



Texas Community Development Block Grant Program

2016 Texas Capital Fund
Downtown Revitalization/Main Street Programs

Application Guide

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TxCDBG Goals and Requirements

The goal of the Texas Community Development Block Grant (TxCDBG) Program is to develop viable communities by providing decent housing and a suitable living environment, as well as by expanding economic opportunities, principally for persons of low-to-moderate income. In awarding funding pursuant to Government Code Section 487.351(c), the Texas Department of Agriculture (TDA) shall give priority to eligible activities in the areas of economic development, community development, rural health and rural housing to support workforce development.

The objectives of the TxCDBG Program are:

- To improve public facilities to meet basic human needs, principally for low-to-moderate income persons;
- To improve housing conditions, principally for persons of low-to-moderate income;
- To expand economic opportunities by creating or retaining jobs, principally for low-to-moderate income persons; and
- To provide assistance and public facilities to eliminate conditions hazardous to the public health and of an emergency nature.

Application Submittal and Deadline Requirements

The application procedures for the 2016 Texas Capital Fund (TCF) Downtown Revitalization (DRP) and Main Street (MS) Programs are included in this Application Guide. The application for the 2016 TCF Fund is available at www.TexasAgriculture.gov. The procedures in this application guide supersede those published in all previous TCF application guides.

The Texas Capital Fund Downtown Revitalization and Main Street Programs will be available on a competitive basis, to eligible applicants statewide. Applications for the 2016 program year are due by 5:00 p.m. C.T. on October 3, 2016. Applications will not be accepted after 5:00 p.m. on the date due.

TDA will be accepting Downtown Revitalization and Main Street Program applications on the same date.

1. Each applicant must submit a complete application to TDA. No changes to the application will be allowed after the application deadline date, unless they are a result of TDA recommendations.
2. Applications will be ranked by score for each fund, from high to low and tie-breakers may be used.
3. Applications within the funding range for each fund are reviewed for eligibility and completeness in descending order based on their score.

Contact Information

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| Mailing Address (for U.S. Postal Service): Texas Department of Agriculture Texas Community Development Block Grant Program Post Office Box 12847, Capitol Station Austin, Texas 78711 | Physical Address (for Overnight Carriers): 1700 N. Congress Avenue, 11 th Floor Mailroom Austin, Texas 78701 |
| Physical Address (for Hand Delivery): 1700 N. Congress Avenue, 2nd Floor Austin, Texas 78701 | Telephone (for Technical Assistance): 512-936-0232 |

Any application that is incomplete, noncompliant with program requirements, or received late will be disqualified. Applications lacking information necessary to make a determination concerning the eligibility of the activity (e.g., slum and blight designation) or compliance with TxCDBG and Federal program requirements (e.g., citizen participation requirements) will be disqualified. A substantially complete TCF application must include all of the following information:

- A completed 424 Form with original signature;
- All application forms, fully completed;

- A passed/adopted Local Government Resolution authorizing submission of the application;
- Evidence of compliance with the TxCDBG Citizen Participation Plan including the Public Hearing Notice;
- Legible, quality maps;
- Applicant's Annual Audit (See Attachments Section) and;
- Documentation of an active SAM Registration (See Attachments Section).

Applications lacking any of the items listed above will be disqualified. An Application Review Checklist is located at the end of the Application Guide. Applicants must verify that the application is complete using the checklist.

Completed applications received by the deadline may be subject to disqualification including but not limited to any of the following reasons:

- The applicant is not a unit of general local government;
- The project is located in an entitlement area;
- The application contains ineligible activities;
- The applicant does not comply with the TxCDBG Citizen Participation Plan requirements;
- The applicant does not meet the Applicant Performance Threshold Requirements;
- The application contains false information;
- The application does not contain adequate or acceptable information to show that each proposed application activity meets the applicable National Program Objective;
- The application does not comply with the requirement concerning the preparation of an assessment of the applicant's housing and community development needs prior to submission of a TxCDBG application;
- The applicant does not provide necessary financial interest report(s) (Form A503);
- The applicant does not respond, refuses to respond, or does not provide an adequate response to requests for revisions or additional information within the prescribed timeline;

The requirements and procedures specified in the Annual Action Plan and the Texas Administrative Code will govern the 2016 TCF Main Street and Downtown Revitalization Programs application process. The Action Plan is available on the TDA website at www.TexasAgriculture.gov/EligibleApplicants

Eligible applicants are incorporated cities not participating or designated as eligible to participate in the entitlement portion of the federal Community Development Block Grant Program. Non-entitlement cities that are not participating in urban county programs through existing participation agreements are eligible applicants unless the city's population counts toward the urban county CDBG allocation.

Non-entitlement cities are located predominately in rural areas and are generally:

- cities with populations of less than 50,000 persons;
- cities that are not designated as a central city of a metropolitan statistical area; or
- cities that are not participating in urban county programs.

Eligible Downtown Revitalization Applicants

Eligible applicants must be an incorporated municipality and not be designated as an official Texas Historical Commission Main Street City. To determine eligibility of a particular city, contact TDA. The city is responsible for the administration and success of the project throughout the term of the contract.

All proposed infrastructure improvements to be funded by the TxCDBG Program must be located on public property within the designated downtown district. Typically, a downtown district will meet 2 or more of the following:

1. The city's historic area of commerce;
2. May be the area around the courthouse or city square;
3. Commercial area for the community;
4. Buildings of historical significance, but not primarily residential;
5. Must be areas included in or contiguous to the economic center of the community; and
6. The retail area for the community that does not include single-family dwellings.

Eligible Main Street Revitalization Applicants

Eligible applicants must be an incorporated municipality with a designation as an official Texas Historical Commission (THC) Main Street City prior to applying to TxCDBG and must remain a participating city for the duration of the award/contract. To determine eligibility of a particular city, contact TDA. The city is responsible for the administration and success of the project throughout the term of the contract.

All proposed infrastructure improvements to be funded by the TxCDBG Program must be located on public property within the designated Main Street area.

Program Income

Program income is gross income received by a state, a unit of general local government, or a subrecipient of a unit of general local government that was generated from the use of TxCDBG funds. When program income is generated by an activity that is only partially funded with TxCDBG funds, the income shall be prorated to reflect the percentage of TxCDBG funds used.

Program income includes, but is not limited to, the following:

- Payments of principal and interest on loans, lease payments, and late fees;
- Proceeds from the sale of loans/leases;
- Gross income from the use, sale, or rental of real or personal property acquired by the applicant or a subrecipient;
- Gross income from the use, sale, or rental of real property owned by the applicant or subrecipient that was constructed or improved;
- Gross income from the use of infrastructure improvements constructed or improved with CDBG funds;
- Funds collected through special assessments, impact fees or other additional fees from benefiting businesses, if the special assessments or fees are used to recover all or part of the CDBG portion of public improvements;
- Proceeds from the disposition of equipment; and
- Interest earned on funds held in a Revolving Loan Fund account.

All program income must be returned to the state. Program income returned to the state will be used for eligible economic development activities.

National Program Objective (NPO)

A city must meet all of the following requirements in order for its application to be considered:

Address the objective of eliminating slum or blight conditions in the downtown or main street area of the community by the following objectives. The assistance must be for public infrastructure improvements, which will aid in the elimination of a slum or blighted area. This is further defined as follows:

- a. Spot Slum/Blight Objective. To show how this objective will be met, the applicant must pass a resolution, which supports a determination of the specific spot/area as slum or blighted.
 - i. Document that the project qualifies as slum or blighted on a spot basis under local law; and
 - ii. Describe the specific condition of blight or physical decay that is to be treated.
- b. Slum/Blight Area Objective. To show how this objective will be met, the applicant must pass a resolution, which supports the establishment of the area as slum or blighted. The documentation that is required to show that this objective will be met includes a designation of the boundaries of the area, a description of the conditions that qualify it as slum or blighted, and the way in which the assisted activity addresses one or more of the conditions that qualified the area as slum or blighted.

