
PLANNING GRANT FACT SHEET

Virginia's CDBG Planning Grant program is designed to aid in developing clearly articulated strategies for addressing communities' greatest community development needs following meaningful citizen participation. Planning Grant funding totaling \$500,000 is available on an open basis from January 1, 2015 until September 30, 2015 or until all of the funding is committed, whichever comes first.

A locality interested in obtaining Planning Grant assistance must submit a completed application through DHCD's Centralized Application and Management System (CAMS). Applications are due the 15th of each month. Applications submitted after the 15th will be held until the 15th of the following month. DHCD will review applications and provide the applicant locality with a written response which outlines activities which must be completed within eight weeks of the DHCD correspondence. Failure to submit activities within this timeframe may result in the loss of the remaining balance of your planning grant allocation.

Although there is no requirement for local match, Planning Grants may or may not cover the full cost of all planning activities for future projects. Localities should expect to contribute resources to the planning process in order to develop a successful project.

For larger project areas that will be assessed in multiple phases, only the first requested planning grant will be eligible for the full planning grant amount. For all subsequent planning grants, only costs for Preliminary Engineering reports and/or Housing Rehabilitation Specialists will be eligible for funding.

Categories

There are six categories of Planning Grants. The first two categories are considered Pre-Project type Planning Grants:

- Community Organizing Planning Grants;
- Community Needs Assessment / Economic Assessment Planning Grants.

These projects are intended to be earlier planning stages and typically would not be tied to preparation of a CDBG proposal.

The remaining four categories are Project Planning Grants which, generally, are geared toward the development of a future application for CDBG funds:

- CDBG Project Planning Grants;
- Business District Revitalization Planning Grants;
- Regional Project Planning Grants; and
- Telecommunications Planning Grants.

PRE-PROJECT PLANNING GRANTS

Community Organizing Planning Grants

Community Organizing Planning Grants of up to \$10,000 are available for activation and organization of community residents to develop strategies for future social and physical improvements. Eligible activities include:

- Conducting assessments of community strengths, weaknesses, opportunities, and threats,
- Establishing goals and objectives, and
- Developing work plans and implementation strategies.

Citizen participation is the central purpose of these Planning Grants and should result in an organized, informed community which has reached consensus on a practical vision of the future and has the capacity and options available for future community improvement. The locality's highest community development needs should be prioritized after gathering input from citizens and other stakeholders. In addition to ranking these needs, the options available to address these needs should be evaluated.

The capacity of the locality to undertake project planning efforts should be evaluated in a community organizing planning grant. This evaluation should consider the following areas:

- Leadership,
- Technical skills,
- Available staff time,
- Management and fiscal systems,
- Consultants needed,
- Partnerships needed, and
- Additional funds and other resources needed for project planning and future implementation.

The sole product of these grants is a summary of planning efforts undertaken and results of this planning. All Community Organizing Planning Grant recipients must submit complete Project Planning Grant proposals following completion of organizing activities unless otherwise negotiated with DHCD. A Community Improvement Grant proposal is not required following a Community Organizing Planning Grant.

Of the \$500,000 available for Planning Grants, no more than \$60,000 will be targeted for Community Organizing Planning Grants. This amount is only a maximum, not a reservation of funds.

Community Needs Assessment / Economic Assessment Planning Grants

Community or Economic Assessment Planning Grants of up to \$15,000 are available for a locality to conduct a single objective needs analysis or to prioritize community or economic conditions for future direction. The expected products of these Planning Grants will prioritize areas for future, eligible CDBG project proposals.

As this category is directed at a single objective needs analysis, it is not intended to provide general overall needs analysis and should address one of the applicants previously identified

highest community development needs. One example of this category is a locality-wide assessment of housing conditions used to prioritize the selection of future project areas.

A Community Improvement Grant proposal is not required following all Needs / Economic Assessment Planning Grant; however, it is expected that the assessment will lead to at least one Project Planning Grant.

PROJECT PLANNING GRANTS

Eligible activities of project planning grants include:

- Community assessments, needs analyses, and need prioritization,
- Activation and organization of target area residents and stakeholders,
- Surveys of residents, users, customers, and potential beneficiaries,
- Obtaining easements and user agreements,
- Development of cost estimates and Preliminary Engineering Reports (PERs), and
- Completion of market studies.

CDBG Project Planning Grants

CDBG Project Planning Grants of up to \$30,000 are available for needs analysis and prioritization, preliminary design, and strategy development activities in preparation for a future Community Improvement Grant proposal. DHCD reserves the option of awarding additional Planning Grant funding in excess of this limit for projects which are particularly innovative, challenging, or costly.

All Project Planning Grant activities must be conducted with maximum participation of residents, potential beneficiaries, stakeholders, and local leaders. At a minimum, this participation must be carried out in accordance with the Virginia Community Development Block Grant Citizen Participation Plan for Local Government Applicants which is found in the CDBG Program Design.

