

All revitalization activities must include significant participation by district stakeholders, including property owners, business owners, local government officials, and concerned citizens. This participation should follow a modified Main Street approach to business district revitalization. Potential applicants should contact the Department for additional information on this approach. This participation should, in part, lead to the development of a Revitalization Plan. Specific requirements to

ensure continued participation include:

- Requirement that grantee enact and enforce an ordinance that requires all buildings improvements from the time of the grant forward to be done in a manner consistent with established design guidelines. The ordinance must be in effect for a minimum of ten (10) years. Once this ordinance is in effect, DHCD will fund development of design guidelines. DHCD will allow up to \$15,000 or 5% of the CDBG-funded construction budget for façade improvements, whichever is less, to be used to develop design guidelines for the downtown district.
- Grantee must adopt minimum design and maintenance standards (building or property code standards may be acceptable) for those not willing to participate. These standards must be approved by DHCD and must be enforced for a minimum of ten years.
- Commitment to a redevelopment plan which gives the locality the authority to take and condemn blighted properties if the property owners do not commit to participate.

VCDBG funding may be targeted for implementation of other elements of a Revitalization Plan, including providing support for a business district organization, for

marketing efforts to secure private investments, and for minimal cosmetic improvements to non-blighted elements. Entrepreneurship development activities are eligible as an addition to Business District Revitalization projects. See Entrepreneurship Development on page 54 of the **2007 VCDBG Program Design**.

PLEASE RESPOND TO THE FOLLOWING FOR BUSINESS DISTRICT REVITALIZATION PROJECTS:

Evaluative Efforts

Discuss the efforts undertaken to assess the physical and economic needs of the focus area or site. What types of assessments were completed for the project area? For example, full economic assessments, market analysis, comprehensive evaluations of all physical structures, preliminary engineering reports, long-term plans or studies, etc.

Describe:

- How all physical elements were evaluated.
- What professional assistance was available.
- What parties were involved and/or responsible for conducting said assessments.
- How stakeholders were involved.
- What roles they served.
- How they were notified of opportunities to become involved.
- Any focus meetings that were held. Include number of attendees and what interest they represented.
- Any visioning meetings that were held. Include number of attendees

and what interest they represented. Include summary reports and how results were communicated back to the community.

- Plans or studies prepared.
- How the proposed project furthers the goals/objectives of existing plans.

Include documentation from the evaluation process, including copies of plans and studies, in **ATTACHMENT #5** in each proposal copy. If a Master Plan or similarly large document was developed, submit three bound copies and acknowledge submission under separate cover in **ATTACHMENT #5**.

Local Vision

Clearly state the vision for the business district. What is the vision for the community at-large? How does the vision for the business district fit within the vision for the larger community? Is there local consensus on the vision for five years from now? Twenty years from now? If so, describe this community vision and explain the process by which this consensus was reached and who was involved. Were public visioning sessions conducted and if so, how were they advertised and who facilitated? How well-attended were any visioning / input / assessment sessions. Explain how this project brings that vision closer to reality. Who are members of the management team? How active is the management team? How often do they meet and do all members participate? Is this team representative of all stakeholders? What is the current economic base of the locality and what is envisioned as the new economic anchor? Is this new economic base supported by the vision for the locality?

Priority of Needs

Based on the above-referenced evaluations and the resulting proposed project activities, why were the selected activities made a priority for CDBG investment versus other possible activities?

- How will the selected activities directly contribute to enhancing the economic environment?
- How will property values be increased as a result of the activities?
- How will private investment be leveraged?
- How will new businesses be created?
- What other sources of funding will be utilized?

What process was used to determine that a business district revitalization project is the highest community need? Has the locality utilized CDBG funds for other community needs; specifically, address whether housing projects have been carried out using CDBG funds. If other community needs have been identified, what is the plan for addressing them?

Comprehensiveness of Removal

Discuss the comprehensiveness of the blight removal efforts in this project. How will this project address all blighting influences in the project area? What steps will the local government take to ensure removal of all blight? Create a chart that lists all blighted structures by address and all blighted open or vacant spaces. Indicate how the space or structure is currently used (i.e., vacant, retail business, parking lot, etc.) and how the blight will be removed from that space or structure (façade program, owner funds, acquisition and demolition by locality, demolition by private owner, etc).

Acquisition

Describe the real property acquisition activities in this project. Specify the parcels or properties targeted and the extent to which the owner has been made aware of the wish to purchase. Will acquisition occur in order to accomplish blight removal? How were these properties targeted? Discuss the availability of the targeted properties and the willingness and commitment of current owners to participate in the project. Describe the process used to establish the fair market value.

Demolition / Clearance

Describe the demolition and clearance activities which will occur during this project. Identify the structures or features targeted for demolition.

- Why were these items targeted?
- Will demolition occur due to the severity of deterioration?
- What is the historic or cultural significance of the demolition targets?
- Is demolition the last resort?
- Has the Department of Historic Resources been contacted? What was their response?

Disposition

Discuss the end uses of the real property to be acquired during this project.

- Will such property be targeted for passive or active uses?
- What improvements will be made?
- Will the new uses meet a National Objective? If so, how?
- What are the proposed uses?
- Will any properties be resold?

Area Determination

The CDBG regulations require that blight removal activities occur in an area designated as blighted under state law. Virginia's law governing blighted area determination is found in Title 36, Article 7 of the Code of Virginia. A core provision of Virginia's law is the ability to exercise powers of eminent domain, typically through Redevelopment and Housing Authorities. In most VCDBG-funded blight removal projects, funding is targeted for property acquisition in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. This Act requires acquisition at the fair market value of a property. In VCDBG-funded blight removal projects involving acquisition, where such acquisition is to be completed using the Uniform Act, a locality need not formally create a Redevelopment or Conservation Area prior to submitting a proposal. These localities must, however, exhibit a knowledge of Title 36, Article 7 and provide evidence of local political will to develop and implement such a plan if required during implementation.

Discuss the locality's awareness of Title 36, Article 7 of the Code of Virginia. Identify any contact the locality has had with a Redevelopment and Housing Authority in Virginia to obtain its services in implementation of a Redevelopment Plan or Conservation Plan if one need be developed in the future. Is there local political will to, if necessary, adopt a Redevelopment or Conservation Plan and execute an agreement with a Virginia Redevelopment and Housing Authority to carry it out?

In addition to this response, include statements in the Local Government Resolution in **ATTACHMENT # 7** which state “whereas (locality) acknowledges the provisions of Title 36, Article 7 of the Code of Virginia “ and “ whereas (locality) will develop and implement a Redevelopment or Conservation plan in accordance with the Code of Virginia if deemed necessary in the implementation of the VCDBG project”.

Regulatory Concerns

Discuss any regulatory, environmental, historical or similarly physical obstacles which may exist towards implementation of this project. For example, are street enhancements or realignment plans being considered? Will the removal of toxic substances require some statutory monitoring period? Has the Department of Historic Resources been contacted to discuss potential impacts on structures within the project area? If so, provide copies of correspondence in **ATTACHMENT #4**. Describe the status of any ongoing negotiation with Historic Resources.

Relocation / Displacement

Identify the residents or businesses which may be displaced during this project.

- Which of these will be permanently relocated?
- Will relocation assistance be provided?
- Why is displacement and/or relocation required?

Locality Actions

Describe any actions taken heretofore by the local government or group of

stakeholders to address the identified needs in the project area.

- How has the local government adopted and enforced appropriate building and maintenance codes?
- Have stakeholder groups or the local government sponsored/hosted activities to encourage increased foot traffic in the central business district?
- Have tax incentives or other incentives been approved or offered to encourage business development?

Do not limit your response to the above three questions.

Incentives For Private Participation

Describe any incentives for private participation or investment in this project.

- How will financial incentives be made available for physical or business improvements?
- Using the **Business Participation Chart**, list all business that will participate in a blight removal / façade program, including the address, business name, owner, and amount of investment (match and proposed-DHCD amount). Include signed commitment letters from business owners. **NOTE – Letters MUST be signed in order to count as leveraged funds.** In this chart, number the Signed Agreements and the Participating Businesses.
- How will any training or organizational efforts be made to assist businesses in working together and/or improving individual operations?

Stakeholder Participation

Discuss the stakeholder participation during the assessment and planning process.

- Was a stakeholder organization developed?
- Did one already exist?
- What segments of the local community were represented in this organization? Discuss the stakeholder participation anticipated during project implementation and beyond.
- Will the organization change?
- How substantial will this participation be in carrying out project activities and restarting project progress following interruptions?
- Include documentation to demonstrate how active this organization has been.

Community Economic Restructuring / Revitalization Plan

The development of an economic restructuring plan is critical to the long-term success and this element will be a factor in the review process. Discuss the plan for business renewal and development in the target area.

Describe how this plan takes into account the historical and current economic conditions of the locality and the region. Describe how the plan views the likely future potential for the locality based on the best predictions for economic growth given the strategies set for plan. Describe how the locality will look, feel, and fit into the future regional economic conditions by carrying out the specific strategies in the plan.

In your responses, be sure to specifically address the following:

- Does the locality have an economic development strategic plan for the locality as a whole? For the project area?
- What are the main assets (historical, cultural, natural, geographic, and so forth) of the community and how will these assets be utilized? Clearly list these assets and how they were identified?
- What are the key elements of this plan? Summarize the main components in the narrative of the proposal and provide 3 copies of the supporting document.
- Who are the main competitors to the business district (major retail establishments outside of the area, other nearby communities)? How will the business district position itself to compete? What are the unique goods, services, amenities, or other attractions offered by the business district?
- What was the older / original economic base and what will be the new economic base?
- How will an investment of CDBG funds support this plan?
- Will buildings be available for occupancy by businesses?
- Will sites be available for sale to businesses?
- Can property devaluation be halted?
- Will there be ongoing economic development marketing or coordination efforts? How will this be sustained?
- Has a community / local brand been developed? What is it? How was this developed? How will this, along with the new vision, be marketed?
- What are plans for recruiting new businesses?

- Is there an organization dedicated to ensuring the economic revitalization of the area? Discuss its planned efforts.
 - Is the organization a designated Main Street community or affiliate?
 - How will this organization be sustained?
- By what means will the strategy be implemented? What are the key milestones for implementation? What marketing strategies will the locality utilize? Is there funding available?
- How does this strategy fit in with and advance the community vision (discussed previously)?
- What other economic activity is occurring in the locality or region that will impact the community economic revitalization?
- Has there been recent, significant investment in certain sectors?
- Are there significant events that have negatively impacted the area? How will this be offset?
- Are there noteworthy happenings that can be capitalized on to positively affect the downtown area?
- Are there local/regional/state initiatives or actions that will be key to this project?
- What role will the locality assume in addressing vacant or underutilized properties?
- What is this impact and how will it occur?
- Is there a need for a loan pool to encourage business development / creation? If so, how has this demand been quantified? Are there letters of interest? Who will administer the loan pool and what are the expected terms? What efforts have been made

to create linkages with local small business education?

- Will businesses consider expanding hours as part of the revitalization process? What are the current hours, hours needed (determined through surveying), and number of businesses willing to expand hours (include letters of commitment)? Is there a potential to create jobs as a result of expanded hours?
- Were other needs, such as a demand for workforce training, high-speed telecommunications, entrepreneurial training, downtown housing, incubator services, recreational sites, determined through any visioning or other assessments? How will these needs be addressed?

Other Resources

Identify other resources which will be utilized to remove blighting elements and enhance the economic environment of the target area. Identify all funding sources and explain the investment targets of each. Identify, also, non-cash resources, such as the use of a local building official in enforcing the Uniform Building Code. How will these other resources fill the gap between the total needs of the target area and the needs that can be covered with VCDBG funding?

Maps / Illustrations / Renderings

Please clearly correlate textual references to streets, buildings, businesses, etc. with any project area maps or other visual support documentation included with the application as attachments.

For example, if the narrative for this project states that “15 businesses on O’Leary Street will participate in a

façade program; 2 buildings will be demolished and 4 commercial properties will participate in upper story rehabilitation resulting in 12 new rental units”, then each of these uses should be easily, at-a-glance, identifiable on a map of the project area, leaving the reviewer with no question as to which is which or what is planned for other buildings highlighted on the map that are not mentioned or identified. Please be as consistent as possible in correlating maps and visuals to text and charts, and vice-versa.

Economic Development – Site Redevelopment

Applicants considering a Site Redevelopment project must contact DHCD prior to submission of an application. Applicants are strongly encouraged to contact DHCD in the preliminary stages of discussion for this type of project.

Incentives For Private Participation

Describe any incentives for private participation or investment in this project.

- How will financial incentives be made available for physical or business improvements?
- How will any training or organizational efforts be made to assist businesses in working together and/or improving individual operations?

Stakeholder Participation

Discuss the stakeholder participation during the assessment and planning process.

- Was a stakeholder organization developed?
- Did one already exist?
- What segments of the local community were represented in this organization? Discuss the stakeholder participation anticipated during project implementation and beyond.
- Will the organization change?
- How substantial will this participation be in carrying out project activities and restarting project progress following interruptions?

Local Economic Development Strategy And Marketing

Discuss the plan for business renewal and development in the target area.

- Does the locality have an economic development strategic plan for the locality as a whole? For the project area?
- What are the elements of this plan?
- How will an investment of CDBG funds support this plan?
- By what means will the other elements be implemented?
- Will buildings be available for occupancy by businesses?
- What will be the ongoing economic development marketing or coordination efforts?
- What activities are involved and what are their marketing/promotional roles?
- What are plans for recruiting new businesses, especially ones interested in this site?
- Is there an organization dedicated to ensuring the economic revitalization of the area? Discuss its planned efforts and track record.
- How does this strategy fit in with and advance the future vision the community has for itself?
- What other economic activity is occurring in the locality or region that will impact the community economic revitalization?
- What is this impact and how will it occur?
- Is the site currently being used?
- Is a new use planned for the site?

Public Control

The site redevelopment activities can only be made on publicly-controlled properties. Are the properties targeted

for improvement already under public control? Is there a current purchase option? Will the property acquisition occur during this project? What is the cost of acquisition? Will CDBG funds be targeted for this?

eliminating blight. Demonstrate the relationship between the proposed site redevelopment and the applicant's existing economic development strategies. What evidence exists that this project will succeed?

Implementing Entities

Identify the individuals and organizations which will have a role in implementing this project, especially those that will oversee the modification and/or demolition of existing structures marketing of the improvements.

Barriers To and Opportunities For Investment

Discuss the barriers to investment that exist on the site, including the existence of previously used sites and structures for which there is no cost effective reuse, the lack of building space to accommodate business location, or otherwise. Discuss the opportunities for investment on the site. Will the improved site be in demand? How is this demand known?

Barrier Removal

If this project is addressing a brownfield, describe and document the environmental and/or health related issues that create the barrier. Are there perceptual biases that make it difficult to attract private investment to this site? Describe these biases and document the effect of these biases, i.e. has an investor chosen not to invest because of these biases and perceptions? Will the previous owner contribute to the clean-up / remediation activities?

Public Benefit

Discuss the public benefit that will result from the VCDBG investment, particularly in terms of the impact on

Economic Development – Development Readiness

RESPOND TO THE FOLLOWING FOR THIS TYPE OF PROJECT:

Barriers To and Opportunities For Investment

Discuss the barriers to investment that exist on the site, including the existence of previously used sites and structures for which there is no cost effective reuse, the lack of building space to accommodate business location, or otherwise. Discuss the opportunities for investment on the site. Will the improved site be in demand? How is this demand known?

Specific Development Readiness Activities

Specify which of the project products or activities are targeted for future economic development activities. Restate the quantities and costs associated with these products.

Barrier Removal

Explain how the development readiness activities will contribute towards removal of some of the identified barriers to investment. If this project is addressing a brownfield, describe and document the environmental and/or health related issues that create the barrier. Are there perceptual biases that make it difficult to attract private investment to this site? Describe these biases and document the effect of these biases, i.e. has an investor chosen not to invest because of these biases and perceptions?

Public Control

The development readiness improvements can only be made on publicly-controlled properties. Are the properties targeted for improvement already under public control? Is there a current purchase option? Will the property acquisition occur during this project?

Implementing Entities

Identify the individuals and organizations which will have a role in implementing this project, especially those that will oversee construction of the improvements and marketing of the improvements.

Job Creation

Discuss the number and type of jobs to be created following disposition of the improved site or buildings. The number must meet or exceed the thresholds for job creation in Distressed, Transitional, and Competitive localities per the **2007 VCDBG Program Design**.

Local Economic Development Strategy And Marketing

Discuss the following.

- Does the locality have an economic development strategic plan for the locality as a whole? For the project area?
- What are the elements of this plan?
- How will an investment of CDBG funds support this plan?
- By what means will the other elements be implemented?
- Will buildings be available for occupancy by businesses?
- What will be the ongoing economic development marketing or coordination efforts?

- What activities are involved and what are their marketing/promotional roles?
- What are plans for recruiting new businesses, especially ones interested in this site?
- Is there an organization dedicated to ensuring the economic revitalization of the area? Discuss its planned efforts and track record.
- How does this strategy fit in with and advance the future vision the community has for itself?
- What other economic activity is occurring in the locality or region that will impact the community economic revitalization?
- What is this impact and how will it occur?

Does the locality have a good history of timely repayment of loan obligations? .

All VCDBG funding spent on these projects, save for administrative costs, must be recovered upon sale or long-term lease of the site or building to a private sector entity which will create the required jobs. Full recovery of the funds must occur within two years of the completion of construction activities.

Public Benefit

Discuss the public benefit that will result from the VCDBG investment, particularly in terms of job creation for the benefit of low- and moderate-income persons. Will firms with need for skilled workers be informed of the need to provide training themselves or will they be able to take advantage of job training programs? Will you target firms that do not require skills beyond a high school education? Also, demonstrate the relationship between the proposed building construction and the applicant's existing economic development strategies. What evidence exists that this project will succeed?

Security of VCDBG Funding

VCDBG assistance for development readiness activities will be offered to localities as a loan. Discuss how the locality will ensure that VCDBG funding will be fully recovered according to program requirements.

Housing - Housing Rehabilitation

RESPOND TO THE FOLLOWING FOR THIS TYPE OF PROJECT:

Project Area Selection

Describe how this neighborhood or area was selected over other neighborhoods and areas in the locality. Explain why it has the boundaries shown on the project area map. What type of selection PROCESS was used? Was a jurisdiction-wide study performed to reveal areas with relatively serious community development needs? Is the area traditionally recognized as a neglected or deteriorated community? What considerations were included in the delineation of the project area borders? Include any additional relevant information in **ATTACHMENT #5**. Has the Department of Historic Resources been contacted to discuss potential impacts on structures within the project area? If so, provide copies of correspondence in **ATTACHMENT #4**. Describe the status of any ongoing negotiation with Historic Resources.

Inspection Methodology

The assessment of local housing conditions must include unit inspections. Someone with construction knowledge should walk through as many of the units in the project area as is possible (all LMI-occupied units with rehab needs recommended) with a checklist for identifying violations of the DHCD Housing Quality Standards. Although only one detailed work write-up, with itemized cost estimate, is required, the more detailed work write-ups completed, the more reliable the identified costs, so more work write-ups are strongly

encouraged to be completed (however, it is necessary to only submit one, not more than two, for review purposes). **At least walk-through inspections should be conducted on all units.** Full write-ups or walk through inspections should result in identification of needed repairs and preliminary estimates of the repair costs. A summary of all of these inspections should be included in **ATTACHMENT #5** along with a copy of the inspection documents used. It is highly recommended that you use the HUD Section 8 HQS inspection forms. **IF THE STANDARD HUD SECTION 8 HQS INSPECTION FORM WAS USED, PLEASE INCLUDE A COMPLETED ONE FOR THE UNIT FOR WHICH A WORK WRITE-UP IS PROVIDED IN ATTACHMENT #5.** A sample copy of an inspection summary is included in **APPENDIX G** and a sample itemized write-up and cost estimate is included in **APPENDIX H**.

Discuss the locality's methodology for completing inspections. Which individuals conducted these inspections? How many were walk-throughs? How many were full HQS inspections? When were the inspections conducted? Were any potentially-eligible LMI units not inspected? Include inspections summaries, copies of inspection forms, and itemized cost estimates and work write-ups in **ATTACHMENT #5**.

As noted in previous sections, it is critical that cost estimates be very current. Proposals with the most current cost estimates will be in a more credible position as DHCD evaluates the authenticity of project costs.