An area within a municipality may be considered as slum or blighted if the area is detrimental to the public health, safety, morals, and welfare of the municipality because the area:

- i. Has a predominance of buildings or other improvements that are dilapidated, deteriorated, or obsolete due to age or other reasons;

- ii. Is prone to high population densities and overcrowding due to inadequate provision for open space;
- iii. Is composed of open land that, because of its location within municipal limits, is necessary for sound community growth through replatting, planning, and development for predominantly residential uses; or
- iv. Has conditions that exist which:
 1. Endanger life or property by fire or other causes; or
 2. Are conducive to the ill health of the residents, disease transmission, abnormally high rates of infant mortality, abnormally high rates of juvenile delinquency and crime, or disorderly development because of inadequate or improper platting for adequate residential development of lots, streets, and public utilities.

Applicant Performance Threshold Requirements

1. Demonstrate the ability to manage and administer the proposed project, including delivery of all the proposed benefits outlined in the application.
2. Demonstrate the financial management capacity to operate and maintain any improvements made in conjunction with the proposed project.
3. Levy a local property tax or local sales tax option.
4. Demonstrate satisfactory performance on prior and existing TxCDBG contracts and resolve all outstanding compliance and audit findings related to previous TxCDBG awards.
5. Applicants may not have an existing DRP/MS contract with an award date in excess of 48 months prior to the application deadline date, regardless of extensions granted.
6. The applicant must satisfactorily close-out an open TCF Downtown Revitalization contract before the applicant can submit another DRP application. It is the responsibility of the applicant to notify the Contract Specialist and the Monitoring Team sixty (60) days prior to the application deadline and ensure that close-outs are submitted at least thirty (30) days prior to the application deadline. Incomplete close-outs and improper documentation by the applicant may result in failure to meet this application requirement.
7. Main Street applicants must be in good standing and in compliance with the THC's Main Street Program.

Eligible Activities

TxCDBG monies are only available for public infrastructure improvements or activities explicitly needed to eliminate slum and blight conditions. For all proposed uses, requested funds may not exceed the minimum necessary to meet the needs of the area. Excess/speculative improvements, extra connections or excessive looping will not be funded.

TxCDBG monies are to reimburse a city for eligible expenditures it has made or incurred, rather than advance payments. These reimbursements will be only for work/materials actually completed/delivered. Cities are responsible to pay construction contractors according to the terms of their agreements. TxCDBG monies are available to reimburse cities for construction draws when they are in compliance with the terms of their TxCDBG contract. Failure to comply with the terms of the TxCDBG contract does not relieve the city of its liability to pay contractors.

Funds may be provided for the following:

- Sidewalks, lighting, public parking lots.
- Activities required to eliminate architectural barriers for the disabled.
- Water lines, storage and pumping facilities, and related items
- Sewer lines, lift stations, and related items
- Road construction/renovation, to include curb and gutter and related drainage.
- Natural gas lines and related items.

- Electric power lines and transformers.
- Award administration.
- Elimination of slum and blight conditions, including demolition and clearance activity.

Ineligible Activities

The applicant may not use funds for the following:

- Grant or otherwise transfer TxCDBG monies to a business.
- Speculation, investment or excess improvements over the minimum improvements needed for the area.
- Building rehabilitation, building construction, machinery, equipment, or working capital.
- Landscaping, benches, ornamental signs or trash cans.
- Refinancing or to repay the applicant, a local related economic development entity, a benefiting business or its owners and related parties for expenditures.
- Architectural and/or Engineering services (but may be used for matching funds).
- Demolition of a historic building.

Section 106 Compliance

Each applicant is required to provide verification of compliance with Section 106 of the National Historic Preservation Act of 1966 (54 U.S.C. 300101 et seq.) as described. The regulation requires the applicant to consult with the State Historic Preservation Officer on the conduct of investigations, as necessary, 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 800.8) by the activity, and notifying the federal grantor agency of the existence of any such properties. In addition, the applicant must comply with all requirements established by the federal grantor agency to avoid or mitigate adverse effects upon such properties. The application must include a copy of the letter submitted for determination of historic district eligibility to the History Division's National Register Program, at the Texas Historical Commission and any written response. A fax copy of this letter will be acceptable. If grant award is received and eligibility or existence of a National Historic District is determined, the project construction plans must be submitted to the Architecture Division at the Texas Historical Commission in order to be in compliance with Section 106 of the National Historic Preservation Act of 1966, Executive Order 11593, and the Archeological and Historic Preservation Act of 1966 (54 U.S.C. 312501 et seq.). Please contact THC for more information.

Additional information about the National Historic Preservation Act and the Section 106 process may be obtained from the following web sites:

- Advisory Council on Historic Preservation web site: <http://www.achp.gov/>
- Advisory Council on Historic Preservation, National Historic Preservation Act/Section 106 guidance: <http://www.achp.gov/work106.html>
- "Protecting Historic Properties, A Citizen's Guide to Section 106 Review": <http://www.achp.gov/pubs-citizensguide.html>
- Section 106 reviewer contacts from Archeology and History Programs can be found at: <http://www.thc.state.tx.us/about/contact>

TxDOT Compliance

Each applicant will be required to indicate whether the proposed infrastructure improvements will be located within a Texas Department of Transportation (TxDOT) controlled highway, road, or right of way. If yes, the applicant will be required to provide documentation to TDA which indicates that the applicant has notified and/or consulted with TxDOT of its proposed improvements prior to the TxCDBG contract execution date.

ADA/Architectural Barriers Act

State law requires that all projects involving any building, parking lot and/or sidewalk construction activities, regardless of source of funding, must ensure that plans and specifications will be in compliance with the requirements

concerning the elimination of architectural barriers encountered by persons with disabilities, as specified in Chapter 469 of the Texas Government Code and the rules promulgated thereunder (Title 16, Part 4, Chapter 68 of the Texas Administrative Code), and be submitted to the Texas Department of Licensing and Regulation (TDLR) for review, as required by the Texas Architectural Barriers Act. The plans and specifications shall be sent to the Texas Department of Licensing and Regulations, Architectural Barriers Division, P.O. Box 12157, Austin, Texas 78711.

Additionally, all communities must ensure that all their project activities are in compliance with all provisions of the Americans with Disabilities Act (ADA).

Citizen Participation Plan Requirements

Each applicant must complete a citizen participation process that complies with the TxCDBG Citizen Participation Plan requirements as described in this guide prior to submitting an application.

A locality can only receive a TxCDBG grant if the locality certifies that it follows a detailed citizen participation plan that provides for and encourages citizen participation at all stages of the program.

TxCDBG applicants and funded localities are required to carry out citizen participation in accordance with the Citizen Participation Plan adopted for the TxCDBG Program. Each applicant certifies by signing a 424 Form that it has and will comply with the requirements of this Citizen Participation Plan including taking reasonable steps to ensure access for persons with Limited English Proficiency (LEP) by providing language assistance as appropriate.

Each applicant must maintain a citizen participation file that includes a copy of this Plan, the LEP plan, the applicant's complaint procedures, any technical assistance provided by the applicant, and public notices, minutes, and attendance lists for public hearings.

Complaint Procedures:

The applicant must have written citizen complaint procedures that provide a timely written response to complaints and grievances. Citizens must be made aware of the location, days, and hours when copies of the plan are available.

Technical Assistance:

When requested, the applicant shall provide technical assistance to groups representative of persons of low-to-moderate income in developing proposals for the use of TxCDBG funds. The level and type of assistance shall be determined by the applicant based upon the specific needs of the community's residents.

Public Hearing Provisions:

For public hearings scheduled and conducted by a TxCDBG applicant, the following public hearing provisions must be observed:

1. Public notice of the hearings must be published in a local newspaper at least seventy-two (72) hours prior to the scheduled hearing. The public notice must include the date, time, location and topics to be considered at the public hearing. A published newspaper article may also be used to meet this requirement so long as it meets all content and timing requirements. Notices should also be prominently posted in public buildings and distributed to local Public Housing Authorities and other interested community groups.
2. The public hearing must be held at a time and location convenient to potential or actual beneficiaries and include accommodations for persons with disabilities. Furthermore, the applicant must make arrangements for individuals who require auxiliary aids or services if contacted at least two days prior to each hearing. The public hearing must be held after 5:00 p.m. on a weekday or at a convenient time on a Saturday or Sunday.
3. When a significant number of non-English speaking residents are expected to participate in a public hearing, an interpreter must be present to accommodate the needs of the non-English speaking residents.