Planning Grant activities should be oriented towards the development of products which directly relate to a future Community Improvement Grant project. These products should detail community development problems and present realistic solutions for treatment of these problems. All Project Planning Grant recipients must submit complete Community Improvement Grant proposals following completion of all planning activities unless otherwise negotiated with DHCD.

Business District Revitalization Project Planning Grants

Business District Revitalization (BDR) Planning Grants are intended to assist appropriate localities in undertaking activities that are designed to identify opportunities to improve the economic and physical conditions within the community. BDR planning requires greater local capacity and resources than other project planning grants, so localities will be required to identify how the various responsibilities will be handled and additional resources that can be contributed to the effort. Localities that are very small or have limited capacity may be

inappropriate to pursue BDR planning assistance until significant steps have been taken to address capacity limitations within the community. Up to a maximum of \$35,000 will be available for each Business District Revitalization Planning Grant.

A key outcome of the BDR planning 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 explain why this is their highest need and provide detail on other community development efforts that have been completed. Applicants must also provide an analysis of housing and other community needs, and identify how these needs have been addressed and how any remaining unmet needs will be handled. The planning grant is intended to determine if there is a sufficient level of physical and / or economic blight present to be eligible for CDBG assistance. At a minimum, target project areas must exhibit at least a 25 percent level of physical blight or at least a 50 percent vacancy rate. Communities not meeting this criteria may not be allowed to complete the planning grant process.

DHCD has developed some very specific guidance to help direct the planning process for BDR planning grants. Because thorough preparation for BDR construction projects is necessary to ensure the desired community outcome of improved overall economic vitality, DHCD utilizes 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 process is designed to recognize and accommodate this. A locality is required to become a Main Street affiliate if not already one.

Specific guidance on completing a downtown market analysis is available in the Center for Community and Economic Development's Downtown Market Analysis page online at: <http://fyi.uwex.edu/downtown-market-analysis/>

Following the successful completion of these activities and the development of an accepted Economic Restructuring Plan, applicants may pursue additional activities which include design assistance (facades, streetscaping, infrastructure, and so forth) activities. Funding related to physical design will be the last approved activity, based on satisfactory completion of all other Planning Grant activities.

Regional Project Planning Grants

Project Planning Grants of up to \$40,000 are available for a ***regional effort*** of more than one locality for needs analysis and strategy development activities in preparation for a future Community Improvement Grant (construction) proposal. Eligible activities include:

- Community assessments, needs analyses, and need prioritization,
- Activation and organization of target area residents and stakeholders,
- Surveys of residents, users, customers, and potential beneficiaries,

- Obtaining easements and user agreements,
- Development of cost estimates and Preliminary Engineering Reports (PERs), and
- Completion of market studies.

Telecommunications Planning Grants

Telecommunication planning grants are available for future system development and support or implementation efforts. Funds may be utilized to:

- Assist in promoting awareness of potential CDBG eligible activities and gauging stakeholder interest,
- Creating a management team of potential user groups to oversee the creation of a Telecommunications Plan,
- Conduct surveying efforts to document the eligibility of future telecommunication planning and implementation efforts for CDBG funding,
- Conduct informational and training programs, and
- Identify and procure professional assistance as necessary.

In order to access CDBG funds for telecommunication implementation, a locality must have completed a community-based telecommunications plan. Please note that CDBG funds can only be used for open-access networks that allow for competition among different service providers.

Up to \$30,000 per project is available for Telecommunications Planning Grants. DHCD's experience is that the maximum available amount for telecommunications planning grants is not sufficient to complete the activities required to create a community telecommunications study. Applicants are expected to show additional funding is available and committed prior to receiving a planning grant offer.

Proposal Evaluation

Planning Grant investment decisions will be based on the following:

Is there a clear indication of community development needs?

Proposals must demonstrate some local knowledge of the scope and scale of the community development needs in the proposed project area. Certainly, the Planning Grant investment is provided to fully assess the scope and scale of such needs, but there has to be some evidence that funding will be properly applied in a particular area because there is some good knowledge that needs exist. There must be evidence that the needs are known among potential beneficiaries and local officials.

Are there potential benefits?

The needs identified must generally be eligible targets for future CDBG investments. One test of eligibility is whether the need can be addressed under at least one of the three CDBG national objectives, particularly benefit to LMI persons. Another test is whether the need can be addressed through a CDBG funding option, including Competitive Grants, the Community Development Innovation Fund, and the Community Economic Development Fund. There must also be evidence of participation by potential beneficiaries to the extent that needs and demand can be fully assessed.

Is there adequate local readiness?