Rehabilitation Demand

Describe the steps that have been taken to determine the interest in/demand for rehabilitation assistance, such as hearings, surveys, and signed participation agreements. Indicate the number and percentage of eligible (LMI) households willing to participate. A survey is strongly recommended. Include demand documentation in **ATTACHMENT #5**.

Beneficiary Characteristics

Provide the characteristics of the proposed beneficiaries. Include the number of elderly households, the number of minority households, the number of households with disabled persons, and the number of female-headed households. What other distinguishing characteristics are there?

Ability-To-Pay Summary

Provide information, preferably in a short table format, on the number of LMI households (owner-occupied, investor-owned, and total), the number of these households with rehabilitation needs (same three categories), and the number with said needs with completed Ability-To-Pay calculations (same three categories). Include Abilities-To-Pay in **ATTACHMENT #5**. HUD's Utility Allowance guidance must be used.

Investor-Owner Participation

Explain what type of assistance is being made to investor-owners. If amortized loans will be made to landlords, describe the measures to be taken to support landlord's repayment of the rehabilitation loan while keeping rents affordable. **INCLUDE ABILITY-TO-PAY WORKSHEETS FOR RENTER-OCCUPANTS IN ATTACHMENT #5**. You must assure that: excessive profits

will not be made by owner-investors, houses rehabilitated with VCDBG funds will be occupied for at least ten years by LMI households, rents charged to LMI occupants will not be in excess of 35% of occupant's household income, and landlords must financially participate if a ten-year period of LMI occupancy at affordable rents is not secured.

How will rents be affordable to the tenants residing in the project area? What are the current rents? Indicate landlord willingness to participate in housing rehabilitation activities within the project area. Provide evidence of landlord knowledge of financial participation and rent affordability provisions. **INCLUDE DOCUMENTATION OF LANDLORD WILLINGNESS TO PARTICIPATE IN ATTACHMENT #5**. If applicable, use the worksheet in **APPENDIX J** or a similar method to analyze how current rents will help support the landlord's amortization of rehabilitation assistance. Provide the number of investor-owned properties, the number of investor owners, the number of these owners willing to participate in the rehabilitation program, and the rate of participation (number participating divided by total number). A sample Landlord Participation Agreement is included in **APPENDIX N**.

Housing Rehabilitation Summary Table (for proposals with housing rehabilitation activities only)

Complete the table on page 107 as follows for proposals targeting housing rehabilitation activities only or in combination with other activities under a Comprehensive Community Development proposal:

Project Area Characteristics

Number of Units in Project Area:

Specify the total number of year-round housing units in the project area by type of unit (single-family, multi-family, and mobile home) and by occupancy of unit (owner-occupied, rental, or vacant).

Number of Substandard Units: Of the total number of year round housing units in the preceding column, specify the total number of substandard units in the project area by occupancy and type of unit. The number of substandard units should be determined following inspections, particularly HQS inspections.

LMI Units

Number of LMI Substandard Units: Of the total number of substandard units in the preceding column, specify the total number of LMI (low- and moderate-income) units that are substandard in the project area by occupancy and type of unit.

Number of LMI Units Suitable for Rehabilitation: Of the total number of LMI substandard units in the preceding column, specify the total number of units suitable for rehab in the project service area. Substandard units suitable for rehabilitation may be identified using local criteria; however, units labeled as suitable for rehabilitation must be economically and physically appropriate for rehabilitation (neither so dilapidated as to make rehabilitation unfeasible for \$25,000 or \$35,000 (see pages 21-23 for a discussion of rehabilitation limits) nor requiring only cosmetic repairs - the unfeasible rehabilitation limit for mobile homes is \$10,000.)

Number of LMI Units to be

Rehabilitated: Of the total number of LMI units suitable for rehabilitation in the preceding column, specify the total number of LMI units that will be rehabilitated if this project is funded. This is the number of units that will be brought into compliance with DHCD/ HUD Section 8 (or Field Guide) Standards. All rehabilitated units must be brought up to at least these standards to be counted as being rehabilitated.

Units Unsuitable for Rehabilitation

Number of Units Unsuitable for Rehabilitation: Of the total number of LMI substandard units in an earlier column, specify the number of units unsuitable for rehabilitation in the project service area. A unit unsuitable for rehabilitation is in such poor condition that it is not structurally or financially feasible for rehabilitation. This assessment may be based on such factors as the absence of a solid foundation or lack of a structural base capable of supporting rehabilitation construction (due to termite damage, rotted wood, inadequate original construction, and so on), thereby preventing the unit from being improved to DHCD Housing Quality Standards within the \$25,000 or \$40,000/unit CDBG maximum limit (see pages 21-23).

Number of LMI Units Substantially

Reconstructed: Of the total number of LMI units unsuitable for rehab in the preceding column, specify the number of LMI units that will be replaced through substantial reconstruction. In order to be an eligible activity, the estimated cost of substantial reconstruction must be less than 80% of the estimated cost of purchasing comparable (same size,

similar lot, same or similar neighborhood) newly constructed housing. The estimated cost of new construction should include construction estimates, fees, permits, surveys, and utility hook-ups. Such estimates can be provided by local tax assessors or real estate brokers. Keep in mind the maximum VCDBG cost for substantial reconstruction. **Only owner-occupied units are eligible for substantial reconstruction.**

Number of Units to be Demolished: Of the total number of substandard units in the project area, specify the number of occupied and unoccupied dilapidated units which will be demolished. The number of persons to be displaced should be identified in the **RELOCATION / DISPLACEMENT** response under the Housing - Housing Rehabilitation section of Project Type Proposal Elements below.

Significant cost limit increases for housing rehabilitation and substantial reconstruction projects have been made. See pages 21-23 for more information

Housing Rehabilitation Summary Table Methodology

Describe, briefly, how each of the numbers in the Housing Rehabilitation Summary table (page 107) was derived. Describe the methodology and/or sources used to obtain the numbers. For units which are to be substantially reconstructed, provide a brief description of the methodology used to arrive at the estimates.

Housing Information and Activity Table

Complete the table on page 109 as follows for proposals targeting housing rehabilitation activities only or in combination with other activities under a Comprehensive Community Development proposal. This table should provide a detailed view of each housing unit that is targeted for CDBG funds, including beneficiary name, unit type, activity cost, and amount of private investment.

Acquisition

Describe the real property acquisition activities which will take place during the project. Which properties will be targeted? Are these properties occupied? Will vacant properties be purchased? Will these vacant properties be rehabilitated and leased or sold to LMI persons?

No vacant unit shall be rehabilitated with VCDBG funding unless the house has a history of being consistently occupied over the last five years and was rented for at least six months of the preceding year, the unit was purchased by an LMI household, or the unit is owned by a locality, housing authority, or non-profit and will be sold to or lease-purchased by an LMI household.

Relocation / Displacement

Grantees must minimize displacement. If this project unavoidably involves displacement, how many persons will be affected? Explain how the locality plans to manage this activity. If project involves relocation, how many persons will be relocated? Applicants should consider relocation as an option in these projects, especially when encountering

housing units unsuitable for rehabilitation.

Homeownership

Describe what activities will be conducted to create homeownership in the project area. How will these activities be implemented? Describe previous experience in implementing a homeownership component. Describe efforts to demonstrate the need and demand for homeownership activities. Have potential homeownership clients been identified and pre-qualified? Have properties / sites been located, and have financing options been identified? If so, discuss. If landlords are interested, what measures are in place to assure their participation? Who will be responsible for homeownership counseling and what is planned? Does the applicant or entity creating homeownership opportunities have a proven track record? Describe. If downpayment assistance will be provided, please discuss this activity. Will CDBG funds be used for downpayment assistance? If so, please remember that VCDBG funds cannot account for more than 50% of downpayment assistance for a qualified client.

Home Maintenance

Describe how the required home maintenance and housekeeping training activities will be conducted during the project. Will classes be held or will training be conducted one-on-one with beneficiaries? Will the guidebooks available through DHCD be utilized? Will grant administration staff conduct the training or will outside parties be utilized?

Support Activities

Beyond home maintenance education and homeownership creation, describe other housing support activities which will occur in conjunction with this project. Such activities may include construction skills training for neighborhood residents. Consult Project Enhancements on page 6.

Housing - Housing Production Assistance

RESPOND TO THE FOLLOWING FOR THIS TYPE OF PROJECT:

Housing Production Table

Create a brief table wherein you identify the number of housing units of each type (single-family or multi-family) to be sold, to be rented, and total during the proposed project.

Housing Demand

Identify the estimated number of households that desire the new housing units at the projected costs. Provide the number of LMI persons who can afford to participate based on the income/cost determinations derived from your market study.

Market Study

Describe the market study that was performed to derive the numbers in the preceding item. What similar housing is currently available? How do the existing units compare to those proposed in terms of cost and otherwise? This study should show how many of the target population (LMI, LMI elderly, and so on) currently live in substandard or inadequate housing and desire to relocate, and can afford to relocate to the type of units at the project location at the expected cost. **INCLUDE THE MARKET STUDY IN ATTACHMENT #5.** Specify the geographic area on which the market was based, such as the county in which the applicant town is located.

Cost To Beneficiaries

The subsidy of VCDBG funds to the project must be used to the benefit of the

LMI individual and not the developer. Provide the projected cost of the proposed units to occupants. How will lower income individuals (those making as low as 60% of median) be served? Are any units designated for sale at market rate? DHCD encourages mixed-income development for housing production projects. Up to 20 percent of the new units can be slated for sale at the market rate. If the units will be for sale, give the selling price for each unit. If the units will be rental, give the monthly rent. Show how the cost figure(s) was derived. **INCLUDE COST DERIVATIONS IN ATTACHMENT #5.** The analysis should include operation, maintenance, debt service, vacancy adjustments, developer fees, contingencies, and other costs included in proposals/loan applications to other sources of funding. Developer's fees must be disclosed.

Development and Administration

Describe how this project will be managed while the construction activities are under way and after construction is complete. How will construction be managed? Which entities will have a role in the housing development process? How many units have been constructed / managed by the responsible entity? What assurances are there to attest to the entity's capacity to construct and / or manage these new units? What is the entity's prior experience with CDBG funds? How will loans be marketed? How will the loans be packaged? How will the applicants be recruited? Who will screen applicants for housing occupancy eligibility? How will participants be selected? Who will receive rent payments and take responsibility for operation and maintenance? **IF YOU**

CURRENTLY HAVE A MANAGEMENT PLAN, PROVIDE IT AS AN ATTACHMENT IN ATTACHMENT #5.

Project Site

Describe how the particular site for the housing development was chosen. Why is this the best site? What is the status of ownership and zoning? What is the current assessed value of the property? What is the appraisal value? For homeownership, what is the estimated appraisal value of each anticipated lot when the site is subdivided? Include the proposed site plan in ATTACHMENT #3. Has the Department of Historic Resources been contacted to discuss potential impacts on structures within the project area? If so, provide copies of correspondence in ATTACHMENT #4. Describe the status of any ongoing negotiation with Historic Resources.

Financing

Housing production projects will, with few exceptions, require the construction of the proposed new housing units with non-CDBG funds. Identify the source, amount, terms, how the funding will be available when needed for actual construction, and other conditions of the construction financing and any other financing which will be required to install the new units and complete their sale/occupancy. Provide documentation that any private developer involved in the project has the financial resources to fulfill their obligation (this can be documented by a letter from potential lenders or bank). Provide documentation, including letters, agreements, and so on, in ATTACHMENT #5. If downpayment assistance will be provided, please discuss this activity. Will CDBG funds

be used for downpayment assistance? If so, please remember that VCDBG funds cannot account for more than 50% of downpayment assistance for a qualified client.

Level Of Public / Private Investment

What is the level of private (including non-profit) investment in this project? What is the anticipated return on the private investment? Has an underwriting process been completed to ensure the level of public investment is appropriate in comparison to the private investment? What safeguards are in place to ensure benefit to LMI persons?

Community Facility

Applicants must include responses to the following items for water and sewer projects. If a proposal will include both, provide combined information where necessary (for example, system financial information) and separate information where necessary (sewer rates and structure separate from water rates and structure). Include supporting information in **ATTACHMENT #5**.

RESPOND TO THE FOLLOWING FOR THIS TYPE OF PROJECT:

Financial Data

Provide financial data, in a brief table, for your entire water system. If your locality (may be service authority, sanitation district, etc.) operates more than one system, only provide data for that system (or cost center) that relates to your Competitive Grant proposal.

Expenses

- Provide the current annual costs to operate the system or facility: labor, supplies, salaries, laboratory expenses, replacement of equipment, maintenance of equipment, management and support staff, and so on.
- Provide the current annual payment of outstanding debt; include the total of both interest and principal amounts.
- Provide any other debt payments.
- Add each of these items and provide the total in **TOTAL EXPENSES**.

Revenues

- Provide the total current annual service charge revenue for all

customers or users on the existing system or facility (revenue received from service).

- Provide the total current annual revenue collection from the one-time connection charge to customers to use the existing service (access fee).
- Provide any other annual revenue the system or facility receives, and specify the type of revenue.
- Add each of these items and provide the total in **TOTAL REVENUES**.

INDICATE IF EXCESS UTILITY REVENUES ARE TRANSFERRED TO THE LOCALITY'S GENERAL FUND OR OTHER COST CENTERS.

Alternatives To VCDBG Funding

Discuss the rationale for seeking VCDBG funding for the proposed project in lieu of other resources. What other funding alternatives exist? Funding from rate increases? Debt financing? How would these other sources impact the financial feasibility of this project and affordability of rates to low- and moderate-income persons?

Usage

Provide the following information:

- Indicate the locality's water system's capacity as permitted by the Virginia Department of Health. If service is being provided through another jurisdiction's system, show only the applicant's portion of the allocation and capacity.
- Indicate the typical number of gallons per day (gpd) metered at your treatment plant or water supply source. If there is significant fluctuation, please provide a range of

- gpd metered over the last 12-month period.
- Based upon the expected number of new users for this project, identify how much additional demand will there be in gallons per day.

Users

Provide information on the number of IN-LOCALITY and OUT-OF-LOCALITY users 1 year ago, 5 years ago, and 10 years ago. Indicate the number of present users by residential, industrial and commercial connection. Indicate the number of new users (residential, industrial and commercial) that will be added to the system after project completion.

*At least 80 percent of the total households to be served must have signed user agreements stating their commitment to use the new system. The locality must obtain these user agreements prior to the submission of a proposal. Of the total households in the project area, at least 80 percent must be **ACTUAL** users (not just have availability of new service). Of the **ACTUAL** users, at least 51 percent must be low- to moderate- income.*

The VCDBG investment for the installation or improvement of water / wastewater services for Community Facility projects may not exceed an average of \$12,500 per household.

Fees

Indicate the amount charged for the one-time connection fee. If there are several types of connection fees, please provide amounts about each type - residential, commercial or industrial. If there are assessments or connections fees, explain what provisions will be made to cover

this expense for LMI persons. **Low-and-moderate income persons cannot be charged an access fee to facilities developed with VCDBG assistance.** VCDBG funds **cannot** be used to pay for connection or other access fees. The actual cost of providing connections is an eligible VCDBG cost, but access fees are not. If access fees are waived, they may be counted as leveraging. If they are not waived, please explain what provisions will be made to pay such fees. LMI persons **MUST BE** connected to a VCDBG-assisted service.

Indicate whether a hook-up ordinance is in effect. Will the ordinance be enforced to insure connections are made? Has the ordinance ever been enforced? When? Provide the date the ordinance was adopted. Indicate how many user agreements have been signed by project area residents. A sample user agreement is included in **APPENDIX L**.

Rates and Rate Structure

Provide information on system rates for IN-LOCALITY and OUT-OF-LOCALITY users 1 year ago, 5 years ago, and 10 years ago (if applicable). Provide the current monthly user rate (if applicable). Provide the projected monthly user rate. What was the date of the last rate increase?

Provide the rate structure that will apply to project customers when the project is completed. Will the rate structure for the project area differ from that within the system (will project area residents be paying out-of-locality rates)? If a different rate or rate structure will be used for beneficiaries outside your locality, then explain why (such as the Town has many low-income residents and must charge higher rates to County

residents who can afford the higher rates)?

For projects which extend utility lines from one jurisdiction to another, utility rates must be the same throughout the CDBG project area unless it can be documented that the locality which owns or is served by the CDBG-supported utility line is subsidizing water rates with its general fund. In such cases a disparity in rates may exist between the involved localities. However, in no case can “out-of-town” rates exceed 50 percent of the “in-town” rates.

If project area residents will be dependent on a source or treatment provided by another system, provide the most current indication that such service will be provided whether final costs have been determined or not.

Indoor Plumbing

Identify how many LMI units lack indoor plumbing. What provisions are being made to provide indoor plumbing to LMI households in the project area and ensure that the units will be brought to DHCD/HUD Section 8 Housing Quality Standards (a field guide showing these standards is available from DHCD)?

Engineering Status

What is the status of the final plans prepared for this project? If they have been approved by the Health Department, state this fact and provide a copy of the approval letter in **ATTACHMENT #5**. What is the status of preliminary engineering reports that have been prepared for this project if the applicant is claiming PER support? PER support indicates that the project may be advanced in the development process

and may be bid more quickly than other projects without such support. Indicate whether the PER has been reviewed and approved by the Health Department. Indicate whether the Health Department has provided written comments on the PER. **ATTACH LETTERS AS APPROPRIATE IN ATTACHMENT #5.**

Refer to page 34 and **APPENDIX K**. This appendix is provided as a guide to the elements that should be included in a PER. **PROVIDE THREE COPIES OF THE COMPLETE PER WITH THE ORIGINAL PROPOSAL AND OTHER PROPOSAL COPIES ONLY IF IT IS REQUIRED BY THE HEALTH DEPARTMENT IN REVIEW AND APPROVAL OF THE PROJECT.** If a PER is not required by the Health Department for approval of the proposed project but one was performed anyway, you may include a summary this PER in **ATTACHMENT #5 OF EACH PROPOSAL COPY**. The summary should be limited to six pages and include items 2, 4, and 5 of **APPENDIX K**.

Acquisition

How many easements will need to be acquired by the locality? What steps will the locality take to ensure the easements will be acquired in a timely fashion? Is the locality willing to use condemnation if required by DHCD?

Community Service Facility

RESPOND TO THE FOLLOWING FOR THIS TYPE OF PROJECT:

Existing Services

Describe the existing level of services being offered in the proposed service area of this project. Where are these services located in relation to the proposed facility?

Facility Needs Assessment

The need for a new or expanded facility should have been discussed under Common Proposal Elements. In the response to this item, discuss any pertinent information on project needs not expressed in the earlier section, particularly the process used to determine the need for a new or expanded facility. Generally applicants proposing to provide community service facilities such as community centers or day care facilities should have analyzed the need for such facilities through a market study. Describe why this project type is a community priority.

Information should be gathered about the potential number of users (total and LMI), their geographic dispersion, their demographic make-up, transportation needs, ability to pay for services, types of services needed, and availability of funding for the services to be offered. **INCLUDE IN ATTACHMENT #5 A MARKET STUDY AND NEEDS ANALYSIS.**

Service Demand

Discuss the demand for new or expanded community services. Demand must not be confused with need. How many people can be expected to take advantage of new or expanded services?

Are applications for service on file? Is there other evidence of demand, such as surveys of existing clientele or potential beneficiaries? Are services or activities filling an identified gap? What assurances are there that new services will be utilized? How are needs currently being met/served (i.e. facility in another area)? Include evidence in **ATTACHMENT #5.**

Service Summary Table

Create a table. List each service to be provided in the rows of this table. Create columns for the existing number of slots or other measure of service, the new total service level which will result from this project, the percentage increase in service between the existing and the proposed new service levels, and the total LMI service level proposed through NEW services. Insert service level information in the table. Total the columns.

Impact On LMI Persons

Discuss the impact of the new or expanded services on the needs of LMI persons. Will these services meet the most critical life needs of LMI persons or change their LMI status? Will the impact improve LMI quality of life without much impact on critical life needs? Discuss how there will be a change in the well being of LMI persons and how it will be measured.

Project Status

Has any design been completed for this facility either of a preliminary or final nature by a licensed architect? If design has been completed, have cost estimates been prepared by the architect and reviewed by the locality? **PROVIDE IN ATTACHMENT #5 ANY SCHEMATICS OR SKETCHES OF**

THE FLOOR PLAN/SITE PLAN OF THE FACILITY which shows the usage area clearly defined. Do not provide actual blueprints. Has energy conservation and handicapped access been included in the final plans?

Identify the closest geographic location of a facility providing essentially the same services as the facility proposed. Provide place name and distance in miles. Provide the names of agencies and programs that will need to certify this facility for particular functional uses. For example: Department of Education - Head Start. If the land where the facility will be sited is not currently publicly owned, describe the ownership situation, size of the parcel and any options or inspections that have been initiated.