Note: The public hearing and the adoption of the resolution authorizing the submission of the application cannot occur on the same date to ensure adequate time for public comment.

Applicants must comply with the following citizen participation requirements for the preparation and submission of an application to the TxCDBG program:

1. The public hearing must occur prior to the adoption of the local government resolution authorizing the submission of the application.
2. The locality must retain documentation of the hearing notice(s), attendance lists, minutes of the hearing(s), and any other records concerning the proposed use of funds for a period of three years after the application deadline, or as specified by other program requirements. Such records must be available to the public in accordance with Chapter 552, Government Code.
3. The public hearing must meet the following TxCDBG notification requirements and include a discussion with citizens covering the following topics:
 - The development of housing and community development needs.
 - The amount of funding available.
 - All eligible activities under the Texas Community Development Block Grant Program.
 - The applicant's use of past TxCDBG contract funds, if applicable.
 - The estimated amount of funds proposed for activities that will meet the national objective of benefit to low-to-moderate income persons.
 - The plans of the locality to minimize displacement of persons and to assist persons actually displaced as a result of activities assisted with TxCDBG funds, if applicable.

Citizens must be encouraged to submit their views and proposals regarding community development and housing needs, with particular emphasis on persons of low-to-moderate income who are residents of slum or blighted areas. Local organizations that provide services or housing for low-to-moderate income persons, including the local Public Housing Authority, the local Health and Human Services office, the local Mental Health and Mental Retardation office, and other local service providers such as Faith-Based organizations, must receive written notification concerning the date, time, location and topics to be covered at the public hearing. Citizens must be made aware of the location where they may submit their views and proposals in case they are unable to attend the public hearing. While more than one application may be discussed at the public hearing, a hearing held for the previous program year's submission of the same application does not satisfy the requirements for any subsequent competition.

At least five (5) days prior to the submission of an application for TxCDBG funds, the applicant must publish a public notice in a local newspaper that includes the following information:

- The TxCDBG fund categories for which applications will be submitted.
- The amount of TxCDBG funds requested in each application.
- A short description of the proposed project activities in each application.
- The locations of the project activities included in each application.
- The location and hours when the application will be available for public review.

Note: This 2nd notice must be published no less than one (1) day after the notice for the initial public hearing/meeting is published.

Applicants must comply with the following citizen participation requirements in the event that the application is successful:

- The locality must hold a public hearing concerning any proposed substantial change, as determined by TDA, in the use of TxCDBG funds from one eligible activity to another. The locality must provide citizens with reasonable advance notice of and opportunity to comment on activities which are proposed to be added, deleted or substantially changed from the locality's application
- Upon completion of the activities, the locality shall hold a public hearing and review its program performance, including the actual use of TxCDBG funds.
- The locality must retain documentation of the hearing notice(s), attendance lists, minutes of the hearing(s), and any other records concerning the actual use of funds for the greater of:
 - Three years after close-out of the U.S. Department of Housing and Urban Development's (HUD) grant to the State of Texas (please see TDA website)

- If notified by TDA in writing, the date that the final audit is accepted with all audit issues resolved to TDA's satisfaction (Please see date of TDA audit acceptance letter if applicable); or
- A date consistent with the period required by other applicable laws and regulations as described in 24 CFR 570.490 and 2 CFR 200.333.

The applicant certifies compliance with the TxCDBG Citizen Participation Plan requirements by signing the 424 form. Failure to comply with these requirements may result in disqualification of the application.

Local Certifications

Each applicant for TxCDBG funding must certify by signing the 424 Form that it has adhered to the Local Certifications included in this application guide in the preparation of any TxCDBG application. Adherence to these certifications must be ongoing in the event that the application is successful.

With respect to the expenditure of funds provided under a TxCDBG contract, each TxCDBG contractor is required to certify that:

1. It will minimize displacement of persons as a result of activities assisted with such funds.
2. The program will be conducted and administered in conformity with Title VI of the Civil Rights Act of 1964 (42 USC 2000d *et seq.*) and the Fair Housing Act (42 USC 3601 *et seq.*), and that it will affirmatively further fair housing, as specified by TDA.
3. It will provide opportunities for citizen participation, hearings and access to information with respect to its community development programs, and that it is following the TxCDBG Program Citizen Participation Plan.
4. It will not attempt to recover any capital costs of public improvements assisted in whole or in part with such funds by assessing any amount against properties owned and occupied by persons of low-to-moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements unless: (A) such funds are used to pay the proportion of such fee or assessment related to the capital costs of such public improvements that are financed from revenue sources other than such funds; or (B) for purposes of assessing any amount against properties owned and occupied by persons of low-to-moderate income who are not persons of very low income, the contractor certifies that it lacks sufficient funds under this contract to comply with the requirements of clause (A).
5. It will comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and Federal implementing regulations at 49 CFR Part 24, and the requirements of section 570.606 including the following of a residential anti-displacement and relocation assistance plan, as specified by TDA, in the event that displacement of residential dwellings will occur in connection with a project assisted with TxCDBG funds.
6. It has adopted or will adopt and enforce a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations and enforce applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such nonviolent civil rights demonstrations within its jurisdiction.
7. To the best of the TxCDBG contractors' knowledge and belief, no Federal appropriated funds have been paid or will be paid, by or on behalf of the TxCDBG Contractor, 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.
8. 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, a 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 TxCDBG Contractor shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

9. The TxCDBG contractor must require that the language of this certification be included in the award documents for all sub-awards at all levels (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

Minority Participation/Local Opportunity

The TxCDBG Program encourages localities to affirmatively take action to utilize small, minority (MBE) and women-owned (WBE) businesses whenever possible. Although funded localities are not directly responsible for meeting a specific minority business participation goal, TxCDBG reports to HUD on the levels of MBE and WBE hiring under all CDBG contracts. To increase participation of small, minority and women owned-businesses, localities may use the Texas Comptroller of Public Accounts Historically Underutilized Business (HUB) Directory. Also in accordance with Section 3 of the Housing and Urban Development Act of 1968, successful applicants using CDBG funding for housing or other public construction are required, to the greatest extent feasible, to provide training and employment opportunities to lower-income residents and contract opportunities to businesses in the project area.

Fair Housing Activities

Any locality receiving funds under the TxCDBG Program must certify that it will affirmatively further fair housing choice. Each funded locality must conduct at least one fair housing activity during the contract period, even if the locality is currently undertaking fair housing activities. Activities that qualify as affirmatively furthering fair housing include, but are not limited to, the following:

- Cities may pass a fair housing ordinance and publicize the existence of such an ordinance.
- Counties may adopt written fair housing policies and procedures that are equivalent to a fair housing ordinance and publicize the existence of such policies.
- The development of a strategy to pass a fair housing ordinance to be evidenced by public hearings and input from interested parties.
- The establishment of a written local complaint and monitoring process and notification to the public of its existence.
- The initiation of a fair housing counseling referral service that provides housing choices outside historically minority and/or low-to-moderate income neighborhoods to be evidenced by adoption of written procedures and publication of the availability of such service.
- The completion of a community-wide housing analysis to determine impediments to fair housing and actions to eliminate these impediments.
- The designation of April, or some other month, as Fair Housing Month through resolution or proclamation along with at least one other activity to support fair housing.

In addition, communities that receive CDBG funds, chief elected officials, and third party consultants may be required to have Fair Housing training. Training will be offered at both on-site workshops and state-wide webinars.

Conflict of Interest

Under the federal conflict of interest provisions at 24 CFR 570.489, that are included in the regulations governing state administration of Community Development Block Grant (CDBG) funds (24 CFR 570, Subpart I), no persons who exercise or have exercised any function or responsibilities, with respect to CDBG activities, or who are in a position to participate in a decision making process, or gain inside information regarding CDBG activities, may obtain a financial interest or benefit from the activity, or have interest in any contract, subcontract, or agreement, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure, or for one year thereafter.

These conflict of interest provisions apply to any person who is an employee, agent, consultant, officer, or elected official of the State, or of a unit of general local government, or of any designated public agencies, or subrecipients that are receiving CDBG funds.