There must be evidence that local officials and stakeholders alike are committed to fully identifying and addressing local needs. A management team must exist which is comprised of stakeholders and local officials. This team must agree to meet regularly to actively address issues that arise during the planning process. The locality must show a willingness to remove any barriers to addressing the identified needs, particularly those which are controlled locally. The locality must also commit financial resources to fill gaps not covered by Planning Grant assistance.

Is there adequate local capacity?

There must be evidence that the locality and management team have the time, funding, and expertise to follow through with the planning process. If local expertise is lacking, the locality must procure professional assistance. If funding is lacking, the locality must identify other sources of funding. Time cannot be lacking.

Is there a need for Planning Grant funding?

For localities which have participated extensively in the CDBG program, Planning Grant assistance should be targeted for projects which are innovative and/or unlike anything the locality has undertaken before or for components of typical projects which the locality cannot undertake with its own resources. For localities which have not participated extensively in the CDBG program, Planning Grant assistance can be targeted to a range of costs associated with obtaining community input and contracting for professional assistance. It is the locality's responsibility to adequately state its case for Planning Grant funding in its proposal.

Payment for Performance

All Planning Grant projects will have a common action which is a Facilitated Planning Strategy session. This session shall include all key local stakeholders and appropriate staff from DHCD and other relevant organizations. This session will result in the establishment of planning performance targets and decision points which will provide the basis for DHCD's issuance of a Planning Grant contract.

Contracts for Planning Grants will stipulate the criteria, date, and grant amount for successive performance targets. Successful completion of targets will trigger the release of grant funding and the obligation of additional funding for activities related to future performance targets. A negotiated amount of funding may be provided to localities for initiation of planning activities, but this amount will be an element of, not an addition to, the total amount of Planning Grant funding committed to a project. For most Planning Grants, the total amount committed to any one project will be negotiated with the locality and will depend upon the level of need and community capacity and readiness. The total amount will not exceed the amounts listed in this Program Design or negotiated with DHCD.

Technical Assistance

Localities interested in Planning Grant assistance can contact DHCD at any time to discuss a particular project or find out more about the Planning Grant offering.

Contract Limit

Applicants must complete the initial activities of a planning grant to be under contract by December 1 in order to ensure a schedule that will prepare them for a March application date. While DHCD will work with planning grant applicants who do not meet this target date, staff are not in a position to accelerate the timeframe of the planning grant process to meet the application deadline.

SUBMISSION

Please note that planning grant applications are accepted electronically through the Agency's Centralized Application and Management System (CAMS). To access CAMS, visit the website at www.dhcd.virginia.gov and click on the CAMS icon in the upper-right hand corner. You may then create a locality profile, add staff members, and access the CDBG Planning Grant program using the APPLY button.

APPLICATION QUESTIONS

A locality interested in obtaining Planning Grant assistance must submit a formal application providing a brief description of the project area and the community development needs in this area, a discussion of the locality's and the project area's readiness and capacity to proceed with a participatory planning process, and some justification for why Planning Grant funding is needed. DHCD will review this application and provide the applicant locality with a response which outlines activities which must be accomplished prior to Planning Grant investment.

DHCD will generally respond in writing within 30 calendar days and will generally authorize up to \$3,000 in pre-proposal expenses.

Below is a list of the questions asked of Planning Grant applicants through CAMS.

NEEDS AND OPPORTUNITIES

1. Describe the needs and opportunities that the locality intends to address with CDBG Planning Grant funding. How does the locality know about this need? Include as much detail as is currently known (prior to examining this need further using Planning Grant funding).
2. Is there a lack of or gap in the availability of one or more basic community attributes or services found in comparable communities? Does the missing attribute or service directly affect low- and moderate-income persons? Does the missing attribute relate to blighting conditions?
3. Is there a certain condition in place that if addressed, will provide an opportunity for growth, revitalization, or economic restructuring?

TIMELINESS

4. Describe why these needs must be addressed now.
5. Has an unforeseen action occurred that threatens the health or safety of the community? Has an opportunity arisen which the community can use to its advantage? Have potential beneficiaries been

mobilized or otherwise communicated their intentions to address community needs? Has the community developed a strategic or action plan that includes project priorities and is the community ready to address the highest priority item?

READINESS

6. Describe how ready the community residents and local government are to complete planning and implement a project to meet the perceived needs. What steps have been taken to get the community and local government ready to proceed?

7. What evidence is there that both the community and local government have the energy and will to make progress on this project? Is the local government supportive of the project? Is there community support and consensus regarding the perceived needs? Have real community sparkplugs been identified?

8. Include status of other planning grant application(s) and state whether or not your ability to complete the CDBG planning grant is contingent on receiving funds from other sources. Please provide a list of other organizations or agencies that you have submitted planning grant applications. Provide a copy of the award letter(s) for funding commitment(s) and date of funding availability.

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