Describe the local community support for this facility in terms of responses to public hearings, rezoning hearings, public information campaigns or community meetings. Has there been vocal support for the project? What is the extent of any negative reaction? Describe the program support and commitment from any groups/agencies/organizations that will provide programs within the facility. Provide letters of commitment from program/service providers in **ATTACHMENT #5**.

Operation

Provide information on ownership, operation, staffing, programs, user costs, and financing of the facility. User cost information should be provided as amounts charged to individuals for services offered. For example, a multi-use community center may offer day care for children, adult day care, health

screening, and home budgeting classes. For each of these services, show which will and will not involve a charge to participants, and what the charge(s) will be. Keep in mind that low-and moderate-income persons may not be charged a membership or other type of fee to be eligible for participation, although user fees are allowed, provided they are affordable and do not restrict use of the facility. Any fee schedule cannot benefit moderate-income persons and exclude low-income persons. Provide a draft operations and management plan in **ATTACHMENT #5**. Provide agreements from operators and / or service providers.

Long-Term Viability

Create a chart or table to reveal the estimated itemized and total Annual Expenses and Annual Revenues related to the project. Include operating, maintenance, and debt retirement expenses and committed sources of revenue. Show five years worth of projections either in one chart or table or annual charts and tables. The total annual revenues should at least equal the total annual costs. This data should be supported by, for example, similar costs incurred in similar facilities of similar size and design and revenue estimates derived from current sources reasonably expected to continue for the near future and committed future sources of revenue.

Attachments

All Competitive Grant proposals must include relevant Attachments.

Relevant Attachments should be attached behind the Cover Sheet, Proposal Summary, Financial Summary, Common Proposal Elements, and Project Type Proposal Elements.

Attachment # 1—Financial Summary

This section includes the Project Budget, Sources Budget, Status of Other Funding, and Derivation of Costs. The completed Financial Summary section should be placed as an attachment with a tab to indicate its location.

Project Budget

The Project Budget is included in **SECTION III – Proposal Forms and Certifications**. This format will be made available via diskette and the VDHCD web page in Microsoft Excel format. At the top of the budget page, enter the name of the applicant locality (or lead applicant in a Regional project). Where possible limit the budget sheet to a single, legal sized piece of paper. Include supporting documentation in **ATTACHMENT # 2**.

It is critical that cost estimates be very current. Proposals with the most current cost estimates will be in a more credible position as DHCD evaluates the authenticity of project costs.

Project Products / Activities

List the project products in column B adjacent to the lettered references in

column A. These products should be consistent with those listed on the first page of the Competitive Grant proposal and, generally and as applicable, those listed in the **National Objective – Low- and Moderate-Income** item 95.

Products vary from project to project and may range from water distribution, sewer collection, and water treatment, to investor-owned rehabilitation, owner-occupied rehabilitation, and substantial reconstruction. If water and sewer connections will be made, include these under a product heading entitled “Residential Connections”. “Interim Assistance” and “Clearance” must be listed as products in Housing projects involving rehabilitation and Comprehensive Community Development projects. Additional guidance on products and their inclusion in the project budget is available beginning on page 35. Show the subtotal costs for VCDBG, non-VCDBG, and totals for each line item.

Project Line Items

The estimated costs for each cell in the line item rows under each project product heading must be completed as accurately as possible using the most recent cost information. Such accuracy not only demonstrates that a project is closer to implementation, but allows DHCD reviewers to complete a more precise assessment of cost reasonableness. Additional guidance on line items and their inclusion in the project budget is available on pages 35-36.

Sources Budget

Attribute each amount of funding targeted for this project to one of the six categories of sources: VCDBG, State, Federal (Grant), Federal (Loan), Local, and Private. Provide the total for each funding source category, the percentage of the total project budget it represents, and note the individual funding sources included in that category. Refer to page 37 for guidance on the acceptability of certain leveraged funds. The amounts listed in this budget must be consistent with those from other sections in the application and from supporting documents, such as the Local Government Resolution. Specify each source of local funds, whether general revenue, bonds, loans, or otherwise. Also include local in-kind for which there is a firm dollar value. Generally, loan funds obtained by the locality for a project will be considered local funding during the evaluation of proposals.

Status of Other Funding

Provide the status of and the process for obtaining other funds for this project. Have firm commitments been received? Have formal agreement been signed? Have pre-applications or full applications been submitted? Have responses been received? Attach letters of commitment and similar funding documentation in **ATTACHMENT # 2**.

Derivation of Costs

Provide detailed information on the costs of the proposed project. At a minimum, list each product and its component cost elements. Preferably, applicants will list even the components of the cost elements, meaning itemization by line items or unit costs. Applicants must provide the total cost of each item and identify the VCDBG and non-VCDBG portions of each. The source and date of these estimates must also be provided.

Housing rehabilitation costs must be based on walk-through inspections or full HQS inspections with work write-ups. Inspection results should be summarized in separate cost charts and included in **ATTACHMENT #5**.

All costs will be reviewed for reasonableness. If there are site conditions or other factors exerting upward pressure on your costs, please explain.

Proposals with the most current cost estimates will be in a more credible position as DHCD evaluates the authenticity of project costs.

Example of cost derivation:

<u>Product</u> <u>Date</u>	<u>Total</u>	<u>VCDBG</u>	<u>Non-VCDBG</u>	<u>Derivation</u>
Sewer Installation				
<u>Construction</u>				
9,000 LF of 8-inch sewer line @ \$50/LF	\$450,000	\$ 0	\$450,000	PER 1/5/07
5,000 LF of 2-inch force main @ \$16/LF	\$ 80,000	\$ 0	\$ 80,000	PER 1/5/07
4,175 LF of 6-inch service laterals @ \$20/LF	\$ 83,500	\$ 83,500	\$ 0	PER 1/5/07
2 pump stations @ \$30,000	\$ 60,000	\$ 60,000	\$ 0	PER 1/5/07

Attachment # 2 – Funding And Cost Documentation

Include contracts, agreements, award letters, and other documentation which confirms the commitment of other funding to the project. The firmer the commitment, the greater the likelihood the other funding will be recognized during proposal review. If the pursuit of funding is merely at the application stage, include a copy of the application.

Include documentation supporting the costs included in the project budget and detailed in the cost derivation. All costs should be documented to some extent. Include bids, estimates, summaries, professional opinions, financial sections of reports, and so on.

Attachment # 3 – Project / Service Area Maps

Each proposal must contain a copy of a U.S. Geological Survey (USGS) map of the project or service area and at least one other map which shows major geographic features, including streets,

and clearly illustrates the location of the proposed project. ALL maps should be LEGIBLE and contain the following:

- A scale which is clearly marked on the map;
- Boundaries of the locality (which is not always possible for counties);
- Boundaries of the project or service area where activities will be concentrated;
- Location(s) of all proposed project activities, including water and sewer lines by type;
- Location and numbers / names of streets and route numbers leading to and in the target area;
- For projects involving housing rehabilitation, indoor plumbing provision, and/or water or sewer connections, provide the location of the impacted households within the project area. Indicate which units are LMI-occupied, which are vacant, which have unknown occupants, which are in need of rehabilitation or substantial reconstruction, which are to receive water or sewer service, which are to receive indoor plumbing, and so on. Certain

locality-wide projects, such as economic development or community service facility projects, need not provide this level of detail.

Information of more than one type may be included on one map if the combined information is clearly legible and comprehensible. For certain projects, additional maps may be requested by DHCD.

IN ADDITION TO ILLUSTRATING ALL PROJECT ACTIVITIES, THE MAP SHOULD BE ADEQUATE FOR DHCD TO VISIT THE SITE PRIOR TO OR AFTER GRANT ANNOUNCEMENT ARE MADE.

Attachment # 4 – Planning And Need Documentation

Include copies of surveys, needs assessments, Preliminary Engineering Reports, letters, and other documentation supporting the project’s identified needs. If surveys were conducted, include a copy of the survey, the survey script, and a summary of survey responses. If sampling was used rather than surveying ALL households, explain the sampling methodology. The summary of responses should include information on ALL QUESTIONS asked, especially those indicating a willingness to participate in a program or desire for a service.

Include other information on how and when the surveys were conducted, on who completed these surveys, what training these surveyors had, and so on. The better the evidence that a solid survey methodology was used, the greater the confidence in the survey results.

Previous surveys may be used if the survey was conducted after **March 1, 2005**, was for essentially the same project, and was developed in accordance with HUD Section 8 Income Limits or is clearly convertible to these limits. Additional survey guidance is available on pages 29-32.

Attachment #5 – Project Type Support

Comprehensive Community Development

Include documentation of the Comprehensive Community Development Needs Assessment. Additional guidance on this assessment is available on page 32. The guidelines provided by DHCD are mere baseline requirements. A true and accurate Needs Assessment should reflect appropriate detail, analysis, and consideration and should be tailored to reflect only the needs of the subject community. This Needs Assessment is a crucial element in DHCD’s evaluation of Comprehensive Community Development proposals.

Provide additional information on the project area and neighborhood selection process. Include any other relevant information related to the Comprehensive Community Development proposal.

Economic Development

For projects with job creation or retention, include documentation on the needs of the businesses to be assisted and all business commitment letters. For site redevelopment projects, include an inventory of current structures in the project area and their uses, the target area boundaries, whether or not water/sewer services are currently

available, documentation of existing health and or environmental issues, and local economic development strategies. For business district revitalization projects, include information on target area boundaries, on the process of blight identification, on blight removal efforts, and on other resources to be committed to the project. Include signed letters from individual businesses and others providing their commitment to participate in the Business District Revitalization façade program (if applicable and the specific dollar amount at which they will participate). Provide any documentation to support the need for a loan pool or upper-storyhousing. For development readiness projects, provide information on local development barriers, local economic development strategies, and local economic development marketing efforts. Include all other information which further explains or supports the aims of the Economic Development proposal.

Housing

For projects with rehabilitation, include documentation on the housing inspection methodology and summaries of the inspection results. Include copies of inspection form templates (if different from DHCD HQS), completed inspection forms, itemized cost estimates, and work write-ups. Include documentation of beneficiary demand, landlord participation, and financing mechanisms. Include derivation documentation. For projects with production, include developer commitments, copies of market studies, derivation of cost figures, management plans, and firm documentation of financing. Include all other information

which further explains or supports the aims of the Housing proposal.

Community Facility

Include letters from the Health Department and other regulatory agencies. Include summaries of PERs in projects where they are NOT required by the Health Department. Include other design information. Include all other information which further explains or supports the aims of the Community Facility proposal.

Community Service Facility

Include facility design information. Include commitments or other documentation from permitting entities, where applicable. Include operating cost and revenue estimate documentation. Include market studies, needs analyses, or other documentation in support of demand. Include all other information which further explains or supports the aims of the Community Service Facility proposal.

Attachment #6 – Planning District Commission Review

Each applicant must provide a copy of its Competitive Grant proposal to the local Planning District Commission for review. This review is for informational purposes only. The role of the Planning District Commission is not to approve or reject Competitive Grant proposals. Include a copy of the transmittal letter here and any correspondence received from the Planning District Commission prior to proposal submission.

Attachment # 7 – Local Government Resolution

Include a copy of a resolution passed by the local governing body of the applicant

giving the chief administrative official authority to complete, sign, and submit this proposal. The resolution must contain the following:

- That the locality wishes to apply for Virginia Community Development Block Grant (VCDBG) funds;
- The project type and title;
- The amount of VCDBG funds requested;
- The amounts of local, state, or federal funds that are part of the total project cost;
- That the chief administrative official is authorized to sign and submit all appropriate information necessary to apply for VCDBG funding; and,
- That citizen participation requirements have been met by holding at least TWO public hearings, advertising both as appropriate and with at least one other form of public notice.
- That, in LMI benefit projects, the project will meet the National Objective of providing benefit to LMI persons and that there will be a specific projected number of LMI beneficiaries (number of jobs, number of houses improved, and so on).

SAMPLE RESOLUTION

Be it resolved that, pursuant to two public hearings, **LOCALITY NAME** wishes to apply for **AMOUNT** of Virginia Community Development Block Grant funds for **PROJECT TITLE**.

Whereas **LIST AMOUNTS AND SOURCES OF OTHER FUNDS** will also be expended on this project, it is projected that **NUMBER AND TYPE OF BENEFICIARIES** will result from the implementation of this project, of which **NUMBER** will be low- and moderate-income persons.

Be it further resolved that **CHIEF ADMINISTRATIVE OFFICIAL** is hereby authorized to sign and submit appropriate documents for the submittal of this Virginia Community Development Block Grant proposal.

The resolution should also include special information related to certain project types:

For Regional projects – Include copies of resolutions from each locality authorizing participation. Also provide copies of the completed first page of the Competitive Grant forms from each locality which should reflect the same information from each locality but for the **MULTI-CONTRACT LIMITATIONS** and the **CERTIFICATION AND SIGNATURE**.

For projects with Business District Revitalization or Site Redevelopment products – Include statements acknowledging the requirement that VCDBG slum and blight removal activities occur in accordance with Title 36, Article 7 of the Code of Virginia and that the locality will, if necessary during implementation, develop a Redevelopment or Conservation Plan and contract with a Virginia Redevelopment and Housing Authority to implement the plan.

For projects with Development Readiness products – Include the locality's recognition that Development Readiness activities will be structured as a loan to the locality and its commitment to secure the VCDBG investment through a bond, letter of credit, or other appropriate measures.

The executed Citizen Participation Assurances and Certification, General Assurances and Certification, Drug Free Workplace Assurances and Certification, and Applicant Disclosure Report should be inserted in this Attachment. Original copies should be placed in original proposal copies and photocopies should be placed in other proposal copies.

Copies of the Public Hearing advertisements should also be inserted in this Attachment. Likewise with the Assurances, original copies should be placed in original proposal copies and photocopies should be placed in other proposal copies.

**2007
COMPETITIVE GRANT**

**REQUEST
FOR
PROPOSALS**

**SECTION III
PROPOSAL FORMS AND CERTIFICATIONS**



2007 VCDBG COMPETITIVE GRANTS

APPLICANT:

LOCAL GOVERNMENT ADDRESS / CONTACT PERSON:

CHIEF ELECTED OFFICIAL:

PROJECT NAME:

PROJECT TYPE:

PROJECT DESCRIPTION:

PROJECT COST:

<u>Source</u>	<u>Amount</u>
VCDBG	\$
State	\$
Federal (Grant)	\$
Federal (Loan)	\$
Private	\$
<u>Local</u>	<u>\$</u>
TOTAL	\$

ACTIVE CDBG PROJECTS:

<u>Name</u>	<u>Year Awarded</u>	<u>Amount of Award</u>
-------------	---------------------	------------------------

1)

2)

3)

NATIONAL OBJECTIVES:

Please note the approximate amount of funds proposed in this project which can be attributed to each of the listed National Objectives (amount may be \$0).

<u>National Objective</u>	<u>Proposed Activity</u>	<u>Amount</u>
---------------------------	--------------------------	---------------

LMI Benefit

Slum/Blight

Urgent Need

POPULATION:

Please indicate the population of the applicant locality: _____

PREPARER:

Provide the name and phone number of the person who actually prepared this application:

By checking these boxes the applicant is affirming the following statements:

- Applicant is currently eligible to receive the full amount that is being requested and if this project is awarded, this would not cause the applicant to exceed the multi-contract limitation of \$2.5 million in open, active contracts.
- Applicant agrees to send responsible parties, to include any relevant subcontractors, to all mandatory DHCD-sponsored training events, to include the Construction Management and Grant Management workshops, and to provide representation at all management team meetings

CERTIFICATION AND SIGNATURE:

To the best of my knowledge and belief, the information included in this proposal is true and correct, the proposal has been duly authorized by the governing body of the applicant, citizen participation requirements have been met, and the proposal has been submitted for Planning District Commission review.

Name: _____ Title: _____

Signature: _____
(Include Local Government Resolution in ATTACHMENT # 7)

NATIONAL OBJECTIVE - Low- and Moderate-Income Benefit:

For all low- and moderate-income projects:

SURVEY RESULTS	Households	Persons
Total in Project / Service Area		
LMI in Project / Service Area		
LMI Percentage in Project / Service Area	%	%
Total Surveyed		
Total Responding		
LMI Responding		

(Include a copy of the survey and supporting documentation in **ATTACHMENT # 4**)

For Comprehensive, Community Facility, Housing, and some Economic Development projects:

Product	# Households Served	# LMI Households Served	# Persons Served	# LMI Persons Served	% LMI Persons Served
Housing					
Water					
Sewer					
Streets					
Drainage					
Jobs					
Other					

For Community Service Facility and similar projects:

Product (specify service)	# Households Served	# LMI Households Served	# Persons Served	# LMI Persons Served	% LMI Persons Served

COMPLIANCE CHART (for Comprehensive, Housing, or Community Facility projects):

ETHNICITY

Population	Hispanic or Latino	Not Hispanic or Not Latino	TOTAL Population
Locality			
Project Area			

RACE

Population	White	Black / African American	Asian	American Indian / Alaskan Native	TOTAL Population
Locality					
Project Area					

Population	Native Hawaiian / Other Pacific Islander	American Indian Alaskan Native and White	Asian and White	Black / African American and White	American Indian / Alaskan Native and Black/African American	TOTAL Population
Locality						
Project Area						

Population	Other Multi-racial					TOTAL Population
Locality						
Project Area						

Households	Female-Headed	Elderly	With Handicap	TOTAL Households
Locality				
Project Area				

NATIONAL OBJECTIVE – Slum and Blight Elimination:

Structure Type	Number in Project Area	Number Currently Occupied	Number Currently Unoccupied	Number Blighted	% Blighted (as total of ALL structures in project area)
Commercial					
Residential					
Publicly-owned					
Industrial					
Non-profit					
Vacant Structure					
Vacant Land (in blocks)		N/A	N/A		
Other: _____					
Other: _____					
TOTAL					

Blight Assessment:

- 1) Was a thorough physical assessment completed for the project area? ___ YES ___ NO
- 2) Will VCDBG funds for physical improvements target blighted elements? ___ YES ___ NO
- 3) Was a Master Plan developed to guide improvements? ___ YES ___ NO
- 4) Will the locality pursue blight removal in accordance with the Code? ___ YES ___ NO
- 5) Are there significant infrastructure deficiencies that will be addressed (water, sewer, sidewalks, drainage, etc...)? Briefly describe in quantitative and qualitative terms. _____

- 6) Will the physical improvements remove all blighting elements? ___ YES ___ NO

Describe how. _____

- 7) How many businesses are located in the project area? _____

- 8) How many businesses (actual number and percentage of total businesses) have closed within the past three years? _____

a. Approximately how many employees (actual number and percentage of total employees) have been displaced as a result of these closings? _____

9) Describe the mix of business types / commercial / public uses in your downtown and note the gaps that have been that have been identified. _____

10) Are there major job losses outside of the immediate project are that have negatively impacted the downtown? Describe: _____

11) How many businesses have located (actual number and percentage of total businesses this represents) within the past three years? _____

a. What types of businesses have located? _____

b. How many jobs (actual number and percentage of total jobs) have been created as a result? _____

12) Describe the nature of any underutilize / inappropriately utilized downtown structures. ____

13) How much private investment (including business cited above) has been made in the last three years? _____

14) Are there any housing units in the project area? If so, how many TOTAL and how many are occupied? _____

(Include copies of assessment tools in **ATTACHMENT # 4**; provide 3 copies of a Master Plan or similar document with the proposal copies; include other documents in **ATTACHMENT #5**; and, acknowledge blight in Resolution in **ATTACHMENT # 7**)

Additional narrative responses to these questions may be included in the **Project Type Proposal Elements** section.