Under these provisions, a conflict of interest would exist if an employee, elected official, or their family members receive benefit from an activity. For example, if a member of a mayor's family was selected to receive CDBG assistance or would benefit from or receive a CDBG award, abstention from voting does not clear the conflict of interest. Another example where a conflict of interest would exist (business ties) is a situation where a consultant, who is employed by an engineering firm, has been selected by a city to provide administration services for the TxCDBG contract and the city is considering the selection of an engineer from that same firm to provide engineering services for the TxCDBG contract.

TDA may grant an exception to the conflict of interest provisions on a case-by-case basis if it determines that such exception will serve to further the purpose of the TxCDBG Program and the effective and efficient administration of the project. An exception may be considered only upon written request from the city that includes the following documentation:

- A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made.
- An opinion of the attorney for the city that the interest for which the exception is sought would not violate state or local law.
- Whether the exception would provide a significant cost benefit or an essential degree of expertise to the project that would not be available otherwise.
- Whether an opportunity was provided for open competitive bidding or negotiation.
- Whether the person affected is a member of a group or class of low or moderate income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class.
- Whether the person affected has withdrawn from his/her functions or responsibilities, or the decision making process with respect to the specific assisted activity in question.
- Whether the interest or benefit was present before the affected person was in the position as an employee, agent, consultant, officer, or elected official of the city, or of any designated public agencies, or sub-recipients that are receiving CDBG funds.
- Whether undue hardship will result to the city or the persons affected when weighed against the public interest served by avoiding the prohibited conflict.
- Any other relevant considerations.

Funding Request Amounts

This represents the minimum and maximum amount that may be requested/awarded for a project. These amounts apply to any project funded under the Texas Capital Fund Downtown Revitalization and Main Street Programs.

Minimum \$50,000

Maximum \$250,000

The program can fund only the actual, allowable, and reasonable costs of the proposed project, and may not exceed these amounts. All projects awarded under the TxCDBG program are subject to final agreement between TDA and the applicant regarding the final award amount, but at no time will the award exceed the amount originally requested in the application.

Matching Funds

At a minimum, TxCDBG monies must be matched with a minimum of 10% of the requested grant amount in the form of cash from the city. Additional match contributions may earn additional points in the scoring process. Additional match may come from other eligible sources. Reimbursable and matching funds may not be spent or incurred prior to a contract execution date from the TxCDBG program.

NOTE: Matching funds from other state or federal sources are ineligible for DRP or MS.

For each activity identified on Table 1, the match monies must be expended prior to drawing TxCDBG monies for that activity. Also, if a community experiences cost overruns or elects to do oversizing, the community's funds will be required to be used prior to drawing TxCDBG monies. Also, if project costs come in under budget or the city elects to reduce the project scope, the committed match monies must still be expended prior to drawing TxCDBG monies. Overall, the city is required to expend the same ratio of local funds to TxCDBG funds as submitted in the application.

All force account or in-kind services may be applied only towards match in excess of the minimum required 10% cash contribution.

Force Account Equipment Use (in-kind service)

The value of in-kind equipment use match for equipment owned by the locality must be based on a use allowance or depreciation (both cannot be used for the same piece of equipment) and cannot be based on the estimated rental cost of such equipment if already owned by the locality.

To document the value of estimated in-kind equipment use match based on a use allowance, the applicant may use equipment hourly rates and mileage rates established by the Federal Emergency Management Agency (available from TDA upon request).

Depreciation value may be used only if the equipment is not already fully depreciated and the schedule is based on acquisition cost. The applicant must provide an attachment/schedule that shows how the value of the match was determined.

If determining value by use allowance, the schedule must include a list of the equipment (including the capacity or size of the equipment), the hourly use rate or mileage rate, and the number of estimated hours or miles that each piece of equipment will be used on project related activities.

If determining value based on depreciation, the schedule must include a list of the equipment, the depreciation schedule, and the acquisition cost of each piece of equipment.

Federal Funding Accountability and Transparency Act (FFATA)

In September 2006 the President signed the Federal Funding Accountability and Transparency Act (FFATA) requiring the Office of Management and Budget (OMB) to develop a publicly available, free-of-charge, searchable website on federal funding. Federal funding includes grants, sub-grants, loans, awards, cooperative agreements, and other forms of financial assistance. On April 6, 2010, the OMB issued a memorandum outlining responsibilities for State agencies making sub-awards with Federal funds.

Beginning October 1, 2010, TDA is responsible for reporting data on each TxCDBG award, which will be entered into the usaspending.gov database. This data includes:

- The name of the entity receiving the award;
- The amount of the award;
- Information on the award, including transaction type, funding agency, Catalog of Federal Domestic Assistance (CFDA) number, program source, and a descriptive award title;
- Location of the entity receiving the award and the primary location of performance under the award, including the city, state, congressional district, and county; and
- The Data Universal Numbering System (DUNS) number for the entity receiving the award.

Additional information deemed relevant by the OMB must also be provided, and all information is due no more than thirty days after a grant is awarded.

In addition, applicants must register on the System for Award Management (SAM) and entities must have an active registration to receive funding from HUD. Information on SAM registration is available at <https://www.sam.gov>.

False Information on Applications

The following actions may be taken, on a case-by-case basis, where TDA finds that an applicant provided false information in its application for TxCDBG funding.

If the applicant provides false information in a TxCDBG Fund application that has the effect of increasing the applicant's competitive advantage, or false beneficiary information that increases the number or percentage of potential beneficiaries, TDA TxCDBG staff shall make a recommendation for action to the Director of the State TxCDBG Program.

Actions that the Director may make include, but are not limited to:

1. Disqualification of the application and holding the locality ineligible to apply for TxCDBG funding for a period of at least one year not to exceed two program years.
2. Even if an award has been made, the locality may be liable for funds expended if adjustment to the scores would have resulted in a change in rankings for the purpose of funding.
3. Holding the locality ineligible to apply for TxCDBG funding for a period of two program years or until any issue of restitution is resolved, whichever is longer.

An applicant may appeal a decision of the State TxCDBG Director by filing an appeal with the Administrator of the Office of Rural Affairs.

Appeals Process

Refer to Title 4, Part 1, Chapter 30, Subchapter A, §30.6 of the Texas Administrative Code (TAC).

Application Instructions

Cover Sheet

Select the application type from the dropdown box highlighted in red. Selecting the application type also selects the appropriate program's scoring sheet. Failure to select the correct application type may result in disqualification of the application. Enter the applicant's name in the space provided. The applicant's name will then appear in the footer of every page in the application.

Application Checklist

Carefully read the list of required attachments and application forms located on page 29 of this guide, checking off each completed item. This minimizes the likelihood of serious deficiencies or disqualification.

424 Form

The numbered sections below coincide with the numbered fields on the 424 Form. All information is required unless otherwise noted. The applicant must provide an email address, as indicated, in box 18.

1. **Type of Submission**- Under the Application column, select either Construction or Non-Construction. The majority of TxCDBG applications, except for Planning-only applications, include some construction activities.
2. **Date Submitted**- To use the calendar provided, click on the drop-down arrow on the right side of the box.
3. **Date Received by State** – Leave this field blank.
4. **Date Received by Federal Agency** – Leave this field blank.
5. **Applicant Information**- Provide the applicant's Legal Name (e.g., City of ABC, ABC County) and the Organizational Unit (can be the same as the Legal Name). **Mailing address, telephone number, fax number, and email address are required for both the applicant and the application preparer.** The applicant's physical address and county are also required.

6. **Employer Identification Number**– Also known as the Federal Tax ID, this 14-digit number is required to facilitate disbursement of funds.
- 6a. **DUNS Number** – All applicants must have a Data Universal Numbering System number to apply for Federal funds. The DUNS number is a nine-character identification number provided by Dun and Bradstreet. There is no charge to obtain a DUNS number. For additional information, visit the Dun and Bradstreet website at www.dnb.com. Failure to provide the applicant’s DUNS number at the application stage may result in delayed award disbursement. The DUNS number is also required to be registered with the System for Award Management.
7. **Type of Applicant**– Select County or City.
8. **Type of Application**– Check the appropriate box.
9. **Name of Federal/State Agency** – Provided by TDA
10. **Catalog of Federal Domestic Assistance Number** – Provided by TDA
11. **Project Type** – Use the drop-down menu to select the project type that best describes the proposed project. For a project with a benefiting business, use Economic Development Direct Financial Assistance - For Profit. 11a. **Type of Application** – Provided by TDA
12. **Target Area(s) Affected by the Project**– Briefly identify the target areas of the city affected by the project. Acceptable descriptions would be: "The ABC Community in southeast XYZ County", "The ABC Community and LMN Community in XYZ County", "The ABC Water Supply Corporation Service Area", "The A, B, C, and D Colonias of XYZ County", and “Jollyville neighborhood in the northwest portion of ABC Town”.
13. **Applicant’s Fiscal Year** – Indicate the beginning and end dates of the applicant's fiscal year.
14. **Congressional Districts**– Provide the congressional districts of the entity applying for funding, as well as for the proposed project site(s). This information is available through the “Who Represents Me” feature at the Texas State Legislature’s web site: www.fyi.legis.state.tx.us.
15. **Estimated Funding**– Complete each field as follows:
 - A. TxCDBG Request: Amount requested from TDA through this application;
 - B. Federal: Amount committed from federal resources such as RUS or USDA-RD;
 - C. State: Amount committed from state resources such as TWDB;
 - D. Applicant: Amount of match committed by the applicant;
 - E. Local: Amount committed from local resources such as a WSC, WCID, MUD, or any other local entity other than the applicant;
 - F. Other: Amount committed from resources other than those listed above, including cash or equity from the business; and
 - G. Total: This will calculate automatically.
16. **Is application subject to review by State Executive Order 12372 Process?** – For TxCDBG applications, the answer to this question is “No.” Texas Review and Comment System (TRACS) no longer exists for review.
17. **Is the Applicant delinquent on any Federal debt?** If the answer is “Yes,” include an explanation concerning the nature, amount, and date when payment of the debt became delinquent.
18. **Certification**– Before signing the 424 Form, the authorized signatory should read the text in this field carefully and review the Local Certifications and Citizen Participation Plan sections of this guide. Complete all sub-fields prior to signature.

Scoring Criteria

Main Street Application Scoring Criteria

The following is an outline of the selection criteria used by TDA for the selection of projects under the Main Street Program. Applications will be reviewed for feasibility in descending order based on the scoring criteria. Supporting documentation must be placed immediately behind the application. Scoring criteria follows:

Scoring - Maximum 95 points

(A) Poverty Rate (maximum 10 points). Awarded if the applicant's annual poverty rate is higher than or equal to the annual state poverty rate using the most recent available American Community Survey – 5 year estimate as follows:

- score 5 points if the poverty rate meets or exceeds the state average; or
- score 10 points if the poverty rate is 115% of the state's average.

(B) Median Household Income (maximum 10 points). Awarded if the applicant's median household income is lower than or equal to the annual state's household income using the most recent available American Community Survey – 5 year estimate as follows:

- score 5 points if the rate is lower than or equal to the state's median household income; or
- score 10 points if the rate is 85% of the state's median household income.

(C) Unemployment Rate (maximum 5 points). Awarded if the applicant's unemployment rate meets or exceeds the annual state's unemployment rate using the most recent available American Community Survey – 5 year estimate as follows:

- score 5 points if the rate meets or exceeds the state unemployment rate.

(D) Leverage/Match (maximum 10 points). A minimum 10% cash match is required. Awarded for the commitment of additional matching funds relative to the amount of CDBG funds requested as follows:

- score 5 points if 20% in matching funds are committed; or
- score 10 points if 30% in matching funds are committed

Additional match may be cash and/or in-kind. The applicant must provide a resolution from the city council authorizing the match expenditure. The resolution must include the commitment amount and the proposed use of the funds. If other eligible sources of funding are injected into the project, a commitment letter from the sources must also be submitted.

(E) Economic Development Consideration (maximum 5 points). Awarded if the city has passed an economic development sales tax (TypeA/B).

- score 5 points for passage of a local economic development tax

(F) Sidewalks and ADA Compliance (10 points). Awarded for the percentage of CDBG funds requested for sidewalk/ADA compliance relative to the total CDBG funds requested.

- score 5 points if 50% or less of the requested funds will be used for sidewalk and/or ADA compliance activities; or
- score 10 points if 70% or more of the requested funds will be used for sidewalk and/or ADA compliance activities

(G) Broad-based Public Support (maximum 10 points). Awarded for providing the following:

- score 5 points for providing a letter from at least one of the following organizations: The County Historic Preservation Commission, the local design review board, the Economic Development Corporation or the Chamber of Commerce supporting the project and describing how the project enhances the community's historic assets and historic preservation goals; and

- score 5 points for providing letters from 50% or more of the businesses and/or property owners impacted by the proposed project, within the downtown business district. This specifically includes businesses and /or property owners within one (1) block of the proposed improvements.

Broad based support map: Maps supporting Broad-based support from businesses and/or property owners must clearly correlate with the letters of support and be based on a plat map of the impacted project area, specifically a one-block radius of the proposed improvements. Buildings occupied/owned by Federal, state and local government entities are not considered toward broad-based support. Incomplete, ambiguous or mislabeled maps supporting Broad-based support may result in the loss of these points for scoring purposes.

(H) Benefit to Low- to-Moderate Income (LMI) Population (maximum 10 points). Awarded for projects that benefit populations with 51% or more LMI individuals as follows:

- score 5 points if the LMI population meets or exceeds 51%; or
- score 10 points if the LMI population meets or exceeds 60%.

This information may be obtained from the most recent income limits on the U.S. Department of Housing and Urban Development’s website. See Appendix I for more information.

(I) Grant Application Training (maximum 5 points). Awarded as follows:

- a current city official/employee has attended a DRP/MS training in the current or previous calendar year.

(J) Historic Preservation Ethic Impact (10 points). Awarded as follows:

- score 5 points if the applicant has a current historic preservation ordinance; and
- score 5 points if the applicant has adopted design guidelines for the Main Street program or project area.

(K) Main Street Program Participation (5 points). Awarded for the applicant’s continuous participation in the Main Street program as follows:

- score 1 point for every two calendar years of continuous participation in the Main Street program. Points will not be broken into half points for increments less than two-years. If a city leaves the Main Street program and then returns at a later date, "continuous participation" will be calculated from the year the applicant returned to the program.

Applicants will receive the maximum amount of points if they have participated in the program for 10 continuous years.

(L) Main Street Recognition (maximum 5 points).Awarded as follows:

- score 5 points if the applicant’s Main Street program received National Recognition from the National Main Street program in the previous calendar year.

Downtown Revitalization Application Scoring Criteria

The following is an outline of the selection criteria used by TDA for the selection of projects under the Downtown Revitalization Program. Applications will be reviewed for feasibility in descending order based on the scoring criteria. Supporting documentation must be placed immediately behind the application. Scoring criteria follows:

Scoring - Maximum 85 points

(A) Poverty Rate (maximum 10 points). Awarded if the applicant's annual poverty rate is equal to or greater than the annual state poverty rate (**All people**) using the most recent available Table DP03 American Community Survey – 5 year estimate as follows::

- score 5 points if the poverty rate meets or exceeds the state average; or
- score 10 points if the poverty rate is 115% of the state’s average.

(B) Median Income (maximum 10 points). Awarded if the applicant's median household income is lower than or equal to the annual state's household (**Median household income (dollars)**) income using the most recent available Table DP03 American Community Survey – 5 year estimate as follows:

- score 5 points if the rate is lower than or equal to the state's median household income; or
- score 10 points if this rate is 85% of the state's median household income.

(C) Unemployment Rate (maximum 5 points). Awarded if the applicant's unemployment rate meets or exceeds the annual state's unemployment rate (**Percent Unemployed**) using the most recent available Table DP03 American Community Survey – 5 year estimate.

(D) Previous Contracts (Maximum 10 points). Awarded if the applicant has received one or fewer DRP awards in the preceding 2 calendar years as follows:

- score 5 points if the applicant has received 1 DRP award in the preceding 2 calendar years; or
- score 10 points if the applicant has received 0 DRP awards in the preceding 2 calendar years

(E) Leverage/Match (maximum 10 points). A minimum 10% cash match is required for the grant. Awarded for the commitment of additional matching funds relative to the amount of TxCDBG funds requested as follows:

- score 5 points if 20% in matching funds are committed; or
- score 10 points if 30% in matching funds are committed

Additional match may be cash and/or in-kind. The applicant must provide a resolution from the city council authorizing the match expenditure. The resolution must include the commitment amount and the proposed use of the funds. If other eligible sources of funding are injected into the project, a commitment letter from the sources must also be submitted.