CENSUS INFORMATION:

Census Place Code	Census Tract(s)	Blocks / Block Groups

FINANCIAL SUMMARY

2007 VCDBG Project Budget

Locality:

	ACTIVITY AND LINE ITEM	TOTAL BUDGET	CDBG BUDGET	NON-CDBG BUDGET
A	Administration			
	Advertising			
	Audit			
	Legal			
	Printing and Postage			
	Workshop Expenses / Travel			
	Project Administration			
	Indirect Charges			
	Subtotal	0.00	0.00	0.00
B	Interim Assistance	0.00	0.00	0.00
C	Demolition / Clearance (S&B)	0.00	0.00	0.00
D				
	Architect / Engineer / Design			
	Inspection			
	Acquisition			
	Relocation			
	Demolition / Clearance			
	Construction / Improvements			
	(Other)			
	Subtotal	0.00	0.00	0.00
E				
	Architect / Engineer / Design			
	Inspection			
	Acquisition			
	Relocation			
	Demolition / Clearance			
	Construction / Improvements			
	(Other)			
	Subtotal	0.00	0.00	0.00

FINANCIAL SUMMARY

	ACTIVITY AND LINE ITEM	TOTAL BUDGET	CDBG BUDGET	NON-CDBG BUDGET
F				
	Architect / Engineer / Design			
	Inspection			
	Acquisition			
	Relocation			
	Demolition / Clearance			
	Construction / Improvements			
	(Other)			
	Subtotal	0.00	0.00	0.00
G				
	Architect / Engineer / Design			
	Inspection			
	Acquisition			
	Relocation			
	Demolition / Clearance			
	Construction / Improvements			
	(Other)			
	Subtotal	0.00	0.00	0.00
H				
	Architect / Engineer / Design			
	Inspection			
	Acquisition			
	Relocation			
	Demolition / Clearance			
	Construction / Improvements			
	(Other)			
	Subtotal	0.00	0.00	0.00
	Total			

FINANCIAL SUMMARY

SOURCES BUDGET:

<u>Source</u>	<u>Amount</u>	<u>Percentage</u>	<u>Funding Source</u>
VCDBG	\$	%	
State	\$	%	
Federal (Grant)	\$	%	
Federal (Loan)	\$	%	
Local	\$	%	
Private	\$	%	
TOTAL	\$	100%	

STATUS OF OTHER FUNDING:

What is the current status of non-VCDBG funding? Provide a summary of the current level of commitment and availability of each source of non-VCDBG funding identified above. Provide commitment letters, contracts, or similar documentation in **ATTACHMENT # 2.**

Be certain that the information in the letters and documentation correlate exactly to the figures listed above. If they do not, provide a clear explanation and break out.

FINANCIAL SUMMARY

DERIVATION OF COSTS:

<u>Product / Activity</u>	<u>TOTAL Cost</u>	<u>VCDBG \$</u>	<u>Non-VCDBG \$</u>	<u>Source</u>	<u>Date</u>

HOUSING REHABILITATION SUMMARY TABLE

TYPE OF UNIT	Project Area Characteristics		LMI Units			Units Unsuitable for Rehabilitation		
	# Units in Project Area	# Units Substandard	# LMI Units Substandard	# LMI Units Suitable for Rehabilitation	# LMI Units Rehabilitated	# Units Unsuitable for Rehabilitation	# LMI Units Substantially Reconstructed	# Units to be Demolished
Owner-Occupied								
Single-Family								
Multi-Family								
Mobile Home								
Renter-Occupied								
Single-Family								
Multi-Family								
Mobile Home								
Vacant Units								
Single-Family								
Multi-Family								
Mobile Home								
TOTAL UNITS								

HOUSING INFORMATION AND ACTIVITY TABLE

Household Information			Unit Type	Activity Cost Estimate (estimate cost for each category)						Total Amount of CDBG Assistance (per house)	If Landlord Situation, Amount of Private Investment
Client Name	Address	Signed Agreement to Participate – By Client or Landlord (Y / N)	Single Family, Mobile Home, Apt, Townhome, etc...	Rehab	Acquisition	Relocation	Substantial Reconstruction	Elevation	Admin, legal, or other non – construction costs		

BUSINESS PARTICIPATION TABLE

Business Name	Address	Business Owner	Participating in Façade Program	Agreement Signed (and included)	Amount of CDBG Assistance	Amount of Private Investment
1)				1)		
2)				2)		
3)				3)		
4)				4)		
5)				5)		
6)				6)		
7)				7)		

CITIZEN PARTICIPATION ASSURANCES AND CERTIFICATION

The applicant assures and certifies that it has provided its citizens adequate opportunities to participate in the development of this proposal by:

- Holding at least two public hearings in the locality prior to the submission of the proposal, the first one for the purpose of obtaining the views of citizens on community development and housing needs and the second (held at least 7 days after the first) for the purpose of informing the public on the proposed VCDBG project. Participation by low- and moderate-income residents and stakeholders in the project or service area and the community at large was encouraged. The hearings were held at times and locations convenient to potential beneficiaries and with accommodation for the disabled. Public input into the development of this proposal was obtained at hearings held on:

_____ AND _____;
(date) (date)

- Publishing a notice to advertise the public hearings and availability of proposal information at least 7 days prior to the dates of the hearings in the non-legal section of a NEWSPAPER of local general circulation and AT LEAST ONE OTHER TYPE OF ANNOUNCEMENT. The advertisements ran on:

_____ AND _____;
(date) (date)

Advertisements for the two public hearing must be published separately. Applicants may not only publish one advertisement that includes information on both public hearings.

- Maintaining files which contain documentary evidence that the hearings were held. These files must contain proof of publication of the hearing notices, written and/or recorded minutes of the hearings, and lists of citizens attending the hearings;
- Making VCDBG program and proposal documentation available to the public for comment during regular office hours. This documentation should include the range of proposed activities, the estimated amounts of funding which will benefit low- and moderate-income persons, the plans to minimize displacement and provide displacement assistance where applicable, and a summary of the proposed application. This documentation should also include public information on any other VCDBG project undertaken within the last 5 years;

- Providing technical assistance to groups representative of persons of low- and moderate-income that request such assistance in developing proposals for the use of VCDBG funds, with the level and type of assistance determined by the locality;
- Providing timely written responses to written complaints and grievances, within 15 working days where practicable;
- Accommodating the needs of non-English speaking residents at public hearings where more than 5% of the attendees can be reasonably expected not to speak English; and,
- Adhering to the VCDBG Citizen Participation Plan per the 2007 VCDBG Program Design.

Chief Administrative Official

Name	Title
Signature	Date

Attach original copies of all newspaper Public Hearing notices. Original notice copies should be clipped from the appropriate newspapers and attached with clear tape to 8 ½-inch x 11-inch white paper with the date of publication clearly visible. Photocopies should be made for other proposal copies

In Regional proposals, each participating locality must conduct two public hearings and the proposal must contain, from each participating locality, a signed copy of this page and copies of all newspaper advertisements. Again, originals in original copy and photocopies in other copies.

GENERAL ASSURANCES AND CERTIFICATION

Original copy in original proposal; photocopies in other copies

The applicant hereby assures and certifies that:

- (a) It possesses legal authority to apply for the grant, and to execute the proposed program.
- (b) Its governing body has duly adopted or passed as an official act a resolution, motion, or similar action authorizing the filing of the application including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.
- (c) Its chief executive officer or other officer of applicant who has been approved by the Virginia Department of Housing and Community Development:
 - i. Consents to assume the status of a responsible Federal official under the National Environmental Policy Act of 1969 (NEPA) and other provisions of Federal law, as specified at 24 CFR 58.5(a) through (h) which serve to further the purposes of NEPA insofar as the provisions of such Federal law apply to this Program;
 - ii. Is authorized and consents on behalf of the applicant and himself to accept the jurisdiction of the Federal and Commonwealth of Virginia courts for the purpose of enforcement of his responsibilities as such an official.
- (d) It will comply with the regulations, policies, guidelines and requirements of the Code of Federal Regulations (24 CFR Part 85), OMB Circular A-128 and Circular A-87 as they relate to the application, acceptance, and use of Federal funds under this Program; and, as applicable, all State laws and administrative requirements which may supersede them (by virtue of being more stringent).
- (e) It will comply with the provisions of Executive Order 11988, relating to evaluation of flood hazards and Executive Order 12088 relating to the prevention, control and abatement of water pollution.
- (f) It will require buildings or facilities designed, constructed, or altered with funds provided under this Program to comply with the "American Standard Specifications for Making Buildings and Facilities Accessible to, and Usable by, the Physically Handicapped," Number A-117.1-R 1980, or Uniform Federal Accessibility Standards (UFAS) in accordance with the Virginia Uniform

Statewide Building Code. The applicant will be responsible for conducting inspections to insure compliance with these specifications by the contractor.

(g) It will not recover the capital costs for public improvements financed in whole or in part with CDBG funds through assessments against properties owned and occupied by low- and moderate-income persons nor will fees or assessments be charged to such persons as a condition of obtaining access to the public improvements. (Per section 104(b)(5) of Title I of Housing and Community Development Act of 1974, as amended).

(h) It will comply with:

i. Title VI of the Civil Rights Act of 1964 (Pub. L 88-352), and the regulations issued pursuant thereto (24 CFR Part 1), which provides that no person in the United States shall on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the applicant receives Federal financial assistance. A recipient, in determining the types of housing, accommodations, facilities, services, financial aid, or other benefits which will be provided under any such program or activity, or the class of persons to whom, or the situations in which, such housing, accommodations, facilities, services, financial aid, or other benefits will be provided under any such program or activity, or the class of persons to be afforded an opportunity to participate in any such program or activity, may not, directly or through contractual or other arrangements, utilize criteria or methods of administration which have the effect of subjecting persons to discrimination because of their race, color, or national origin, or have the effect of defeating or substantially impairing accomplishment of the objectives of the program or activity as respect to persons of a particular race, color, or national origin.

The project service area shall not be selected in such a manner as to provide services to a population in which the proportion of minority and other protected population groups is substantially lower than the proportion of those groups throughout the jurisdiction of the locality unless:

- the areas of disproportionate concentrations of minority and other protected population groups has already been served, or
- there are definite plans for the imminent provision of similar services to those areas, or
- there is reasonable justification for the provision of services to the selected area notwithstanding the substantially lower proportion of minority and other protected population groups.

ii. 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.

- iii. Section 109 of the Housing and Community Development Act of 1974, and the regulations issued pursuant thereto (24 CFR Part 570.602), which provides that no person in the United States shall, on the grounds of race, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or part with funds provided under this Program. Any prohibition against discrimination on the basis of age under Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in Section 504 of the Rehabilitation Act of 1973 as amended shall also apply to this Program.
 - iv. Executive Order 11063 on equal opportunity in housing and nondiscrimination in the sale or rental of housing built with Federal assistance.
 - v. Executive Order 11246, and the regulations issued pursuant thereto 41 CFR Chapter 60), which provides that no person shall be discriminated against on the basis of race, color, religion, sex or national origin in all phases of employment during the performance of Federal or federally assisted construction contracts. Contractors and subcontractors on Federal and federally assisted construction contracts shall take affirmative action to insure fair treatment in employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination, rates of pay or other forms of compensation and selection for training and apprenticeship.
- (i) It will comply with Section 3 of the Housing and Urban Development Act of 1968, as amended, requiring that to the greatest extent feasible opportunities for training and employment be given to lower-income residents of the project area and contracts for work in connection with the project be awarded to eligible business concerns which are located in, or owned in substantial part by, persons residing in the area of the project.
 - (j) It will:
 - i. In acquiring real property be guided, to the greatest extent practicable under State law, by the land acquisition policies in Sections 301 and 302 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; and
 - ii. Pay or reimburse property owners for necessary expenses as specified in Section 303 and 304 of the Uniform Act; and
 - iii. Comply with the applicable Sections (202 through 205) of Title II (relocation assistance) of the Uniform Act in providing relocation payments and relocation assistance; and

- iii. Comply with DOT regulations at 49 CFR Part 24 in implementing the requirements, it will:
 - 1) Carry out the policies and procedures of Part 24 in a manner that insures that the acquisition and relocation processes do not result in different or separate treatment to persons on account of race, color, religion, sex, national origin, or source of income; and
 - 2) Assure that, within a reasonable period of time prior to displacement, comparable decent, safe and sanitary replacement dwellings will be available to all displaced families and individuals and that the range of choices available to such persons will not vary on account of race, color, religion, sex, national origin, or source of income; and
 - 3) Inform affected persons of their rights under the policies and procedures set forth under the regulations in Part 24, including their rights under Title VI of the Civil Rights Act of 1964 and Title VIII of the Civil Rights Act of 1968, as amended.
- (k) It will establish safeguards to prohibit employees from using positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties.
- (l) It will comply with the provisions of the Hatch Act which limits the political activity of employees.
- (m) It will comply with the provisions of the Davis-Bacon Act as amended and the Contract Work Hours and Safety Standards Act as determined by the Secretary of Labor. This section shall apply to rehabilitation of residential property only if such property is designed for residential use of eight or more families.
- (n) It will give the Virginia Department of Housing and Community Development and the Comptroller General through any authorized representatives access to and the right to examine all records, books, papers, or documents related to the grant.
- (o) It will insure that facilities under its ownership, lease or supervision which shall be utilized in the accomplishment of the program are not listed on the Environmental Protection Agency's (EPA) list of Violating Facilities and that it will notify the Virginia Department of Housing and Community Development of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be used in the project is under consideration for listing by the EPA.
- (p) It will comply with the flood insurance purchase requirements of Section 102 (a) of the Flood Disaster Protection Act of 1973, Pub. L. 93-234, 87 Stat. 975, approved December 31, 1973. Section 103 (a) required, on and after March 2, 1974, the

purchase of flood insurance in communities where such insurance is available as a condition for the receipt of any Federal financial assistance for construction or acquisition purposes for use in any area, that has been identified by the Secretary of the Department of Housing and Urban Development as an area having special flood hazards. The phrase "Federal financial assistance" includes any form of loan, grant, guaranty, insurance payment, rebate, subsidy, disaster assistance loan or grant, or any other form of direct or indirect Federal assistance.

- (q) It will in connection with its performance of environmental assessments under the National Environmental Policy Act of 1969, comply with Section 106 of the National Historic Preservation Act of 1966 (16 U.S.C. 470), Executive Order 11593, and the Preservation of Archeological and Historical Data Act of 1966 (16 U.S.C. 469a-1, et. Seq.) by:
 - i. Consulting with the State Historic Preservation Officer to identify properties listed in or eligible for inclusion in the National Register of Historic Places that are subject to adverse effects (see 36 CFR Part 800.8) by the proposed activity, and
 - ii. Complying with all requirements established by HUD and the Virginia Department of Housing and Community Development to avoid or mitigate adverse effects upon such properties.
- (r) Assure upon funding, it will implement a "residential anti-displacement and relocation assistance plan," pursuant to Section 570.496a(b).
- (s) It will implement all required actions to ensure compliance pursuant to 24 CFR Part 8, Nondiscrimination Based on Handicap in Federally Assisted Programs and Activities.
- (t) The undersigned certifies, to the best of his or her knowledge and belief, that:
 - i. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
 - ii. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit

Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

- iii. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

- (u) Any survey information submitted with the application is a true representation of the data and has not been altered or fabricated. The survey was conducted and analyzed in strict accordance with the methodology stated.
- (v) The certification set out below is a material representation upon which reliance is placed by the U.S. Department of Housing and Urban Development in awarding the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, the U.S. Department of Housing and Urban Development, in addition to any other remedies available to the Federal Government, take action authorized under the Drug-Free Workplace Act.

Chief Administrative Official:

_____	_____
Name	Title
_____	_____
Signature	Date

DRUG-FREE WORKPLACE ASSURANCES AND CERTIFICATION

The grantee certifies that it will provide a drug-free workplace by:

- (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
- (b) Establishing a drug-free awareness program to inform employees about -
 - i. The dangers of drug abuse in the workplace;
 - ii. The grantee's policy of maintaining a drug-free workplace;
 - iii. Any available drug counseling, rehabilitation, and employee assistance programs; and
 - iv. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
- (c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
- (d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will -
 - i. Abide by the terms of the statement; and
 - ii. Notify the employer of any criminal drug statue conviction for a violation occurring in the workplace no later than five days after such conviction;
- (e) Notifying the U.S. Department of Housing and Urban Development within ten days after receiving notice under subparagraph (d)(2) from an employee or otherwise receiving actual notice of such condition;
- (f) Taking one of the following actions, within 30 days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted –
 - i. Taking appropriate personnel action against such an employee, up to and including termination; or

- ii. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
- (g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e) and (f).

Chief Administrative Official:

_____	_____
Name	Title
_____	_____
Signature	Date

Original copies in original proposal; photocopies in other proposal copies.

APPLICANT DISCLOSURE REPORT

PART I – SUMMARY INFORMATION

Applicant _____

Address _____

Contact Person _____

Address _____

Phone Number _____

Project Name _____

Applicant FIN / Employer ID # _____

Are you requesting VCDBG funding of \$200,000 or more? _____ YES _____ NO

If yes, the remainder of this Applicant Disclosure Report must be completed and the original must be attached to the original copy of the proposal. Photocopies in other copies.

PART II – OTHER GOVERNMENTAL ASSISTANCE IN PROJECT

Source of Assistance	Program / Use of Funds	Type of Assistance	Amount

PART III – INTEREST DISCLOSURE

Interested Parties	Social Security / FIN Employer ID	Type of Participation	Financial Interest In Project (\$ and %)

I hereby certify that, to the best of my knowledge, the information contained in this Applicant Disclosure Report is true and accurate.

Chief Administrative Official:

Name

Title

Signature

Date

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**2007
COMPETITIVE GRANT**

**REQUEST
FOR
PROPOSALS**

**SECTION IV
APPENDICES**

APPENDIX A: VIRGINIA CDBG PROGRAM

ELIGIBLE LOCALITIES

Cities

Bedford
Buena Vista
Covington
Emporia
Franklin
Galax
Lexington
Martinsville
Norton
Poquoson
Salem
Staunton
Waynesboro
Williamsburg

Counties

Accomack
Albemarle
Alleghany
Amelia
Amherst
Appomattox
Augusta
Bath
Bedford
Bland
Botetourt
Brunswick
Buchanan
Buckingham
Campbell
Caroline
Carroll
Charles City
Charlotte
Clarke
Craig
Culpeper

Cumberland
Dickenson
Dinwiddie
Essex
Fauquier
Floyd
Fluvanna
Franklin
Frederick
Giles
Gloucester
Goochland
Grayson
Greene
Greensville
Halifax
Hanover
Henry
Highland
Isle of Wight
James City County
King and Queen
King George
King William
Lancaster
Lee
Louisa
Lunenburg
Madison
Mathews
Mecklenburg
Middlesex
Montgomery
Nelson
New Kent
Northampton
Northumberland
Nottoway
Orange
Page
Patrick
Pittsylvania
Powhatan
Prince Edward

Prince George
Pulaski
Rappahannock
Richmond
Roanoke
Rockbridge
Rockingham
Russell
Scott
Shenandoah
Smyth
Southampton
Spotsylvania
Stafford
Surry
Sussex
Tazewell
Warren
Washington
Westmoreland
Wise
Wythe
York

Towns

Abingdon
Accomac
Alberta
Altavista
Amherst
Appalachia
Appomattox
Ashland
Belle Haven
Berryville
Big Stone Gap
Blackstone
Bloxom
Bluefield
Boones Mill
Bowling Green
Boyce
Boydton
Boykins
Branchville
Bridgewater
Broadway
Brodnax
Brookneal
Buchanan
Burkeville
Cape Charles
Capron
Cedar Bluff
Charlotte Court House
Chase City
Chatham
Cheriton
Chilhowie
Chincoteague
Claremont
Clarksville
Cleveland
Clifton Forge
Clinchco
Clinchport
Clintwood
Coeburn
Colonial Beach
Columbia
Courtland
Craigsville
Crewe
Culpeper

Damascus
Dayton
Dendron
Dillwyn
Drakes Branch
Dublin
Duffield
Dungannon
Eastville
Edinburg
Elkton
Exmore
Farmville
Fincastle
Floyd
Fries
Front Royal
Gate City
Glade Spring
Glasgow
Glen Lyn
Gordonsville
Goshen
Gretna
Grottoes
Grundy
Halifax
Hallwood
Hamilton
Haysi
Hillsboro
Hillsville
Honaker
Hurt
Independence
Iron Gate
Irvington
Ivor
Jarratt
Jonesville
Keller
Kenbridge
Keysville
Kilmarnock
La Crosse
Lawrenceville
Lebanon
Leesburg
Louisa
Lovettsville
Luray

Madison
Marion
McKenney
Melfa
Middleburg
Middletown
Mineral
Monterey
Montross
Mount Jackson
Mount Crawford
Narrows
Nassawaddox
New Castle
New Market
Newsoms
Nickelsville
Onancock
Onley
Orange
Painter
Pamplin City
Parksley
Pearisburg
Pembroke
Pennington Gap
Phenix
Pocahontas
Port Royal
Pound
Pulaski
Purcellville
Remington
Rich Creek
Richlands
Ridgeway
Rocky Mount
Round Hill
Rural Retreat
Saltville
Saxis
Scottsburg
Scottsville
Shenandoah
Smithfield
South Boston
South Hill
St. Charles
St. Paul
Stanardsville
Stanley

Stephens City
Stony Creek
Strasburg
Stuart
Surry
Tangier
Tappahannock
Tazewell
The Plains
Timberville
Toms Brook
Troutdale
Troutville
Urbanna
Victoria
Vinton
Virgilina
Wachapreague
Wakefield
Warrenton
Warsaw
Washington
Waverly
Weber City
West Point
White Stone
Windsor
Wise
Woodstock
Wytheville

APPENDIX B – VCDBG CITIZEN PARTICIPATION

For All Potential Local Government Applicants:

It is important that community development projects carried out wholly or in part with Virginia Community Development Block Grant (VCDBG) funds involve extensive citizen participation - especially low- and moderate-income citizen participation – during the proposal development process. Participation is encouraged prior to submitting a Planning Grant proposal, but there are no firm requirements. The following steps, however, are **required** for each local government wishing to submit a Community Improvement Grant proposal., including both competitive round projects and projects being submitted under the separate Funds.

1. Local citizen participation should be encouraged throughout the process of developing a Community Improvement Grant (CIG) proposal. In particular, participation by low- and moderate-income (LMI) residents of the project service area or a slum and blight area should be encouraged. To meet this requirement, applicant communities must inform citizens of public hearings and other meetings and opportunities for participation in CDBG proposal development through at least two of the following methods:
 - a. Advertisement in a locally-circulated newspaper with the largest general circulation (the required public hearings must be announced using this method and at least one other method);
 - b. Advertisement through locally-received radio and/or television stations;
 - c. Distribution of flyers in LMI areas and in the proposed service area(s);
 - d. Announcements at local community organization meetings; and,
 - e. Announcements through local churches and community centers located in LMI and proposed project areas.

Applicants must keep documentation of how they met the above requirement in their CDBG files for verification. **This requirement for two types of announcements for each CDBG proposal development event should not be confused with the requirement in #4 below for two public hearings.**

Advertisements for the two public hearing must be published separately. Applicants may not only publish one advertisement that includes information on both public hearings. If publishing in a weekly paper, be sure the ads will be published in such a manner as to comply with the requirements outlined here.

2. Local citizens should be provided with reasonable and timely access to local meetings, information, and records relating to the applicant locality's proposed and actual use of VCDBG funds. Meetings should be conducted according to the

standards established for the public hearings cited below (#4). CDBG-related information and records must be made available to interested citizens with the availability of such items announced at least in the same manner as the public hearing advertisements. At a minimum citizens should be furnished with information concerning the amount of funds available (including program income) for proposed activities and the range of activities that may be undertaken, including the estimated amount to be used for activities that will benefit low- and moderate-income persons, the proposed CDBG activities likely to result in displacement, and plans for minimizing displacement of persons as a result of the CDBG project and plans to assist persons actually displaced by the project.

3. Technical assistance must be provided to groups representative of persons of low- and moderate-income that request such assistance in developing proposals for use of VCDBG funds, with the level and type of assistance to be determined by the applicant locality but including at least consultations and written communications between a local contact person responsible for the CDBG proposal's development and interested groups. The name, address, and telephone number of the contact person(s) must be made available upon request and announced at all public meetings held on the CDBG proposal.
4. At least **two public hearings** must be held during the CIG proposal development period. The first hearing must be held early in the CIG proposal development process to identify the applicant's community development and housing needs, the range of eligible project types funded through the VCDBG program and the amount of money available to the applicant, as well as the applicant's past performance (if applicable) in the CDBG program during the previous five years. A second hearing must be held for public review of and comment on the final draft of the CIG proposal.

These hearings must be held after adequate notice (non-legal newspaper advertisement at least **seven days prior** to the hearing and at least one other type of announcement - see # 1 above), at times and locations convenient to potential or actual beneficiaries, and with accommodation for the handicapped. Both public hearings must be held **within twelve months** of the application deadline (defined by DHCD in 2007 as after March 22, 2006); the two hearings must, at a minimum, be held **one week apart**. **Advertisements for the two public hearing must be published separately. Applicants may not only publish one advertisement that includes information on both public hearings.** In the case of the same proposal being resubmitted from the prior competitive year, DHCD may waive the public hearing requirement on community development needs. Files must be maintained containing documentary evidence that the hearings were held, to include at a minimum a list of attendees and minutes of the hearings. For **regional proposals**, each participating locality must hold two public hearings as described above.

An applicant with a *current* CIG project to which activities are to be added, deleted, or substantially changed (that is, substantial changes made in terms of purpose, scope, location, or beneficiaries) must provide local citizens through a public hearing with

an opportunity for comment on such changes, after the locality has informed citizens of the changes at least seven days prior to the hearing.

5. Applicants must provide, in the public hearing notices, the address, phone number, and times for submitting complaints and grievances to the applicant locality, and provide timely written answers to written complaints and grievances, within 15 working days where practicable.
6. Where 5 percent or more of public hearing participants can be reasonably expected to be non-English speaking residents, applicants must take measures to accommodate their needs. Census data on the proposed project area and on the locality as a whole should be consulted to determine if this provision applies in a particular instance. Meeting this provision requires, at a minimum, having printed material available in the non-English language(s) and retaining the services of an interpreter(s) for all CDBG-related meetings and public hearings.

None of the foregoing may be construed to restrict the responsibility or authority of the local government applicant in the development and execution of its Community Improvement Grant project.

Public Hearing Advertisements

These advertisements should be made in accordance with item #1 in the Plan above.

Model Advertisement – First Public Hearing

(Locality) will hold a public hearing on (date) at (time) at (location) to solicit public input on local community development and housing needs in relation to Community Development Block Grant (CDBG) funding for a project in our community.

Information on the amount of funding available, the requirements on benefit to low- and moderate-income persons, eligible activities, and plans to minimize displacement and provide displacement assistance as necessary will be available. Citizens will also be given the opportunity to comment on (locality's) past use of CDBG funds. All interested citizens are urged to attend. For additional information, contact (local contact name and information).

Complaints and grievances can be submitted in writing to (locality) at (address) or by phone at (phone number and TDD) until (cut-off date).

If you plan to attend and have any special needs requirements, please call the number listed above.

Model Advertisement – Second Public Hearing

(Locality) will hold a public hearing on (date) at (time) at (location) to solicit public input on the proposed Community Development Block Grant (CDBG) proposal to be submitted to the Virginia Department of Housing and Community Development for (project name). The (project name) proposal will include the following activities (list activities). Residents of the project area are encouraged to attend.

The draft CDBG proposal will be presented for comment along with information on projected beneficiaries, including the number of low- and moderate-income residents to benefit from the proposed project, and plans to minimize displacement. Citizens will also be given the opportunity to comment on (locality's) past use of CDBG funds. A fact sheet on the proposed project and the draft proposal is available at (location). For additional information, contact (local contact name and information).

Complaints and grievances can be submitted in writing to (locality) at (address) or by phone at (phone number and TDD) until (cut-off date).

If you plan to attend and have any special needs requirements, please call the number listed above.

Appendix C – CDBG National Objectives

Community Development Block Grant (CDBG) funding was established by the Housing and Community Development Act of 1974. In accordance with Section 104(b)(3) of the Act, the use of CDBG funding must “give maximum feasible priority to activities which will benefit low- and moderate-income families or aid in the prevention or elimination of slums and blight” and “may also include activities which are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the community”. These provisions constitute the three CDBG national objectives.

The Virginia Community Development Block Grant Program makes funding available to units of local government for planning and implementing community development projects in non-entitlement localities, which are those not receiving CDBG assistance directly from the U.S. Department of Housing and Urban Development. Each project and each activity within a project which will utilize CDBG funding must meet a national objective. Projects may contain activities which meet different national objectives.

The National Objectives are further defined as follows:

Activities benefiting low- and moderate-income persons

Individuals or households whose household income is equal to or less than the Section 8 lower income limit established by the U.S. Department of Housing and Urban Development (HUD) are determined to be low- and moderate-income. The Section 8 income limits are published annually by HUD. The lower income limit represents 80 percent of the area median income for like-sized households or 80 percent of the median income of the entire non-metropolitan area of the State, whichever is higher. No project will receive funding which benefits moderate-income persons (80 percent AMI) to the exclusion of low-income persons (50 percent AMI or less).

Activities benefiting low- and moderate-income persons must meet one of the following tests:

- Benefits are available to all of the residents in a particular area, wherein at least 51 percent of the residents are low- and moderate-income persons;
- At least 51 percent of the benefits are provided to low- and moderate-income persons;
 - Benefits will be provided to a clientele presumed to be principally low- and moderate-income persons; or,
 - If jobs are created or retained in a project, at least 51 percent of the aggregate jobs will be held by or made available to low- and moderate-income persons.
- In the case of a project providing relevant, direct outcome-based services, the following classes of people are considered LMI:
 - abused children
 - battered spouses
 - elderly persons
 - severely disabled persons (persons meeting the Bureau of Census’ definition)
 - homeless persons

Appendix C – CDBG National Objectives

- migrant farm workers
- persons with AIDS
- illiterate adults

Activities which aid in the prevention or elimination of slums or blight

An activity will be considered to address prevention or elimination of slums and blight in an area if:

- The delineated area meets a definition of a slum, blighted, or deteriorated or deteriorating area and is formally designated a slum or blighted area in accordance with State law. In Virginia, this definition and procedure for designation is available in Title 36, Article 7 of the Code of Virginia; and,
- Throughout the area, there is a substantial number of deteriorated or deteriorating buildings or the public improvements are in a general state of deterioration; and,
- The activity addresses one or more of the conditions which contributed to the deterioration.

Activities designed to meet community needs having a particular urgency

An activity will be considered to address this objective if the following conditions are met:

- The activity is designed to alleviate existing conditions which pose a serious and immediate threat to the health or welfare of the community; and,
- The conditions are of recent origin or recently became urgent. Recent is defined as within the preceding 18-months; and,
- The locality is unable to finance the project on its own and no other funding is available to address the problem; and,
- There exists a current declaration of emergency by the Governor of Virginia or of a health threat by the State Health Commissioner.

The Virginia Department of Housing and Community Development reserves the right to reclassify both activities and projects in terms of national objective as is appropriate. Projects which do not meet at least one of the three national objectives will not be considered for funding. Any activity within a project not shown to meet at least one of the three national objectives will not be considered for funding.

Appendix D - 2006 Income Limits

PDC	Locality	Household Size							
		1	2	3	4	5	6	7	8
PDC 1	City of Norton	\$ 27,450	\$ 31,350	\$ 35,300	\$ 39,200	\$ 42,350	\$ 45,450	\$ 48,600	\$ 51,750
	Lee County	\$ 27,450	\$ 31,350	\$ 35,300	\$ 39,200	\$ 42,350	\$ 45,450	\$ 48,600	\$ 51,750
	Scott County	\$ 26,050	\$ 29,750	\$ 33,500	\$ 37,200	\$ 40,200	\$ 43,150	\$ 46,150	\$ 49,100
	Wise County	\$ 27,450	\$ 31,350	\$ 35,300	\$ 39,200	\$ 42,350	\$ 45,450	\$ 48,600	\$ 51,750
PDC 2	Buchanan County	\$ 27,450	\$ 31,350	\$ 35,300	\$ 39,200	\$ 42,350	\$ 45,450	\$ 48,600	\$ 51,750
	Dickenson County	\$ 27,450	\$ 31,350	\$ 35,300	\$ 39,200	\$ 42,350	\$ 45,450	\$ 48,600	\$ 51,750
	Russell County	\$ 27,450	\$ 31,350	\$ 35,300	\$ 39,200	\$ 42,350	\$ 45,450	\$ 48,600	\$ 51,750
	Tazewell County	\$ 27,450	\$ 31,350	\$ 35,300	\$ 39,200	\$ 42,350	\$ 45,450	\$ 48,600	\$ 51,750
PDC 3	City of Galax	\$ 27,450	\$ 31,350	\$ 35,300	\$ 39,200	\$ 42,350	\$ 45,450	\$ 48,600	\$ 51,750
	Bland County	\$ 27,450	\$ 31,350	\$ 35,300	\$ 39,200	\$ 42,350	\$ 45,450	\$ 48,600	\$ 51,750
	Carroll County	\$ 27,450	\$ 31,350	\$ 35,300	\$ 39,200	\$ 42,350	\$ 45,450	\$ 48,600	\$ 51,750
	Grayson County	\$ 27,450	\$ 31,350	\$ 35,300	\$ 39,200	\$ 42,350	\$ 45,450	\$ 48,600	\$ 51,750
	Smyth County	\$ 27,450	\$ 31,350	\$ 35,300	\$ 39,200	\$ 42,350	\$ 45,450	\$ 48,600	\$ 51,750
	Washington County	\$ 26,050	\$ 29,750	\$ 33,500	\$ 37,200	\$ 40,200	\$ 43,150	\$ 46,150	\$ 49,100
	Wythe County	\$ 27,450	\$ 31,350	\$ 35,300	\$ 39,200	\$ 42,350	\$ 45,450	\$ 48,600	\$ 51,750
PDC 4	Floyd County	\$ 27,450	\$ 31,350	\$ 35,300	\$ 39,200	\$ 42,350	\$ 45,450	\$ 48,600	\$ 51,750
	Giles County	\$ 28,550	\$ 32,650	\$ 36,700	\$ 40,800	\$ 44,050	\$ 47,350	\$ 50,600	\$ 53,850
	Montgomery County	\$ 32,250	\$ 36,900	\$ 41,500	\$ 46,100	\$ 49,800	\$ 53,500	\$ 57,150	\$ 60,850
	Pulaski County	\$ 28,750	\$ 32,850	\$ 36,950	\$ 41,050	\$ 44,350	\$ 47,600	\$ 50,900	\$ 54,200
PDC 5	City of Covington	\$ 27,450	\$ 31,350	\$ 35,300	\$ 39,200	\$ 42,350	\$ 45,450	\$ 48,600	\$ 51,750
	City of Salem	\$ 32,500	\$ 37,100	\$ 41,750	\$ 46,400	\$ 50,100	\$ 53,800	\$ 57,550	\$ 61,250
	Alleghany County	\$ 27,450	\$ 31,350	\$ 35,300	\$ 39,200	\$ 42,350	\$ 45,450	\$ 48,600	\$ 51,750
	Botetourt County	\$ 32,500	\$ 37,100	\$ 41,750	\$ 46,400	\$ 50,100	\$ 53,800	\$ 57,550	\$ 61,250
	Craig County	\$ 32,500	\$ 37,100	\$ 41,750	\$ 46,400	\$ 50,100	\$ 53,800	\$ 57,550	\$ 61,250
	Roanoke County	\$ 32,500	\$ 37,100	\$ 41,750	\$ 46,400	\$ 50,100	\$ 53,800	\$ 57,550	\$ 61,250

Appendix D - 2006 Income Limits

PDC	Locality	Household Size							
		1	2	3	4	5	6	7	8
PDC 6	City of Buena Vista	\$ 28,750	\$ 32,900	\$ 37,000	\$ 41,100	\$ 44,400	\$ 47,700	\$ 50,950	\$ 54,250
	City of Lexington	\$ 28,750	\$ 32,900	\$ 37,000	\$ 41,100	\$ 44,400	\$ 47,700	\$ 50,950	\$ 54,250
	City of Staunton	\$ 31,750	\$ 36,300	\$ 40,800	\$ 45,350	\$ 49,000	\$ 52,600	\$ 56,250	\$ 59,850
	City of Waynesboro	\$ 31,750	\$ 36,300	\$ 40,800	\$ 45,350	\$ 49,000	\$ 52,600	\$ 56,250	\$ 59,850
	Augusta County	\$ 31,750	\$ 36,300	\$ 40,800	\$ 45,350	\$ 49,000	\$ 52,600	\$ 56,250	\$ 59,850
	Bath County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,450
	Highland County	\$ 27,450	\$ 31,350	\$ 35,300	\$ 39,200	\$ 42,350	\$ 45,450	\$ 48,600	\$ 51,750
	Rockbridge County	\$ 28,750	\$ 32,900	\$ 37,000	\$ 41,100	\$ 44,400	\$ 47,700	\$ 50,950	\$ 54,250
	Rockingham County	\$ 31,450	\$ 35,900	\$ 40,400	\$ 44,900	\$ 48,500	\$ 52,100	\$ 55,700	\$ 59,250
PDC 7	Clarke County	\$ 41,700	\$ 47,700	\$ 53,650	\$ 59,600	\$ 64,350	\$ 69,150	\$ 73,900	\$ 78,650
	Frederick County	\$ 34,100	\$ 39,000	\$ 43,850	\$ 48,700	\$ 52,600	\$ 56,500	\$ 60,400	\$ 64,300
	Page County	\$ 27,450	\$ 31,350	\$ 35,300	\$ 39,200	\$ 42,350	\$ 45,450	\$ 48,600	\$ 51,750
	Shenandoah County	\$ 30,750	\$ 35,100	\$ 39,500	\$ 43,900	\$ 47,400	\$ 50,900	\$ 54,450	\$ 57,950
	Warren County	\$ 34,450	\$ 39,350	\$ 44,300	\$ 49,200	\$ 53,150	\$ 57,050	\$ 61,000	\$ 64,950
PDC 8	N/A								
PDC 9	Culpeper County	\$ 35,400	\$ 40,450	\$ 45,500	\$ 50,550	\$ 54,600	\$ 58,650	\$ 62,700	\$ 66,750
	Fauquier County	\$ 41,700	\$ 47,700	\$ 53,650	\$ 59,600	\$ 64,350	\$ 69,150	\$ 73,900	\$ 78,650
	Madison County	\$ 30,400	\$ 34,750	\$ 39,100	\$ 43,450	\$ 46,950	\$ 50,400	\$ 53,900	\$ 57,350
	Orange County	\$ 32,700	\$ 37,350	\$ 42,050	\$ 46,700	\$ 50,450	\$ 54,150	\$ 57,900	\$ 61,650
	Rappahannock County	\$ 35,400	\$ 40,450	\$ 45,500	\$ 50,550	\$ 54,600	\$ 58,650	\$ 62,700	\$ 66,750
PDC 10	Albemarle County	\$ 37,350	\$ 42,700	\$ 48,000	\$ 53,350	\$ 57,650	\$ 61,900	\$ 66,150	\$ 70,450
	Fluvanna County	\$ 37,350	\$ 42,700	\$ 48,000	\$ 53,350	\$ 57,650	\$ 61,900	\$ 66,150	\$ 70,450
	Greene County	\$ 37,350	\$ 42,700	\$ 48,000	\$ 53,350	\$ 57,650	\$ 61,900	\$ 66,150	\$ 70,450
	Louisa County	\$ 30,750	\$ 35,100	\$ 39,500	\$ 43,900	\$ 47,400	\$ 50,900	\$ 54,450	\$ 57,950
	Nelson County	\$ 37,350	\$ 42,700	\$ 48,000	\$ 53,350	\$ 57,650	\$ 61,900	\$ 66,150	\$ 70,450