(F) Economic Development Consideration (maximum 5 points). Awarded if the city has passed an economic development sales tax (Type 4A/4B).

- score 5 points for passage of a local economic development tax

(G) Sidewalks and ADA Compliance (10 points). Awarded for the percentage of TxCDBG funds requested for sidewalk/ADA compliance relative to the total TxCDBG funds requested.

- score 5 points if 50% or less of the requested funds will be used for sidewalk and/or ADA compliance activities; or
- score 10 points if 70% or more of the requested funds will be used for sidewalk and/or ADA compliance activities

(H) Broad-based Public Support (maximum 10 points). Awarded for providing the following:

- score 5 points for providing a letter from at least one of the following organizations: The County Historic Preservation Commission, the local design review board, the Economic Development Corporation or the Chamber of Commerce supporting the project and describing how the project enhances the community's historic assets and historic preservation goals; and
- score 5 points for providing letters from 50% or more of the businesses and/or property owners impacted by the proposed project, within the downtown business district. This specifically includes businesses and /or property owners within one (1) block of the proposed improvements.

Broad based support map: Maps supporting Broad-based support from businesses and/or property owners must clearly correlate letters of support and be based on a plat map of the impacted project area, specifically a one-block radius of the proposed improvements. Buildings occupied/owned by Federal, state and local government entities are not considered toward broad-based support. Incomplete, ambiguous or mislabeled maps supporting Broad-based support may result in the loss of these points for scoring purposes

(I) Benefit to Low- to-Moderate Income (LMI) Population (maximum 10 points). Awarded for projects that benefit populations with 51% or more LMI individuals as follows:

- score 5 points if the LMI population meets or exceeds 51%; or
- score 10 points if the LMI population meets or exceeds 60%.

This information may be obtained from the most recent income limits on the U.S. Department of Housing and Urban Development’s website. See Appendix I for more information.

(J) Grant Application Training (maximum 5 points). Awarded as follows:

- a current city official/employee has attended a DRP/MS training in the current or previous calendar year.

Scoring Tie-Breaker

In the event of a tie score and insufficient funds to approve all applications, the following tie breaker criteria will be used for both DRP and MS.

First-The tying applications are ranked from lowest to highest based on applicant's most recently available American Community Survey 5-yr Estimates poverty rate. Thus, preference is given to the applicant with the higher poverty rate. This information may be obtained from the Census Department’s American Fact Finder website: <http://factfinder2.census.gov/main.html>. A copy of this documentation must be included with the score sheet in the application.

Second-If a tie still exists after applying the first criteria then applications are ranked from highest to lowest based on the most recently available American Community Survey 5-yr Estimates unemployment rate. Thus, preference is given to the applicant with the higher unemployment rate. This information may be obtained from the Census Department’s American Fact Finder website: <http://factfinder2.census.gov/main.html>. A copy of this documentation must be included with the score sheet in the application.

Project Approval Information

This form asks for a variety of information about a proposed project. Please be sure to verify your responses, as TDA staff may rely on this information to make important decisions regarding the project’s eligibility and approval status. Some items on this form include follow-up questions that will only appear if necessary. If a question does not apply to the proposed project, select “N/A”. Failure to respond to any item on the Project Approval Information form will result in a deficiency notice.

Community Needs Information

List of All Identified Community Needs

Provide a list of all the applicant’s identified community development and housing needs, not just those addressed in the application. List the needs in order of importance, using the boxes marked “+” and “x” to add or delete space for additional items.

Community Needs Assessment Questionnaire

Provide the information requested for each item, including information concerning the applicant’s past and future efforts to provide affordable housing opportunities in the applicant’s jurisdiction and the applicant’s past efforts to provide infrastructure improvements through the issuance of general obligation or revenue bonds. A response is required for each item; “None” and “N/A” are acceptable.

Fair Housing Activities

Any locality receiving TxCDBG monies must certify that it will affirmatively further fair housing. Using the drop-down box, identify the activities presently undertaken to affirmatively further fair housing and which new activities will be undertaken if an award is made by TDA. Applicants should be aware that, in the event of funding, these fair housing efforts will be monitored. Other activities may be eligible, and the applicant should contact TDA to determine eligibility.

Citizen Participation Determined the Need in this Application By

Indicate the method(s) used to determine the needs addressed in this application, including the date(s) of each method/assessment. If the exact date is not known, choose the first day of the appropriate month and year. If a city's application includes activities benefiting persons located within the city's ETJ, the applicant must describe how the activity benefiting persons located in the ETJ is meeting the applicant's community development and housing needs, including the needs of low to moderate income persons.

Description of the Need(s) Addressed in This Application

Provide a description of the problem the proposed project will address, including how the proposed improvements will assist the city. TDA will use the information from this section to draft a contract in the event that the application is successful. Please double-check for accuracy and do not use all capital letters.

Project Summary

This section is to be answered for each target area identified within the application and it consists of four questions intended to summarize the most basic aspects of the proposed project(s). Responses will be used to draft a contract if the application is awarded. Ensure the information provided in this section is accurate and in agreement with all other parts of the application. To answer the questions on this form, follow the instructions below:

1. **“Summarize the problem(s) to be addressed within the application by target area.”**

Guidance: state the nature of the problem by expanding on the Description of Needs from the previous section, as well as specific locations and the state of existing facilities.

EXAMPLE- The existing sidewalks in the downtown area are deteriorated and present a hazard to individuals in the area. Additionally, sidewalks lack ADA compliant access including wheelchair accessible ramps and handrails.

2. **“Identify the boundaries of the designated downtown district or Main Street area.”**

Guidance: Utilizing cardinal boundaries and/or streets, identify the boundaries of the designated downtown district or Main Street area. Lastly, identify the location of the activity/project using cross streets, **or** provide a brief description/narrative of the location of the activity/target area. Use the “+” box on the right side of the page for additional lines to provide street locations, if necessary (or the “x” box to delete unnecessary ones)..

3. **“Identify the action(s) to resolve the problem(s) and their anticipated outcomes. Include specific materials and quantities, as well as any anticipated Acquisition. Provide the proposed description based on the example below and examples in the Application Guide.”**

Guidance: describe what action is required to address the problem, including the type and amount of material (use linear footage for sidewalk and street activity) required for construction activities. For projects that will take place in more than one target area, be sure to describe the conditions and proposed work at each site. Describe in detail acquisition needed for the activity. The response should resemble a standard TxCDBG Performance Statement (see Appendix III: Form/Document Samples for an example).

EXAMPLE- Contractor shall install one thousand four hundred thirty linear feet (1,430 l.f.) of concrete sidewalks, seventeen (17) ADA compliant ramps and associated appurtenances.

4. **“Disclose the source(s) and use(s) of non-TxCDBG funds.”**

Guidance: Disclose the source, use and amount of any non-TxCDBG funds committed to the proposed project. This includes all cash, material, land, and in-kind match.

Provisions at Subpart A of 24 CFR Part 4 require TxCDBG applicants to disclose the information requested in each part of this section:

- Assistance from other government sources in connection with the TxCDBG project;
- The sources of funds contributed to the project; and
- The uses for which the funds are to be utilized.

Each reportable source of funds must indicate:

- The name and address, city, state, and zip code of the individual or entity providing the assistance. If applicable, include at least one organizational level below the agency name. For example, U.S. Department of Transportation, U.S. Coast Guard; Department of Safety, Highway Patrol;
- The program name, and any relevant identifying numbers or other means of identification for the assistance; and
- The type of assistance (e.g., applicant contribution, loan, grant, loan insurance).

TDA will make all applicant disclosure reports available to the public for five years in the case of applications for competitive assistance, and for generally three years in the case of other applications. Update reports will be available along with the disclosure reports, but in no case for a period less than three years. All reports, both initial reports and update reports, will be made available in accordance with the Texas Public Information Act (Chapter 552, Texas Government Code). Failure to provide any required information may delay the processing of the application and may result in sanctions and penalties, including imposition of the administrative and civil penalties specified under 24 CFR Section 4.38.