Appendix D - 2006 Income Limits

PDC	Locality	Household Size							
		1	2	3	4	5	6	7	8
PDC 11	City of Bedford	\$ 30,050	\$ 34,300	\$ 38,600	\$ 42,900	\$ 46,350	\$ 49,750	\$ 53,200	\$ 56,650
	Amherst County	\$ 30,050	\$ 34,300	\$ 38,600	\$ 42,900	\$ 46,350	\$ 49,750	\$ 53,200	\$ 56,650
	Appomattox County	\$ 30,050	\$ 34,300	\$ 38,600	\$ 42,900	\$ 46,350	\$ 49,750	\$ 53,200	\$ 56,650
	Bedford County	\$ 30,050	\$ 34,300	\$ 38,600	\$ 42,900	\$ 46,350	\$ 49,750	\$ 53,200	\$ 56,650
	Campbell County	\$ 30,050	\$ 34,300	\$ 38,600	\$ 42,900	\$ 46,350	\$ 49,750	\$ 53,200	\$ 56,650
PDC 12	City of Martinsville	\$ 27,450	\$ 31,350	\$ 35,300	\$ 39,200	\$ 42,350	\$ 45,450	\$ 48,600	\$ 51,750
	Franklin County	\$ 30,850	\$ 35,300	\$ 39,700	\$ 44,100	\$ 47,650	\$ 51,150	\$ 54,700	\$ 58,200
	Henry County	\$ 27,450	\$ 31,350	\$ 35,300	\$ 39,200	\$ 42,350	\$ 45,450	\$ 48,600	\$ 51,750
	Patrick County	\$ 27,450	\$ 31,350	\$ 35,300	\$ 39,200	\$ 42,350	\$ 45,450	\$ 48,600	\$ 51,750
	Pittsylvania County	\$ 27,450	\$ 31,350	\$ 35,300	\$ 39,200	\$ 42,350	\$ 45,450	\$ 48,600	\$ 51,750
PDC 13	Brunswick County	\$ 27,450	\$ 31,350	\$ 35,300	\$ 39,200	\$ 42,350	\$ 45,450	\$ 48,600	\$ 51,750
	Halifax County	\$ 27,450	\$ 31,350	\$ 35,300	\$ 39,200	\$ 42,350	\$ 45,450	\$ 48,600	\$ 51,750
	Mecklenburg County	\$ 27,450	\$ 31,350	\$ 35,300	\$ 39,200	\$ 42,350	\$ 45,450	\$ 48,600	\$ 51,750
PDC 14	Amelia County	\$ 37,850	\$ 43,300	\$ 48,700	\$ 54,100	\$ 58,450	\$ 62,750	\$ 67,100	\$ 71,400
	Buckingham County	\$ 27,450	\$ 31,350	\$ 35,300	\$ 39,200	\$ 42,350	\$ 45,450	\$ 48,600	\$ 51,750
	Charlotte County	\$ 27,450	\$ 31,350	\$ 35,300	\$ 39,200	\$ 42,350	\$ 45,450	\$ 48,600	\$ 51,750
	Cumberland County	\$ 27,450	\$ 31,350	\$ 35,300	\$ 39,200	\$ 42,350	\$ 45,450	\$ 48,600	\$ 51,750
	Lunenburg County	\$ 27,450	\$ 31,350	\$ 35,300	\$ 39,200	\$ 42,350	\$ 45,450	\$ 48,600	\$ 51,750
	Nottoway County	\$ 27,450	\$ 31,350	\$ 35,300	\$ 39,200	\$ 42,350	\$ 45,450	\$ 48,600	\$ 51,750
	Prince Edward County	\$ 27,450	\$ 31,350	\$ 35,300	\$ 39,200	\$ 42,350	\$ 45,450	\$ 48,600	\$ 51,750
PDC 15	Charles City County	\$ 37,850	\$ 43,300	\$ 48,700	\$ 54,100	\$ 58,450	\$ 62,750	\$ 67,100	\$ 71,400
	Goochland County	\$ 37,850	\$ 43,300	\$ 48,700	\$ 54,100	\$ 58,450	\$ 62,750	\$ 67,100	\$ 71,400
	Hanover County	\$ 37,850	\$ 43,300	\$ 48,700	\$ 54,100	\$ 58,450	\$ 62,750	\$ 67,100	\$ 71,400
	New Kent County	\$ 37,850	\$ 43,300	\$ 48,700	\$ 54,100	\$ 58,450	\$ 62,750	\$ 67,100	\$ 71,400
	Powhatan County	\$ 37,850	\$ 43,300	\$ 48,700	\$ 54,100	\$ 58,450	\$ 62,750	\$ 67,100	\$ 71,400

Appendix D - 2006 Income Limits

PDC	Locality	Household Size							
		1	2	3	4	5	6	7	8
PDC 16	Caroline County	\$ 37,850	\$ 43,300	\$ 48,700	\$ 54,100	\$ 58,450	\$ 62,750	\$ 67,100	\$ 71,400
	King George County	\$ 38,200	\$ 43,650	\$ 49,100	\$ 54,550	\$ 58,900	\$ 63,300	\$ 67,650	\$ 72,000
	Spotsylvania County	\$ 41,700	\$ 47,700	\$ 53,650	\$ 59,600	\$ 64,350	\$ 69,150	\$ 73,900	\$ 78,650
	Stafford County	\$ 41,700	\$ 47,700	\$ 53,650	\$ 59,600	\$ 64,350	\$ 69,150	\$ 73,900	\$ 78,650
PDC 17	Lancaster County	\$ 29,450	\$ 33,700	\$ 37,900	\$ 42,100	\$ 45,450	\$ 48,850	\$ 52,200	\$ 55,550
	Northumberland County	\$ 33,650	\$ 38,500	\$ 43,300	\$ 48,100	\$ 51,950	\$ 55,800	\$ 59,650	\$ 63,500
	Richmond County	\$ 28,900	\$ 33,050	\$ 37,150	\$ 41,300	\$ 44,600	\$ 47,900	\$ 51,200	\$ 54,500
	Westmoreland County	\$ 28,300	\$ 32,300	\$ 36,350	\$ 40,400	\$ 43,650	\$ 46,850	\$ 50,100	\$ 53,350
PDC 18	Essex County	\$ 29,600	\$ 33,850	\$ 38,050	\$ 42,300	\$ 45,700	\$ 49,050	\$ 52,450	\$ 55,850
	Gloucester County	\$ 33,800	\$ 38,600	\$ 43,450	\$ 48,250	\$ 52,100	\$ 55,950	\$ 59,850	\$ 63,700
	King & Queen County	\$ 33,800	\$ 38,600	\$ 43,450	\$ 48,250	\$ 52,100	\$ 55,950	\$ 59,850	\$ 63,700
	King William County	\$ 37,850	\$ 43,300	\$ 48,700	\$ 54,100	\$ 58,450	\$ 62,750	\$ 67,100	\$ 71,400
	Mathews County	\$ 33,800	\$ 38,600	\$ 43,450	\$ 48,250	\$ 52,100	\$ 55,950	\$ 59,850	\$ 63,700
	Middlesex County	\$ 29,800	\$ 34,050	\$ 38,300	\$ 42,550	\$ 45,950	\$ 49,350	\$ 52,750	\$ 56,150
PDC 19	City of Emporia	\$ 27,450	\$ 31,350	\$ 35,300	\$ 39,200	\$ 42,350	\$ 45,450	\$ 48,600	\$ 51,750
	Dinwiddie County	\$ 37,850	\$ 43,300	\$ 48,700	\$ 54,100	\$ 58,450	\$ 62,750	\$ 67,100	\$ 71,400
	Greensville County	\$ 27,450	\$ 31,350	\$ 35,300	\$ 39,200	\$ 42,350	\$ 45,450	\$ 48,600	\$ 51,750
	Prince George County	\$ 37,850	\$ 43,300	\$ 48,700	\$ 54,100	\$ 58,450	\$ 62,750	\$ 67,100	\$ 71,400
	Surry County	\$ 33,800	\$ 38,600	\$ 43,450	\$ 48,250	\$ 52,100	\$ 55,950	\$ 59,850	\$ 63,700
	Sussex County	\$ 37,850	\$ 43,300	\$ 48,700	\$ 54,100	\$ 58,450	\$ 62,750	\$ 67,100	\$ 71,400
PDC 22	Accomack County	\$ 27,450	\$ 31,350	\$ 35,300	\$ 39,200	\$ 42,350	\$ 45,450	\$ 48,600	\$ 51,750
	Northampton County	\$ 27,450	\$ 31,350	\$ 35,300	\$ 39,200	\$ 42,350	\$ 45,450	\$ 48,600	\$ 51,750
PDC 23	City of Franklin	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,450
	City of Poquoson	\$ 33,800	\$ 38,600	\$ 43,450	\$ 48,250	\$ 52,100	\$ 55,950	\$ 59,850	\$ 63,700
	City of Williamsburg	\$ 33,800	\$ 38,600	\$ 43,450	\$ 48,250	\$ 52,100	\$ 55,950	\$ 59,850	\$ 63,700
	Isle of Wight County	\$ 33,800	\$ 38,600	\$ 43,450	\$ 48,250	\$ 52,100	\$ 55,950	\$ 59,850	\$ 63,700
	James City County	\$ 33,800	\$ 38,600	\$ 43,450	\$ 48,250	\$ 52,100	\$ 55,950	\$ 59,850	\$ 63,700
	Southampton County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,450
	York County	\$ 33,800	\$ 38,600	\$ 43,450	\$ 48,250	\$ 52,100	\$ 55,950	\$ 59,850	\$ 63,700

Appendix E – Survey Sample

**** CONFIDENTIAL SURVEY ****

Name of Interviewer: _____

Map Code of House: _____

Survey Date: _____

Time: _____

1. Name: _____

2. Address : _____

House Number and Street (if different from address):

3. Ethnicity: Hispanic or Latino? Yes _____ No _____

Race (all that apply):

White _____ Black/African American _____ Asian _____

American Indian/Alaskan Native _____ Native Hawaiian/Other Pacific Islander _____

American Indian/Alaskan Native and White _____ Asian and White _____

Black/African American and White _____

American Indian/Alaskan Native and Black/African American _____

Other Multi-Racial _____

4. Do you: own this home _____ or rent _____

What is your monthly mortgage or rent? _____

5. Total household income is defined as income all household members over age 17 receive from all sources, such as wages, salaries, interest income, investment income, social security, public assistance, or other sources. Find the statement which correspondence to your household size and check whether your income is above or below the threshold income on that line.

REMEMBER TO ENTER THE INCOME FIGURE THAT IS SPECIFIC TO YOUR LOCALITY – THIS INFORMATION IS LOCATED IN APPENDIX D

- There is **one (1) person** in my household including myself, my income is:
Above _____ **\$27,650 per year** Below _____
- There are **two (2) persons** in my household including myself, our income is:
Above _____ **\$31,600 per year** Below _____

Appendix E – Survey Sample

- There are **three (3) persons** in my household including myself, our income is:
Above _____ **\$35,550 per year** Below _____
- There are **four (4) persons** in my household including myself, our income is:
Above _____ **\$39,500 per year** Below _____
- There are **five (5) persons** in my household including myself, our income is:
Above _____ **\$42,700 per year** Below _____
- There are **six (6) persons** in my household including myself, our income is:
Above _____ **\$45,850 per year** Below _____
- There are **seven (7) persons** in my household including myself, our income is:
Above _____ **\$49,000 per year** Below _____
- There are **eight (8) persons** in my household including myself, our income is:
Above _____ **\$52,150 per year** Below _____

6. Are you experiencing problems in the following areas:

WATER

Water Pressure Yes No

Water Quality Yes No

What type of water service do you have? (check one)

Public water system Well

Please describe any problems _____

SEWER

What type of sewer service do you have? (check one)

Public sewer Well

If you have a septic tank, does it have a problem?

Please describe any problems _____

STREETS

Is there a problem with the streets or roads, including access? Yes No

Please describe the problem _____

DRAINAGE

Is there a problem with storm drain? Yes No

Please describe the problem _____

7. Is your house equipped with a bathroom with commode, sink, and tub/shower?
Yes No

8. I am interested in having my house provided with the following, if not already available:
(**Note: Locality must insert the estimated monthly rate below**)
(Circle one or more)

Water at \$_____ per month **Sewer** at \$_____ per month **Bathroom**--no charge: LMI

Note: No hook-up fee will apply to low -to moderate-income families.

Appendix E – Survey Sample

9. Are there any elderly (62 years or older) persons residing here? Yes No
10. Are there any persons living here that are handicapped? Yes No
11. Is this a female-headed household? Yes No
12. How many children reside in the household? _____
13. Would you participate in a housing rehab program if loan funds were made available?
Yes No
14. Would you provide or donate the easement needed for a water or sewer lines?
Yes No

Signature: _____

Appendix E – Survey Sample

Additional Guidance

For Competitive Grant projects targeting Housing, Community Facility, or Comprehensive activities, a locality will generally complete a door-to-door survey of 100 percent of the households in a potential project area. DHCD views the information derived from this type of survey effort to be the most reliable. Localities should inform DHCD if another survey method is used or if, due to project area size, less than 100 percent of the households are surveyed.

For Competitive Grant projects targeting Community Service Facility activities or other activities which will not provide direct benefits to neighborhood residents, a locality will generally complete a survey of probable users of a service facility or probable beneficiaries of another type of activity. With this type of survey, a locality should seek to obtain as many responses from probable beneficiaries as possible. Where a service is already provided in a locality and is the target for expansion in a Competitive Grant project, the survey should distinguish between new and existing beneficiaries of this service. Localities should inform DHCD of its methodology for completing this type of survey.

To ensure a successful survey effort, a locality should give careful consideration to the design of the survey and the methodology for administering it. As the purpose of the survey is to gain income and other information from probable beneficiaries of community development activities, the survey should be extensive enough to gain information on relevant community development needs, but brief enough not to discourage participation. Surveys should be taken by trained volunteers following a script and ensuring that each survey is complete. Surveys, particularly neighborhood surveys, should be coded in a manner which enables quick reference between household characteristics and household location while protecting the wishes for confidentiality amongst probable beneficiaries. The locality should provide adequate publicity of survey purpose and survey methodology. Surveys should be taken at times convenient to probable beneficiaries and must be dated when administered. Surveys must be initialed or signed by the person administering the survey.

Current surveys provide the most reliable information on the income level and needs of probable beneficiaries. Surveys completed during previous years MAY provide the basis for a Competitive Grant proposal, but such surveys may not be viewed as providing the most reliable information on the income level and needs of probable beneficiaries. Previous years' surveys may be used as the basis for a Competitive Grant proposal if:

- The survey was conducted **AFTER March 1, 2005**;
- The survey was developed for essentially the same target area; and,
- The survey was developed using Section 8 Income Limits or is convertible to these limits.

A locality must provide a copy of its survey instrument, a summary of survey responses, the script used in completing the survey, and any other document which makes clear the methodology employed and the results obtained. A locality **WILL NOT** submit its original survey responses to DHCD, but will retain these surveys for review by DHCD if a project is funded.

Appendix E – Survey Sample

As stated earlier, for Competitive Grant projects targeting Housing, Community Facility, or Comprehensive activities, a locality will generally complete a door-to-door survey of 100 percent of the households in a potential project area. However, in larger projects, a locality may use the following chart as a guide for the appropriate number of required responses.

SAMPLE SIZE

<u># of Households in Target Area</u>	<u># of Interviews or Questionnaires to be completed</u>
up to 50	all households
51 – 55	50
56 – 63	55
64 – 70	60
71 – 77	65
78 – 87	70
88 – 99	80
100 – 115	90
116 – 138	100
139 – 153	110
154 – 180	125
181 – 238	150
239 – 308	175
309 – 398	200
399 – 650	250
651 – 1,200	300
1,201 – 2,700	350
over 2,700	400

Note: The figures in the second column above represent the minimum number of responses, not attempts, needed to draw valid conclusions about different size service areas. Door-to-door and telephone surveys have significantly higher response rates than mail surveys making it easier to reach the desired number of responses. Follow-up is expected if the response rate is low.

If you have any questions about surveying or have a survey that falls outside of the guidance that has been provided, please contact DHCD.

Appendix F – Needs Assessment Format

(completed by the local government or consultant)

General Characteristics

Name of neighborhood or project area: _____

How many homes are in the project area? _____

What percentage of it is:

residential	_____
industrial	_____
commercial	_____
public	_____
institutional	_____
unimproved	_____

What percentage is in the floodplain? _____

What percentage is in the floodway? _____

How would you describe the slopes? _____

What are the typical residential lot sizes? _____

What are the typical types of homes? _____

What are the typical ages of homes? _____

What is the breakdown of rental: _____, owner-occupied: _____

What percentage of homes are mobile homes? _____

What is the typical household size? large family
 small family
 mix

Are the homes typically occupied by the elderly? Yes No

What is the proportion of households working: _____
on public assistance: _____

How would you typify the stability of the neighborhood, by turnover of occupancy?
 high turnover medium low

Is the neighborhood near one or more of the following:
 industrial area
 commercial area
 other major employer
 major developing area

Water

Does the applicant have a public water system? Yes No

Is the project area served by public water? Yes No

Are all homes connected to the system? Yes No

If no, how many are not connected? _____

Do the service lines meet local standards? Yes No

If no, specify the deficiency(ies): _____

Current condition of lines: _____

Appendix F – Needs Assessment Format

Is the project area served by adequate wells? Yes No

If no, what is the typical problem(s) with the wells?

unreliable supply water quality other, please specify:

Sewer

Is the locality served by public sewer? Yes No

Is the project area served by public sewer? Yes No

Are all homes connected to the system? Yes No

If no, how many are not connected to the system? _____

Do the service lines meet local standards? Yes No

If no, specify the deficiency(ies): _____

Current condition of lines: _____

Is the project area served by adequate septic systems? Yes No

If no, what is the typical problem(s) with the septic(s)? (provide #s)

___ failure during ground saturation due to rainfall

___ failure at all times

___ outhouses in use or cesspools

___ other, please specify: _____

Streets

Is the neighborhood served by paved streets? Yes No

If yes, do the streets at least meet local standards? Yes No

If not, please specify the deficiency: _____

If the streets do meet the local standards, is the current condition of the pavement

adequate or deteriorated. Please specify the type and extent of the deterioration: _____

Housing

Does the project area have a significant number of homes in need of repairs?

Yes No

What number of homes need rehab? _____

What percentage of homes need rehab? _____%

What number of homes are too dilapidated for the rehab limit? _____

Appendix F – Needs Assessment Format

What percentage are too dilapidated? _____%

What number and percentage of homes are vacant? #_____ %

How many of these are in need of demolition? _____

How many, if any, vacant non-residential structures are in need of demolition? _____

How many homes currently lack complete indoor plumbing? _____

Other Neighborhood Conditions

What is the status of the neighborhood's:

Drainage? good fair poor

Sidewalks? good fair poor NA

Street Lights? good fair poor NA

Litter?
(*Junk cars, debris in vacant lots, etc.*) good fair poor

Crime? good fair poor

Recreation/Parks? good fair poor

List below other identified community needs:

CAUTHORNSVILLE CCD - HOUSING REHABILITATION ITEMIZED COST STATUS

Prepared: March 15, 2001

Page: 1 of 2

Map #	CLIENT	Roof	Siding	Win	Door	Stoops	Found.	Site	Electric	Plumbing	Heat	W/X	Paint	Ceiling	Walls	Floors	Kitchen	Appl.	Bath	Bed	Utility	SUBTOTAL	Base Rehab
1	McQuire	900	800	600	400	800	1100	600	1400	1500	2600	1200	1600	500	800	1000	1500	400	1400	1200	900	21200	
2	Lou Woods	2200	2300	2400	900	1000	2100	300	2700	3000	2600	1500	1300	1400	2300	2000	1200	800	0	0	0	30000	
3	Harris	2200	2300	2400	900	1000	2100	300	2700	3000	1500	1500	1300	1400	2300	2000	1200	800	0	0	0	28900	
4	Holland	600	300	400	700	500	400	200	500	600	1500	400	400	300	500	500	700	400	500	500	100	10000	
5	Roye	2200	2300	2400	900	1000	2100	300	2700	3000	1500	1500	1300	1400	2300	2000	1200	800	0	0	0	28800	
	Leak	2400	700	900	800	900	2000	400	700	400	2600	1500	1700	600	700	600	300	0	700	1600	2000	21600	
	Jones	300	100	500	600	1000	800	200	900	500	800	400	400	500	400	500	500	800	500	200	100	10000	
8	Martin	2300	400	2500	700	900	700	300	2100	2000	1800	1500	1600	800	700	800	1500	0	900	800	300	22600	
9	Martin	300	200	1200	600	1000	2500	0	1400	900	2600	1500	1800	1400	800	2500	700	0	900	800	800	21900	
10	Coleman	2200	2300	2400	900	1000	2100	300	2700	3000	2600	1500	1300	1400	2300	2000	1200	800	0	0	0	30000	
11	Woods	400	200	400	300	1000	900	200	500	300	0	500	800	0	1200	700	300	0	400	600	100	8800	
12	Roy	600	400	2300	900	1100	2200	400	1600	1200	2600	1200	1500	1100	1500	1800	1200	0	600	800	400	23400	
13	F. Woods	400	200	200	300	1000	1000	300	700	700	800	500	400	500	400	600	400	400	400	400	100	9900	
14	Elroy	0	0	0	400	0	700	500	500	600	1500	400	600	0	400	0	500	0	0	300	0	6400	
15	Longest	1800	300	800	400	700	300	200	1000	600	2800	1200	1600	1000	1600	1200	700	0	700	700	200	17800	
16	Smith	2300	400	200	700	700	500	600	900	800	600	1100	900	600	1500	1900	400	400	300	800	200	16800	
17	Holmes	2200	2300	2400	900	1000	2100	300	2700	3000	1500	1500	1300	1400	2300	2000	1200	800	0	0	0	28900	
18	Thompkins	Vacant, singlewide - Not Eligible																					
19	Hickman	800	200	600	900	300	500	400	600	700	800	800	700	500	600	600	400	700	500	500	300	11400	
20	L. Martin	800	700	1900	800	900	1900	200	2700	3000	2600	1100	1000	1200	900	1700	1200	800	600	700	300	26000	
21	Harvey	2200	2300	2400	900	1000	2100	300	2700	3000	2600	1500	1300	1400	2300	2000	1200	800	0	0	0	30000	
22	Thompkins	2100	300	0	0	700	2200	500	1000	300	500	500	600	700	900	2500	1400	0	200	1200	400	16000	
23	Thompkins	1800	1000	2400	500	700	1000	400	2400	2500	1900	2100	1200	1100	1200	1600	1200	400	600	500	400	24900	
24	Hence	1100	1200	600	300	600	800	300	600	500	1000	300	600	400	1200	2500	300	0	300	2000	300	14900	
25	Holmes	2400	600	1500	700	800	1000	200	2700	1000	1800	1500	1800	1200	1400	1600	1000	0	400	900	300	22800	
26	C. Woods	2400	700	2300	800	800	1100	300	2700	3000	2400	1200	1200	1800	2200	2200	1400	800	800	1200	500	28800	
27	M. Woods	2200	2300	2400	900	1000	2100	300	2700	3000	2600	1500	1300	1400	2300	2000	1200	800	0	0	0	30000	
28	G. Pollard	2200	2300	2400	900	1000	2100	800	2700	3000	1500	1500	1300	1400	2300	2000	1200	800	0	0	0	28400	
29	W. Martin	400	0	1500	200	800	1100	300	400	300	0	400	400	0	700	600	300	0	200	500	200	7500	
30	Washington	1000	600	2000	600	900	1800	200	2700	3000	2600	1600	800	1400	1300	1400	1200	400	600	600	200	24900	
TOTAL		19400	12200	20000	7500	9500	17700	4200	23900	23300	20300	14000	12200	12500	17300	20700	12000	5500	4200	8100	2900	602600	
UNIT AVERAGE		670	420	690	260	327	610	144	824	803	700	483	420	431	597	714	414	190	145	279	100	20779	