Additional Project Information

Answer the three questions on this page to identify: 1) any persons with a reportable financial interest to disclose; 2) the type of acquisition (if applicable) needed for the proposed project; and; 3) any construction activities to be completed by Force Account, if applicable.

Applicants must provide information on anyone with financial interest in the proposed project exceeding \$50,000 or 10 percent of the requested amount (whichever is lower). This includes developers, contractors, or consultants involved in the application for TxCDBG assistance or in the planning, development, or implementation of the project or activity. A "financial interest" is any financial involvement in the project or activity, including (but not limited to) situations in which an individual or entity has an equity interest in the project or activity, shares in any profit on resale or any distribution of surplus cash or other assets of the project or activity, or receives compensation for any goods or services provided in connection with the project or activity. Residence in housing for which assistance is sought is not considered a covered financial interest.

The applicant disclosure report must specify all expected sources of funds from TxCDBG and from any other source that is or will be available for the proposed project or activity. Non-TxCDBG sources typically include the applicant's local contribution, other government assistance referred, equity, and contributions from foundations and private individuals. The report must also specify all expected use(s) of the funds. All sources and uses of funds must be included if they can be reasonably expected to be available for the proposed project.

Additional disclosures apply to update reports. During the period in which a TCF DRP/MS application is pending, the applicant must make the following additional disclosures:

1. Any information that should have been disclosed in connection with the application but was inadvertently omitted.
2. Any information that would have been subject to disclosure in connection with the application but that arose at a later time, including information concerning an interested party that now meets the applicable disclosure threshold.
3. Any changes in previously disclosed Other Government Assistance that exceeds the previously disclosed amount.
4. For changes in previously disclosed financial interests, any change in the amount of the financial interest of a person that exceeds the amount of the previously disclosed interests by \$50,000 or by 10 percent of such interests (whichever is lower).
5. For changes to previously disclosed sources of funds, any change in a source of funds that exceeds the lower of:
 - a. The amount previously disclosed for that source of funds by \$250,000 or by 10 percent of the amount previously disclosed for that source, whichever is lower; or

- b. The amount previously disclosed for all sources of funds by \$250,000 or by 10 percent of the amount previously disclosed for all sources of funds, whichever is lower.
6. For changes to previously disclosed uses of funds, any change in a use of funds that exceeds the lower of:
 - a. The amount previously disclosed for that use of funds by \$250,000 or by 10 percent of the amount previously disclosed for that use, whichever is lower; or
 - b. The amount previously disclosed for all uses of funds by \$250,000 or by 10 percent of the amount previously disclosed for all uses of funds, whichever is lower.

For Questions 2 and 3, click on the appropriate response and provide a response if prompted.

Acquisition of any real property associated with a TxCDBG funded project must follow the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Uniform Act) and the HUD implementing regulations (regardless of whether the acquisition is funded by private funds or funds from another state or federal agency). Contact TDA for additional information on the Uniform Act.

Table 1 – Beneficiary and Funding Data

Refer to Appendix II: Sample Table 1 and Table 2 for an example of a properly completed Table 1 form.

Enter the following information for each target area:

- Target Area Name – enter the name of the applicable target area. Construction Completion Method(s) – identify how each proposed activity will be accomplished:
 - select “contract” for activities that will be accomplished by the bid/contract process.
 - select “force account” for force account labor (performed by the applicant’s own employees); or
 - select “combination” for a combination of both (Contract) and (Force Account);
- Activity Description – choose the appropriate activity from the dropdown menu. After selecting an activity, the appropriate HUD activity number will appear in the next field.
 - When completing the form for the General Administration activity, the Gender, Ethnicity, and Census Geographic Area information is not required. For the General Administration line item, use the TxCDBG Construction and/or Other Construction columns to indicate the portions of the Administration costs to be paid by TxCDBG funds and/or Other funds respectively.
- Total Benes (Total Activity Beneficiaries) – enter the total number of beneficiaries of the activity. For projects with multiple activities, each separate activity requires a separate beneficiary count. Once this information is entered for all activities (if applicable), enter the sum total of all the beneficiaries at the bottom of the column. This is true when activities take place in different sectors of a jurisdiction, but may also be true when the activities are proposed in the same general vicinity. See Appendix I for more information.
- LMI Benes (Activity LMI Beneficiaries) – enter the number of persons identified out of the Total Beneficiaries whose income falls below 80% of the area median family income. Once this information is entered for all activities, enter the sum total of all the LMI beneficiaries at the bottom of the column. See Appendix I for more information.
- LMI % (Activity LMI %) – this is the percentage of an activity’s beneficiaries that are LMI, and will automatically calculate.
- TxCDBG Construction – indicate the amount of TxCDBG funds requested for each construction activity. Be sure to correlate this figure for all construction activities on Table 2 – Budget Justification.
 - Use this column for General Administration (choose General Administration as the activity and then budget the amount in the TxCDBG Construction column). The amount requested for General Administration must not exceed 16% of total Construction and Acquisition costs. The locality is responsible for any cost incurred for General Administration (Program Administration, Compliance, Audit, etc.) that exceeds the TxCDBG-funded amount.

- TxCDBG Engineering – For DRP and MS, Engineering/architectural services may not be paid by TxCDBG funds.
- TxCDBG Acquisition – indicate the amount of TxCDBG funds requested to pay acquisition costs associated with the activity. This amount should also appear on Table 2 – Budget Justification.
- Other Construction – indicate the amount of local or other matching funds committed to pay for the construction costs associated with the activity.
- Other Engineering – indicate the amount of local or other matching funds committed to pay for the engineering costs associated with the activity.
- Other Acquisition – indicate the amount of local or other matching funds committed to pay the acquisition costs associated with the activity.
- The source(s) of all other funds must be disclosed in the Project Summary section of the application when the “other” amount is greater than zero. TDA requires a commitment documenting each outside source of funding.
- Activity Total – this is the total cost of completing each activity, including funds from TxCDBG and all other sources, and will automatically calculate. The total for all activities should match the total project cost on the 424 form.
- Gender Data – enter in the total number of male and female beneficiaries that will be served in the target area. The number in the Total Benes column (Gender Data) should match the Total Beneficiary – Activity Totals column in the section above. This data is available on the U.S. Census website using the most recent available American Community Survey – 5 year Estimate.
- Race/Ethnicity Data – provide the race, and ethnicity data of the beneficiaries that will be served in the target area. This data is available on the U.S. Census website using the most recent available American Community Survey – 5 year estimate. Beneficiaries for the CDBG Program must consider persons of Hispanic or Latino origin as an ethnic group. Therefore, persons of Hispanic or Latino origin must also be included under one or more of the single race or multi-race categories. The number of persons shown in the single race or multi-race categories, not including the persons shown as Hispanic or Latino origin, should equal the total number of project beneficiaries when added together. The number in the Total Activity Beneficiaries column must match the Activities column in the section above.
- Census Geographic Area Data – for reporting purposes, HUD requires that TDA collect information regarding the location of each project activity. The county code/FIPS (Federal Information Processing Standard) code will automatically populate when you choose the applicant’s county from the drop down menu on the cover page. Next, enter all of the applicable census tracts (6-digit) and block group where the activity’s beneficiaries reside.
- This Activity Benefits a Target Citywide/Countywide Benefit – identify whether the proposed activity will benefit an entire city or county.
- Beneficiary Identification Methods – indicate which of the three acceptable methods was used by selecting the appropriate box, and then provide the appropriate information that is requested under the selected identification method. The three acceptable ways to determine how many beneficiaries an activity will serve are the following
 - HUD Census-based Data;
 - TxCDBG-approved Survey; and
 - TxCDBG-approved Limited Clientele Information.

Table 2 – Budget Justification of Retail Costs

For all proposed uses, requested funds may not exceed the minimum necessary to meet the needs of the business(es). Excess/speculative improvements, extra connections or excessive looping will not be funded. For projects involving more than one activity, this form should reflect each separate activity and its applicable costs. Do not include cost

categories such as contingency funds, profit, overhead, and bonding as separate costs. They should be built into the estimated construction costs.

Force account labor costs, whether to be paid with funds or included as local match, must be based on the estimated TxCDBG contract-related construction hours to be worked by force account workers and the hourly wages to be paid, not on labor costs estimated through the bid/contract method. These costs must be described in the Project Summary section of the application.