KING AND QUEEN COUNTY
CAUTHORNSVILLE CCD

CLIENT STATUS - March 1, 2001

MAP#	CLIENT	ADDRESS	PHONE #	OWN RENT	#HH	#<18	#ELD	#DIS	FHH	SFD/MH	BUILT	Acresage	Utility \$	WELL	SEPTIC	HEATING
1	C. McQuire	1619 Owens Mill Rd.	769-4539	Yes	2	0	1	0	No	SFD	1947	2.5	90	Poor	Good	Oil Space
2	L. Woods	HCI 146- Owens Mill Rd.	769-4517	Yes	5	4	0	1	Yes	SMH	1980	2	300	Fair	Poor	Inadequate
3	L. Harris	HCI 146-A-Owens Mill Rd			2	0	1	1	No	SMH	1978	1.25		None	None	Kero Space
4	S. Holland	146 Owens Mill Rd.	769-8635	Yes Land	3	1	0	0	Yes	SMH	1981	2.5	131	Decent	Decent	Kero Space
5	L. Royle	Martintown Road	769-4517	Yes Land	1	0	0	1	No	SMH	1979	1.5	300	None	None	Kero Space
6	E. Leak	Box 232- Pollard Lane	769-4033	Yes	1	0	0	1	No	DMH	1983	1	200	Fair	Poor	Poor ducts
7	M. Jones	Pollard Lane	769-4033	Yes Land	5	3	0	1	Yes	SMH	1978	2	150	Shared	None	Kero Space
8	L. Martin	Owens Mill Rd.	769-1555	Yes	1	0	1	1	No	SFD	1955	1.25	160	Decent	Decent	Kero&Wood
9	J. Martin	Owens Mill Rd.	769-9277	Yes	1	0	0	0	No	SFD	1967	0.25	225	Decent	Decent	Inadequate
10	J. Coleman	HCI 136- Owens Mill Rd.	769-9235	Yes Land	4	2	0	0	No	SMH	1988	0.25	161	Shared	Decent	Kero Space
11	P. Woods	Pollard Lane	769-2734	Yes	5	4	0	1	Yes	SMH	1991	5	180	Decent	Poor	Heat Pump
12	P. Roy	Owens Mill Rd.	769-2120	Yes	1	0	0	0	No	SFD	1976	2.5	300	Poor	Decent	Kero&Wood
13	F. Woods	Owens Mill Rd.		Yes Land	2	0	0	0	No	MH	1965	2	150	None	None	None
14	J. Elroy	Owens Mill Rd.	769-2120	Yes	5	3	0	0	No	MH	1985	2	200	Good	Good	Electric
15	B. Longest	Owens Mill Rd.	769-3172	Yes	1	0	0	0	No	SFD	1972	6	300	Decent	Poor	Elec&Wood
16	M. Smith	Box 557 Owens Mill Rd.	769-4320	Yes	6	4	2	0	No	SFD	1973	1	317	Poor	Poor	Elect.
17	Z.&J. Holmes	Box 231 Owens Mill Rd.	769-4320	Yes Land	2	0	1	0	No	(2)SMH	5476	0.5	265	None	None	Kero Space
18	W. Thompkins	Owens Mill Road	224-2060	Yes	0	0	0	0	No	MH	1977	1	200	None	None	Kero Space
19	L. Hickman	HCI 132-Owens Mill Rd.	769-9058	Yes	2	0	0	2	No	DMH	1976	1.75	345	Poor	Poor	Inadequate
20	L. Martin	Owens Mill Road	769-0232	Yes	2	0	0	0	No	SFD	1961	2.5	125	Fair	None	Wood
21	C. Harvey	Martintown Road	769-9610	Yes	5	3	0	0	Yes	DMH	1985	1	300	Poor	Poor	Kero Space
22	R. Tompkins	HCI 137-A-Owens Mill Rd	769-2957	Yes	1	0	1	0	No	SFD	1948	2.75	195	Fair	Slow	Inadequate
23	C. Thompkins	Box 133H - Owens Mill Rd	769-3538	Yes	2	1	0	1	Yes	SFD	1930	1.5	432	Poor	Poor	Kero&Wood
24	C. Hence	Box 138 - Owens Mill Rd.	769-0079	Yes	2	0	2	1	No	SFD	1944	2.5	146	New	New	Kero&Elec
25	E. Holmes	Box 141- Owens Mill Rd.	769-3538	Yes	7	4	0	0	Yes	SFD	1980	3	254	Fair	Good	Wood
26	C. Woods	Box 146B-Owens Mill Rd.	769-4517	Yes	4	3	0	0	No	MH	1987	4	300	None	None	Kero&Wood
27	M. Woods	Pollard Lane		Yes	8	6	0	0	No	MH	1988	3	325	Good	Poor	Wood&Elec
28	G. Pollard	Owens Mill Road		Yes	1	0	0	0	No	SFD	1935	3	200	Poor	None	Wood
29	W. Martin	Owens Mill Road	769-1355	Yes	4	2	0	0	No	MH	1993	2	300	Good	Poor	Elect
30	S. Washington	Box 143E- Martintown Rd.	769-9271	Rent	5	4	0	0	Yes	SFD	1948	1	300	Good	Poor	Wood
31	M. Perry	Owens Mill Rd	NJ	L-R	0	0	0	0	No	SFD	1945	2.25	0	Fair	Poor	None
	TOTAL				90	44	9	11	8	13 SFD 18 MH						

CAUTHORNSVILLE CCD - HOUSING REHABILITATION ITEMIZED COST ESTIMATE

March 16, 2001

Page: 2 of 2

Map #	WELL	SEPTIC	ADDITION	ELDERLY	DEMO	SUBTOTAL Exclusions	SUBTOTAL Base Rehab	GRAND TOTAL
1	3000	0	0	0	0	3000	21200	\$24,200
2	4000	3000	5000	1000	2000	16000	30000	\$46,000
3	4000	3000	0	1200	800	9000	28900	\$37,900
4	3000	0	0	0	600	3600	10000	\$13,600
5	3000	3000	0	1200	1800	9000	28900	\$37,900
6	5000	3000	0	1200	4800	14000	21500	\$35,500
7	3000	3000	0	0	0	6000	10000	\$16,000
8	3000	3000	0	2500	700	9200	22600	\$31,800
9	0	1400	0	0	0	1400	21900	\$23,300
10	3000	3000	5000	0	400	11400	30000	\$41,400
11	0	0	0	0	0	0	8800	\$8,800
12	4000	3000	0	0	0	7000	23400	\$30,400
13	4000	4000	0	0	600	8600	9900	\$18,500
14	0	0	0	0	0	0	6400	\$6,400
15	0	4000	0	0	0	4000	17800	\$21,800
16	4000	3000	8000	0	0	16000	15800	\$30,800
17	4000	3000	0	1200	800	9000	28800	\$37,800
18	0	0	0	0	400	400	0	\$400
19	4000	3000	0	5000	0	12000	11400	\$23,400
20	1000	3000	0	0	800	4800	25000	\$29,800
21	4000	3000	0	0	2000	9000	30000	\$39,000
22	0	0	0	2500	1500	4000	16000	\$20,000
23	4000	3000	4000	4000	0	16000	24900	\$39,900
24	0	0	0	2000	0	2000	14900	\$16,900
25	0	0	0	0	0	0	22800	\$22,800
26	4000	3000	6000	0	800	13800	29800	\$43,600
27	4000	3000	5000	0	500	12500	30000	\$42,500
28	4000	3000	0	0	3000	10000	29400	\$39,400
29	0	1500	0	0	0	1500	7600	\$9,000
30	4000	3000	0	0	1000	8000	24900	\$32,900
	76000	64800	33000	21800	22500	218200	602600	\$820,800.00
	2621	2238	1138	752	776	7524	20779	28303

Cost Estimate Work ~~Sheet~~ ^{up}

534 RIVER ROAD REHABILITATION

Table of Contents

GENERAL CONDITIONS.....	3	
BUILDING SUMMARY.....	4	
1. ROOF, SIDING, CHIMNEYS, AND GUTTER, FASCIAS, SOFFITS.....	4	<u>\$1,880.00</u>
2. MISCELLNEOUS EXTERIOR WORK.....	5	<u>\$2,500.00</u>
3. DOORS AND WINDOWS.....	5	<u>\$4,500.00</u>
4. MISCELLANEOUS INTERIOR WORK.....	5	<u>\$0.00</u>
5. INTERIOR WALLS AND CEILINGS.....	5	<u>\$5,000.00</u>
6. FLOOR AND FLOORING.....	5	<u>\$3,400.00</u>
8. HEATING & AIR—.....	6	<u>\$2,000.00</u>
9. PLUMBING—.....	6	<u>\$2,650.00</u>
10. ELECTRICAL.....	6	<u>\$2500.00</u>
11. APPLIANCES.....	6	<u>\$1,000.00</u>
GENERAL NOTES.....	6	<u>GRAND TOTAL</u>
		<u>\$25,430.00</u>

APPENDIX H

SCOPE OF WORK



BUILDING SUMMARY

OCCUPANCY STATUS	ONE TENANT
DESCRIPTION 1 st Floor: 878 sq. ft. 2 nd Floor 878 sq. ft. Section Total: 1726 sq. ft.	<p>The house located at 534 River Road. It's a two story house with a bedroom, one bathroom, kitchen, utility room, and living room in the lower level. The upper level has three bedrooms, a full bath, and a living room. The architectural style of the house is characterized as a 'Cape Cod'.</p> <p>The house is constructed with cmu masonry walls, and wood paneling interior, concrete slab and hardwood floors, wood masonite style doors, single pane double hung and unique aluminum windows present. There is insulation evident. There is an existing chimney and wood stove used as the primary heat source. The shingle roof is of a fair condition. The gutter system is in fair condition. Structurally the house is in very good condition. All floors, walls, and ceilings are sound. The back porch is in poor condition and will require work. The front porch is in good condition.</p>
SCOPE OF WORK	The goal of this project will be to rehabilitate this house so that it meets VDHCD & HUD Section 8 standards.

1. ROOF, SIDING, CHIMNEYS, AND GUTTER, FASCIAS, SOFFITS

Cost	Summary of Work
------	-----------------

- | | |
|--|--|
| | a. Repair any current or potential roof leak sources. Porch on second floor serves as a cover for the lower porch underneath. There are some areas where water leaks through which will need to be stopped/repaired. |
| | b. Rear of House: Repair damaged/ deteriorated roofing. Reflash /seal all |

APPENDIX H

SCOPE OF WORK

transitions, valleys ridges, and penetrations. Apply standard metal finish primer. Apply metal finish coat paint. Roof finish shall be guaranteed for 5 years.

- c. Rear of House: Install new seamless aluminum gutters with 3" x 4" downspouts and plastic non-porous drain tile leading away from house.

Section Total

2. MISCELLNEOUS EXTERIOR WORK

- a. Remove all refuse, overgrowth, deteriorated fencing.
- b. Install vinyl siding on exterior walls, and ceilings of porch (upper and lower level).
- c. Replace and repair as need decking @ front porch (upper level).

Section Total

3. DOORS AND WINDOWS

- a. Install new weather-stripping @ front door(lower level).
- b. Install new screen door @ rear door.
- c. Install (14 approx.) vinyl double-hung insulated windows. Prepare all jambs, heads, sills, and verify size.

Section Total

4. MISCELLANEOUS INTERIOR WORK

- a. See plumbing for miscellaneous items to be installed with bathroom fixtures.

Section Total

5. INTERIOR WALLS AND CEILINGS

- a. Repair and paint existing wall paneling in living room and bedroom(lower level).
- b. Install 5/8" gyp. bd. in utility room and bathroom.
- c. Ceiling surfaces in lower level living and bedroom have smoke damage, apply stain blocking primer and paint w/ 2 coats of paint.
- d. Bathrooms and Kitchen ceilings to be painted w/ 2 coats of latex paint.

Section Total

6. FLOOR AND FLOORING

- a. Kitchen- install sheet vinyl 1/4" underlayment. (221 sq.ft. approx. areas given)
- b. Bathroom and utility- install sheet vinyl 1/4" underlayment.(110 sq.ft.)
- c. Living Room- install sheet vinyl 1/4" underlayment (\$15.00 sq. yd).
- d. Bedroom- install carpeting w/ padding (\$14.00 sq. yd.).

Section Total

APPENDIX H

SCOPE OF WORK

8. HEATING & AIR—

See plan for location of fixtures.

All fixtures to be installed complete w/ supply-waste piping and fittings.

- | | |
|--|--|
| | a. Install high efficiency oil furnace equal to: <ul style="list-style-type: none">• The "Combustioner" Beckett Flame Retention Burner,<ul style="list-style-type: none">• Manufacturer no. PH260, with an output of• 67,000 btus• fire rating of .60 GPH, 80% efficiency,• 115 voltage• catalogue no. BH083, U.L. tested. |
|--|--|

Section Total

9. PLUMBING—

See plan for location of fixtures.

All fixtures to be installed complete w/ supply-waste piping and fittings.

- | | |
|--|--|
| | a. Connect ALL fixtures to water and sewer lines—verify integrity of piping. |
| | b. Kitchen-tap to prevent freezing. |
| | c. Full Bathroom—lower level. |
| | d. Install 30" Vanity w/ sink complete w/ fittings and piping. |
| | e. Install water closet. Install toilet tissue dispenser. |
| | f. Install 36" X 36" shower. Install towel & shower curtain rod. |

Section Total

10. ELECTRICAL

Note: All new wiring shall meet BOCA and local building code. See Section 5.

- | | |
|--|--|
| | a. Upgrade electrical service to 200-amp w/ new circuit breaker box. |
| | b. Install GFI outlet in bathroom and near kitchen sink. |
| | c. Install hard-wired smoke detector in living room. Install battery-operated smoke detector in and upstairs hall and living room. |
| | d. Install exhaust fan/light in bathrooms with separate wall switches for each. |
| | e. Install lighted medicine cabinet w/ wall switch. |
| | f. Install flood light at rear of house on left corner at least 10 feet above ground. |

11. APPLIANCES

	Provide gas powered generator (2500 watt cap.) to compensate for occupants existing battery powered back-up lighting.
--	---

Section Total

GENERAL NOTES

\$25,430.00

Grand Total

APPENDIX H

SCOPE OF WORK

Note: All selections by owner shall be reviewed and approved by representative. Contractors will be asked to verify costs of all allowances, and may be asked for documentation of such.

The following items shall be selected by the owner

- 1. Paint colors.**
- 2. Piping refers to both supply and waste piping.**
- 3. Door and Windows shall be provided and installed complete with hardware and trim. Include stops, and thresholds as required by design.**

Note: New materials, repaired surfaces, and existing surfaces shall be prepared and primed(min. 2 coats) according to paint manufacture's instructions. Paint applied shall be as follows or approved equivalent quality. Acceptable brands: Davis, Devoe, Duron, Fuller-O'Brien, Glidden, Gray-Sea, Lowes, Pittsburgh, Sears, Sherwin Williams, and Wal-Mart.

***NOTE: ALTERNATE BIDS TO BE EXCLUDED FROM BASE BID CALCULATION. SEE BID FORM.**

End of Scope of Work

Appendix I – Ability-to-Pay Worksheet

Explanation of Form

Step A: Calculate Gross Household Income: This includes wages, tips, self-employment income, alimony, interest, dividends, social security, SSI, public assistance or public welfare, including unemployment, retirement, disability income, VA and insurance payments from all adult individuals residing in the household. It does not include income earned by a child under 18 years, foster care payments, hostile fire pay, or inheritance income.

Step B: Deduct \$480 for each dependent. A dependent is defined as any household member who is not the head, co-head or spouse, but is under the age of 18 years, or disabled (of any age), or is a full-time student (of any age). The client file must include verification of the student status of any dependent over 18 years.

Step C: Deduct \$400 if it is an elderly and/or disabled household. An elderly household is one in which the head, spouse or sole member is 62 years or older. A disabled household is one in which the head, spouse, or sole member is a person with disabilities.

Step D: Deduct documented, out-of-pocket medical expenses in excess of 3% of annual gross household income for any member in an elderly or disabled household.

Step E: Calculate Adjusted Gross Income: $A-(B+C+D)=AGI$

Step F: Calculate Monthly Income: $AGI/12$

Step G: Calculate Income Available for Housing: Multiple monthly income of homeowners by 0.25 or by multiply monthly income of renters by not to exceed 0.35.

Step H: Calculate Monthly Housing Costs: The only eligible fees are mortgage payment, home insurance, real estate taxes and utility allowances. The only eligible utility allowances are gas, electric, heat, water and garbage costs. Air conditioning costs can be included when the client file contains documentation from a medical practitioner, stating that it is a medical necessity for a household member.

Step I: The amount available for Loan Repayment is Step G (income available for housing) minus Step H (monthly housing costs).

ABILITY-TO-PAY WORKSHEET
Homeowners and Renters

Step A: Gross Household Income: \$ _____ (A)

Step B: (-) Dependents \$ _____ (B)

\$480 for each dependent under the age of 18 years old.
Do not include head of household or spouse.

Step C: (-) Elderly \$ _____ (C)

\$400 for any elderly FAMILY (age 62 years and older).

Step D: (-) Other Deductibles \$ _____ (D)

Include documented, out-of pocket medical expenses in excess of three (3%) of annual income.

Step E: A- (B+C+D) = Adjusted Gross Income (AGI) \$ _____ (E)

Step F: Monthly Income (AGI/12) \$ _____ (F)

Step G: Income Available for Housing \$ _____ (G)
(Monthly Income of Homeowners x .25)
(Monthly Income of Renters x not to exceed .35)

Step H: Monthly Housing Costs

Mortgage Payment \$ _____
Home Insurance \$ _____
Real Estate Taxes \$ _____
Utility Allowance \$ _____ (gas, electric, heat, water, and garbage only)

Total Monthly Housing Costs \$ _____ (H)

Step I: G- H = Amount Available for Loan Repayment \$ _____ (I)

Appendix J – Base Rent Calculation Worksheet

OWNER: _____

UNIT ADDRESS: _____

A. Expenses. All figures in this section should be annual amounts.

1. Debt Service \$ _____
2. Insurance..... \$ _____
3. Taxes \$ _____
4. Utilities \$ _____
5. Management and Routine Maintenance \$ _____
6. Total Expenses. (Add Lines A(1) through A(5))..... \$ _____

B. Reserve and Replacement

7. Project Expenses (Add project expense Lines
A(2), A(3) and A(5))..... \$ _____
8. Reserve and Replacement [10% of Line B(7)]..... \$ _____

C. Return on Investment

9. Purchase Price and Capital Expenditures \$ _____
10. Outstanding Indebtedness..... \$ _____
11. Cash Equity. Line C(9) minus Line C(10) \$ _____
12. Return on Investment [(____% of Line C(11))] \$ _____

D. Total Annual Base Rent

13. Base Rent for Property.
[Add Lines A(6), B(8) and C(12)]..... \$ _____
14. Base Rent Adjusted for Vacancy and Collection
Loss [Line D(13) divided by .98] \$ _____
15. Monthly Base Rent
[Line D(14) divided by 13 months]..... \$ _____

Appendix J – Base Rent Calculation Worksheet

E. Monthly Debt Service on Rehabilitation Cost

(Note: All figures in this section would be based on eligible work only in unit to be assisted.)

1. Rehabilitation Loan for unit to be assisted.....\$ _____
2. Total Monthly Debt Service.
(Monthly Principle and Interest for Rehabilitation Loan)
Line E(1) @ _____% for _____years.....\$ _____

F. Proposed Contract Rents

3. Enter Monthly Base Rent from Line D(15).....\$ _____
4. Total Proposed Contract Rents.
Add Line E(@) to Line F(3).....\$ _____

G. Tenant's Monthly Payments

5. a. _____% (30-35%) of Income divided by 12\$ _____
b. Utility allowance (tenant paid)\$ _____
6. Maximum Rent Payment by Tenant
[Subtract Line G(5b) from Line G(5a)\$ _____

H. Amount Repaid by Owner on Rehabilitation Loan

7. Monthly Subsidy for tenant.
(Subtract Line G(6) from Line F(4).....\$ _____
8. Amount to Be Repaid on Rehabilitation Loan by owner.
Subtract Line H(7) from Line E(2).....\$ _____

Appendix K – Preliminary Engineering Report

The engineer's report/preliminary plans for water or sewer facilities should contain the following information, based on site observations:

1. A description of the area to be served.
 - A. Boundaries
 - B. Major obstacles
 - C. Elevations
 - D. Need for facility
 - E. Map/sketches/photos
 - F. Number of persons to be served
2. A description of the existing facilities.
 - A. Conditions
 - B. Suitability of continued use, if applicable
 - C. Number of persons currently being served
 - D. Plant capacity(ies)
3. A description of design alternatives and a recommended course of action. Give justification for the recommended alternative.
4. A general description of the proposed facility, including design criteria adopted.
 - A. Location of land and acreage/alternative sites
 - B. Permits required – rights-of-way, State Health or other agencies
 - C. If water facility: treatment, storage, pressure, distribution
 - D. If sewer facility: collection system, treatment system
5. Up-to-date estimated cost for development and construction.
 - A. Legal
 - B. Engineering
 - C. Plant and equipment
6. Description of any construction constraints.
 - A. Subsurface rock
 - B. High water table
 - C. Others that might affect construction
7. Describe any additional studies or evaluations which need to be done prior to project design and/or construction.

Appendix L – User Agreements

The purpose of User Agreements is to confirm which households will or will not be connected to CDBG funded water and/or sewer improvements, and which households are LMI. They also confirm the owner or renter status of each household. The number of LMI User Agreements signed must be equal to or exceed the number of beneficiaries claimed in the Grant Proposal. LMI households who sign written declination statements to accept water or sewer services are counted as direct beneficiaries at Closeout as the service was made available to them. However, no more than 10% of proposed beneficiaries may decline connection.

User Agreements are not required if a locality has a mandatory hookup requirement, **and a documentable history of its enforcement**. In any case, LMI-occupied units may not be charged a connection or tap fee, and must be physically connected to the system free of charge.

Grantees have three (3) options for completing user agreements. These options are described below.

Option One

Given that substantial household information has already been gathered through the initial survey, the grantee may choose to simply build on that information. This could be done by using one (1) of the samples listed under this option. These samples assume that each project area household completed a survey that can be connected to its original household. Thus, option one contains the following samples:

1. Sample A is for use with LMI owner-occupants. Self-certified (signed) confirmation that the survey information given was correct. Also provides temporary construction easement for installation of a connection.
2. Sample B is for use with owner of LMI-occupied rental property. Signed by owner, provides temporary construction easement for installation of a connection. **Must be accompanied by User Agreement Sample C.**
3. Sample C is for use with LMI renter. Provides self-certification that income information provided in the survey was correct.
4. Sample D is for use with non-LMI owner-occupants *or* non-LMI renter occupied property. Confirms who will be responsible for paying connection fees, etc., and provides temporary construction easement for installation of a connection.

The expectation with use of this method is that original surveys would then be matched to the appropriate signed statements. If a 100% survey was not performed, survey

information *and* user agreement information *must* be obtained from those units that did not participate in the initial survey.

Option 2

In this option, previous survey information is not considered. Each unit in the project area is required to complete a full User Agreement. Please see User Agreement Sample E. Please modify this sample as needed.

Option 3

Some Grantees may have included information on their initial surveys that would allow the surveys to also serve as User Agreements. To qualify, your survey must have been a 100% survey with 100% response, and included household size and income, the approximate minimum monthly charge for the new or improved service(s), an opportunity to decline the service(s), and the signature of a responsible adult in the household. If you believe that your surveys may also serve as user agreements, please bring this to the attention of your Community Representative. **He or she will do a 100% review of surveys, matching survey forms to houses both on a map and in the field. If your Community Representative concurs, and no additional information is needed, a waiver of this requirement will be provided by the Associate Director. Please note that it is extremely rare for surveys to be entirely sufficient to serve as User Agreements.**

Grantees Receiving Rural Development Funds

While CDBG requirements forbid the payment of connection fees by LMI households, Rural Development (RD) has a policy that requires payment of connection fees by every household. To resolve this conflict in policies DHCD and RD have agreed to have LMI households pay a \$50 “connection fee.” However, this fee paid by LMI households should be treated by the Grantee as a pre-payment of \$50 toward the first \$50 of water or sewer to be used when the system goes on line. Once this “line of credit” is exhausted the LMI customer then begins paying for all water or sewer use thereafter the same as all non-LMI users.



Call your Community Representative for a sample user agreement for this situation.

FOR USE WITH LMI OWNER-OCCUPANT (SAMPLE A)

STATEMENT OF PARTICIPATION AND AUTHORIZATION

Property Address: _____

Property Owner: _____

Property Resident: _____

1. I certify by my signature herein, that the household income information I submitted by survey dated _____ is true and accurate.
2. I understand that if I participate in the *(Project Name)* by hooking onto the system before the *(Grantee's Name)* will install a service line connecting this house to the *(water or sewerage)* system, the cost of which will be paid by the *(Grantee's Name)*.
3. I further understand that if I choose to hook onto the *(water or sewerage)* system after the deadline, said hook up fees and service line costs will be borne by me and not the *(Grantee's Name)*.
4. Therefore, I hereby authorize the *(Grantee's Name)* to connect this house to the *(water or sewerage)* system including the construction of a service line from the house to the collector line.
5. I also hereby grant permission to the *(Grantee's Name)*'s Construction Contractor and other agents, including representatives of the Virginia Department of Housing and Community Development to enter my property for the purposes of constructing and inspecting said construction of said *(water or sewerage)* service line work.
6. Said permission is predicated on the basis that the Contractor will restore my property to a condition equal to or better than when the work commenced.
7. Any questions or concerns regarding the project will be directed to the *(Grantee's Name)*'s, *(Name of Office)*, and *(Phone Number)*.

Owner's Signature: _____

Date: _____

Owner's Signature: _____

Date: _____

Witness: _____

Date: _____

**FOR USE WITH OWNER OF LMI-OCCUPIED
RENTAL PROPERTY (SAMPLE B)**

STATEMENT OF PARTICIPATION AND AUTHORIZATION

Property Address: _____

Property Owner: _____
Property Resident: _____

1. I understand that if I participate in the (*Project Name*) by hooking the above referenced property occupied by a LMI household onto the system before (*Date*), the (*Grantee's Name*) will install a service line connecting this house to the (*water or sewerage*) system, the cost of which will be paid by the (*Grantee's Name*).
2. I further understand that if I choose to hook this property onto the (*water or sewerage*) system after the deadline, said service line costs will be borne by me and not the (*Grantee's Name*).
3. Therefore, I hereby authorize the (*Grantee's Name*) to connect this property to the (*water or sewerage*) system including the construction of a service line from the house to the collector line.

If the (*Grantee's Name*) is providing indoor plumbing I/we hereby agree to enter into a contract that the house will be rented to LMI household for five years at the current rent plus any increases for taxes and insurance. All future tenants will pay the same rent but no more than 35% of their gross income.

4. I also hereby grant permission to the (*Grantee's Name*)'s Construction Contractor and other agents, including representatives of the Virginia Department of Housing and Community Development to enter my property for the purposes of constructing and inspecting said construction of said (*water or sewerage*) service line work.
5. Said permission is predicated on the basis that the Contractor will restore my property to a condition equal to or better than when the work commenced.
6. Any questions or concerns regarding the project will be directed to the (*Grantee's Name*)'s, (*Name of Office*), and (*Phone Number*).

Owner's Signature: _____ Date: _____
Owner's Signature: _____ Date: _____
Witness: _____ Date: _____

FOR USE WITH LMI RENTER (SAMPLE C)

Statement Of Participation And Authorization

Property Address: _____

Property Owner: _____

Property Resident: _____

I certify by my signature herein, that the household income information I submitted by survey dated _____ is true and accurate.

Renter's Signature: _____

Date: _____

Renter's Signature: _____

Date: _____

Witness: _____

Date: _____

**FOR USE WITH NON-LMI OWNER-OCCUPANTS
OR NON-LMI RENTER OCCUPIED PROPERTY (SAMPLE D)**

Statement Of Participation And Authorization

Property Address: _____

Property Owner: _____

Property Resident: _____

1. I understand that if I participate in the *(Project Name)* Project by hooking onto the system before *(Date)*, the *(Grantee's Name)* will install a service line connecting this house to the *(water or sewerage)* system, the cost of which will be paid by the *(Grantee's Name)*.
2. I further understand that if I choose to hook onto the *(water or sewerage)* system after the deadline, said hook up fees and service line costs will be borne by me and not the *(Grantee's Name)*.
3. Therefore, I hereby authorize the *(Grantee's Name)* to connect this house to the *(water or sewerage)* system including the construction of a service line from the house to the collector line.
4. I also hereby grant permission to the *(Grantee's Name)*'s Construction Contractor and other agents, including representatives of the Virginia Department of Housing and Community Development to enter my property for the purposes of constructing and inspecting said construction of said *(water or sewerage)* service line work.
5. Said permission is predicated on the basis that the Contractor will restore my property to a condition equal to or better than when the work commenced.
6. Any questions or concerns regarding the project will be directed to the *(Grantee's Name)*'s, *(Name of Office)*, and *(Phone Number)*.

Owner's Signature: _____

Date: _____

Owner's Signature: _____

Date: _____

Witness: _____

Date: _____

SERVICE USER AGREEMENT (SAMPLE E)

The (*Grantee's Name*) has been awarded a Community Improvement Grant to provide assistance to your neighborhood. Under this grant, the following facilities will be provided free of charge to those households which meet income criteria established by the U. S. Department of Housing and Urban Development, and you will be billed for a minimum monthly fee. You will then be a customer of the (*Grantee or Locality's service authority*).

Service	Minimum Monthly Fee
Water	\$
Sewer	\$
Complete indoor plumbing	NONE

(Grantee should include only those services included in the grant)

Please indicate below whether or not you wish to have these service(s) provided:

- Yes, I accept a (*description of services provided*). I understand that I will receive a monthly bill for the service(s).
- No, I do not accept (*description of services provided*).

OCCUPANT: To confirm eligibility for a free hookup, I certify by my signature below that my household consists of ____ persons as of this date, and that my household gross income in 200__ was \$_____. This is subject to verification by (*Locality*) prior to construction.

IMPORTANT: If you are renting, what is the cost of your monthly rent **plus** utilities? \$____. This agreement must be signed by the OWNER of the house.

OWNER: By my signature below, I, as the owner of this property, authorize the (*Grantee's Name*) to connect this house to the (*water or sewerage*) system including construction of a service line from the house to the collector line. I also grant permission to the (*Grantee's Name*)'s Construction Contractor and other agents, including representatives of the Virginia Department of Housing and Community Development to enter my property for the purpose of constructing and inspecting said construction of said (*water or sewerage*) service line work. This permission is predicated on the basis that the Contractor will restore my property to a condition equal to or better than when the work commenced. If the work to be performed is only for construction of a (*water or sewerage*) service line, no additional documentation of my authorization is necessary. If the work to be performed includes construction of a bathroom or other indoor plumbing facilities, my signature on an additional contract will be required prior to the commencement of work.

WARNING: Section 1001 of Title 18 of the U.S. Code makes it a criminal offense to make willful false statements or administer to any Department or Agency of the U.S. as to any matter within its jurisdiction.

Occupant

Owner (if different)

Name _____

Name _____

Signature _____

Signature _____

Name _____

Name _____

Signature _____

Signature _____

Address _____

Address _____

Date _____

Date _____

Please return to _____

by _____

Appendix M – Engineering Schedule

CONSTRUCTION COST	Table I % Basic Engr. Fee	Table II % Basic Engr. Fee	Table III % Insp. Fee
Less than 100,000	----- TO BE NEGOTIATED -----		10.0
100,000	12.0	8.8	9.8
200,000	11.0	8.4	8.6
300,000	10.0	8.2	7.5
400,000	9.0	8.0	7.0
500,000	8.8	7.8	6.6
600,000	8.6	7.6	6.5
700,000	8.4	7.4	6.4
800,000	8.2	7.2	6.2
900,000	8.0	7.0	6.0
1,000,000	7.8	6.8	5.7
2,000,000	7.6	6.4	4.9
3,000,000	7.4	6.0	4.5
4,000,000	7.2	5.5	4.4
5,000,000	7.0	5.4	4.2
10,000,000	6.5	5.2	3.7
20,000,000	6.0	5.0	3.3

TABLE I PROJECT ITEMS

Airports and Facilities	Rehabilitation and Renovation
Dams and Hydraulic Structures	Water Intakes and Sewage Outlets
Sanitary Sewers under 24" in diameter and appurtenances	Water, Sewage, and Industrial Waste Treatment Plants
Large Interception and Relief Sewers	Water Distribution Systems 16" diameter and under and appurtenances
Booster (Pump) and Lift Stations	Recreation

TABLE II PROJECT ITEMS

Sanitary Sewers 24" in diameter and larger	Water Distribution Systems over 16"
Storm Sewers and Drains	Water Transmission Pipelines
Roads and Streets	Water storage facilities
Package Treatment Plants (Water and Sewage)	Package booster stations
Industrial Buildings, Warehouses, etc.	Grading, except when incidental to the project, and Shoreline Stabilization

Surveys for design such as topography, profiles and cross sections are included in the compensation for basic engineering services and Tables I and II have been adjusted to allow for this work.

Any revision in the plans and specifications necessary to bring the cost of the project within the funds allocated for development, will be at no additional cost to the Owner (Grantee).

The fees for project costs falling between the figures shown shall be interpolated to the nearest one-tenth of one percent and are to be adjusted to suit special conditions stated in the Contract.

If resident inspection is provided by the engineer, the applicable percentage shown under Table III in the fee schedule be used to determine the maximum CDBG participation will be allowed for full-time resident inspection. The time allowed for construction of each project should be stated in the preliminary engineering report. Resident inspection costs should be shown as a separate item in the project cost summary.

Additional cost for engineering and resident inspection due to projects not being completed in schedule will be an item included in determining the amount of liquidated damages stated in the contract.

Projects with activities bid simultaneously shall be considered as one project for the purpose of computing basic engineering fees and inspection fees.

The percents listed on the chart under columns for Tables I, II and III were established to determine a maximum CDBG participation. It is anticipated that any CDBG funds available as a result of applying less than the maximum CDBG participation for engineering services will be available for other eligible project costs.

To calculate CDBG participation in engineer's fees, take the following steps:

Step 1. Total all public infrastructure construction costs from the budget (do not include housing construction costs or LMI service line costs).

Example

Activity	Cost	Which Table?
Water treatment plant	400,000	Table I
Roads	300,000	Table II
12" Water line	300,000	Table I
Total	1,000,000	

Step 2. Note the total construction costs on the Fee Curve and the corresponding percentages.

Example

Total Cost	Table I: Basic	Table II: Basic	Inspection Fee
1,000,000	7.8	6.8	5.7

Should total construction costs be in the middle of two figures on the table, extrapolate to the nearest tenth percentage:

Total Cost	Table I: Basic	Table II: Basic	Inspection Fee
\$550,000	8.7	7.7	6.5

Step 3. Add up construction totals for all items that are in Table I.

Example

Activity	Cost	
Water Treatment Plant	400,000	Table I
12" Water Line	300,000	Table I
Total Table I items:	700,000	

Step 4. Add up construction totals for all items that are in Table II.

Example

Activity	Cost	
Roads	300,000	Table II
Total Table II items:	300,000	

Step 5. Multiply percentages arrived at in Step 2 with the respective totals of Table I and Table II.

Example

Table I—7.8%

Table II—6.0%

Activity	Cost	
Water Treatment Plant	400,000	Table I
12" Water Line	300,000	Table I
Total Table I items	700,000	7.2%

$\$300,000 * 6.8\% = \$20,400$

Activity	Cost	
Roads	300,000	Table II
Total Table II items	300,000	6.0%

$\$700,000 * 7.8\% = \$54,600$

Step 6. Add the total from Step 5 together.

Example

$$\$54,600 + \$20,400 = \$75,000$$

If construction costs were wholly funded by CDBG, this figure would represent the most CDBG would participate in basic engineering fees. Anything above this would be the locality's responsibility.

Step 7. If your project exceeds the amount of CDBG funds budgeted for construction of the engineered items (as the example does), determine what proportion of the total engineering fees arrived at in Step 6 DHCD will pay.

Example

CDBG	550,000
Engineered Project	1,000,000
CDBG % =	55.5%

Multiply this figure (55.5%) by total arrived at in Step 6 (68,400)

$\$75,000 * 55.5\% = \$41,625$ is the most DHCD will spend on basic engineering fees in this project.

Step 8. Inspection Fees are determined by multiplying the percentage arrived at in Step 1 by the total construction costs used in Step 1. Again, CDBG represents a percentage of the total.

Example

$$\$1,000,000 * 5.7\% = \$57,000$$

$\$57,000 * 55.5\% = \$31,635$ is the maximum CDBG participation in Inspection Fees

Allowable CDBG participation in additional engineering is capped at 20% of the CDBG amount arrived at in Step 7 (\$41,625) or \$8,325.

Appendix N – Landlord Participation Agreement

Landlord Participation Agreement

(Project Name)

I, (LANDLORD’S FULL NAME), own rental property in the neighborhood targeted for Community Development Block Grant (CDBG) assistance and my property is currently occupied by a low- and moderate-income household as determined by the survey completed by (LOCALITY). I understand (LOCALITY) will be applying for CDBG funding in the Spring of (YEAR). I am interested in participating in the housing rehabilitation program if (LOCALITY) received an award of CDBG funding.

I understand and agree to the following requirements as the owner of rental property:

- The person or household living in my rental property must be low- and moderate-income. (LOCALITY) will provide assistance to me in determining low- and moderate-income status.
- A lien will be placed on my rental property in an amount equal to the cost of rehabilitation of this property to Housing Quality Standards as determined by (LOCALITY). This lien will be held by (LOCALITY) for a period of 10 years. This time period may be reduced if I participate financially in the cost of rehabilitation. For every 10 percent of the rehabilitation cost I undertake, the lien period will be reduced by 1 year. I understand the lien period can be no shorter than 5 years.
- I am required to continue renting this property to low- and moderate-income persons for 10 years (or shorter based on my financial participation).
- At the end of 10 years (or shorter period), having rented this property to low- and moderate-income persons for the specified period, the (LOCALITY) will remove the lien in full and I will pay nothing.
- The rent received from low- and moderate-income occupants during the lien period cannot exceed 35 percent of the household’s income. (LOCALITY) will provide assistance to me in determining this amount. I understand that I cannot increase the rental cost to any current LMI tenant except to cover any increases in taxes or insurance on the property.
- If I do not comply with this Agreement at any time during the specified period, then I will be responsible for repaying the assistance I received from the County to improve this property.

I understand this Agreement is valid only if the County receives and award of CDBG funding and I subsequently agree to permit repairs to the subject property.

Landlord Name: _____

Rental Property Address: _____

Landlord Signature: _____

Date: _____

(Adopted from King and Queen County and Scenario, Inc.)