Equipment costs for equipment owned by the locality, whether to be paid with TxCDBG funds or included as local match, must be based on a use allowance (such as those used by FEMA) or depreciation (based on acquisition cost, and only if the equipment is not already fully depreciated). Calculate all costs based on hours the equipment is in use on the project.

Please enter the following:

- Activity Description – refer to the listed activities on Table 1. Activities shown on this form must correspond to those shown on Table 1. Use the dropdown menu for a full list of activity descriptions and their corresponding activity(ies). Use the “+” box on the right side of the page for additional line items (or the “x” to remove unnecessary ones).
- Materials/Facilities/Services – in this column, list the materials/facilities/services associated with each activity.
- \$/Unit, Unit, and Quantity – for projects that will be completed using force account labor, use the materials/facilities/services column to calculate the value of the force account, such as the estimated contract-related construction hours multiplied by hourly wage rates with the total amount indicated in the Construction column, or attach a separate Force Account Schedule. See Appendix II: Form/Document Samples for an example of a properly completed Table 2 – Budget Justification for Retail Costs involving Force Account labor. There are two acceptable methods for determining actual construction costs:
 1. Break down the construction costs into labor and materials components for each activity (use this method for activities involving force account labor); or
 2. Use unit price (\$/Unit) and the number of units (Quantity) for each activity. The units used (e.g., linear feet (lf), square feet (sf), etc.) must be priced to include all proposed improvements related to and necessary for the major construction activity.
- Construction – enter the price of a material associated with a construction activity. This is the quantity in the “\$/Unit” column multiplied by the number in the “Qty” column.
- Acquisition – enter any cost involved with a proposed activity involving acquisition of real property (easements, rights-of-way, etc.). The projected acquisition costs must be broken out by the activity for which the acquisition is needed. Acquisition costs associated with construction activities, such as easements for a water system improvement project, should be shown in the “Acquisition” column. Please keep in mind that TDA requires compliance with the Uniform Real Property Acquisition and Relocation Policies Act of 1970. **Do not add a separate Acquisition activity line item unless the project involves acquisition of real estate, in which case the “Construction” column should be blank for the Acquisition activity.**
- Total – the totals for each line item and column will calculate automatically. Each activity cost and the associated total activity costs must be consistent with those shown on Table 1. General Administration and Engineering costs are not shown on Table 2.
- Signature of Registered Engineer/Architect Responsible For Budget Justification (and Seal) – for public facilities projects, a professional engineer or architect licensed to practice in the State of Texas must complete this form. The engineer or architect’s signature and registration seal must be on the form. Please also provide the date the form is completed and the engineer or architect’s telephone number. If the professional seal is a pressure (non-ink) seal, please ensure that a penciled-over image of the seal is visible on the duplicate copy.

National Program Objectives

Check the appropriate box to indicate whether the proposed activities will address slums or blight on an Area Basis or Spot Basis.

Anticipated Objectives and Outcomes

Indicate the anticipated objectives and outcomes from the proposed activities by completing the following for each activity:

- Activity – using the dropdown menu, select the appropriate activity. If the options in the drop-down menu do not accurately describe the proposed activity, you may type the appropriate project type in this field rather than selecting from those provided from the drop-down list. Also, use the boxes marked “+” and “x” on the right side of the page to add or delete space for additional activities.
- Anticipated Objective – select one anticipated objective for each activity:
 - Create a suitable living environment.
 - Provide decent affordable housing
 - Create economic opportunities.
- Anticipated Outcome – select one outcome for each activity in the application (excluding engineering and administration):
 - Availability / Accessibility
 - Affordability
 - Sustainability

NOTE: Only one set of objectives and outcomes is required for each activity. If multiple objectives and outcomes are provided for each activity, the responses listed first for each activity will be used for reporting purposes by TxCDBG staff.

Anticipated Outcome Units

Of the following, select the box next to the most appropriate description of the proposed activities:

- Infrastructure/Public Facilities Improvement Project
- Services
- Planning Activity

Once the additional questions appear, select the Activity from the dropdown menu. Use the “+” box on the right side of the page to add additional activities, if applicable (or the “x” box to delete unnecessary ones). For each activity, provide the following:

- Identify the number of persons for each of the following:
 - Anticipated to have new access to this type of public facility or infrastructure improvement;
 - Anticipated to have improved access to this type of public facility or infrastructure improvement; or
 - Anticipated to be served by public facility or infrastructure that is no longer substandard.

NOTE: The total for each activity and outcome must not exceed the total number of beneficiaries identified in the application.

Additional Activity Information

Select only those that apply.

- *One-for-One Replacement* – requires that a grantee replace occupied and vacant units that are demolished or converted.
- *Revolving Loan Fund* – established to make loans whereby principal repayments of loans are re-paid into the fund and re-lent to other borrowers.
- *Brownfield Activity* – any activity designed to treat a piece of industrial or commercial property that is abandoned or underused and often environmentally contaminated, especially one considered as a potential site for redevelopment.
- *Special Assessment* – means the recovery of the capital costs of a public improvement, such as streets, water or sewer lines, curbs, and gutters, through a fee or charge levied or filed as a lien against a parcel of real estate

as a direct result of benefit derived from the installation of a public improvement, or one-time charge made as a condition of access to public improvement.

- *Favored Activity* – certain activities specifically related to economic development.
- *Colonia* – Any identifiable unincorporated community that is determined to be a colonia on the basis of objective criteria, including lack of potable water supply, lack of adequate sewage systems, and lack of decent, safe, and sanitary housing; and was in existence as a colonia prior to the date of enactment of the Cranston-Gonzalez National Affordable Housing Act (November 28, 1990).
- *Presidentially Declared Disaster Area* – any area that is listed as an active disaster area on the Federal Emergency Management Agency website (www.fema.gov).
- *Historic Preservation Area* – any area that has been identified in accordance with the standards for the treatment of historic properties as set by the Secretary of the Interior.
- *Displacement* – a displaced person is any lower income family or individual that moves from real property, or moves his or her personal property from real property, permanently and involuntarily, as a direct result of the conversion of an occupied or vacant occupiable low/moderate income dwelling unit, or the demolition of any dwelling unit, in connection with an assisted activity.
- *Float Funded* – process by which a state’s CDBG funds are already under contract to grant recipient, yet the state awards the same funds to another grant recipient providing that the state is repaid before the initial grant recipient needs the funds to meet their obligation(s) for their CDBG funded activities.

Attachments

The application must be submitted with the following attachments, if applicable, in the order specified.

Scoring Sheet Supporting Documentation

All scoring criteria must be supported by documentation. Failure to submit all back-up documentation to support scoring may result in a loss of points.

Project Maps

A minimum of 4 project maps must be included with the application. Please identify the location of buildings, private and public infrastructure, that are part of this project with sufficient detail to properly prepare a project description for the contract documents. All maps must be color coded and drawn to scale. Failure to comply will delay the processing of the application.

1. **Area Map:** The area map must show the general location of the project in relation to major landmarks such as freeways, rivers, and major streets and location of project site.
2. **Designated downtown district/Main Street area Map:** must identify the specified boundaries of the downtown/Main Street area. **Note:** Proposed project activities must be located within these designated boundaries.
3. **Project Site Map:** The project site map must be a magnification of the project site delineating:
 - Identifying buildings and landmarks adjacent to improvements;
 - Location and size of both existing and proposed infrastructure (road, water, sidewalks, sewer, etc.) improvements;
 - Name of adjacent streets and identification of the nearest intersection; and
 - Identification of proposed improvements (legend or key is required) to clearly identify the proposed project.
4. **Floodplain Map** identifying project location.

Photos

The city shall provide no more than twenty-five (25) photos of the proposed project area. The pictures should be numbered, illustrating the entire project area, including a narrative that identifies the specific location/address and the slum/blight conditions to be eliminated. Screenshots from online mapping sites are not acceptable (e.g., Google Maps or Bing).

Resolutions

The application *must* be submitted with a resolution from the local City Council authorizing the submission of the application. The governing body must adopt/pass the resolution before the application submission and after the application public hearing. Failure to comply with these resolution requirements may result in disqualification of the application.

The language of the resolution must, at a minimum:

1. Authorize the submission of an application for funding under the Texas Community Development Block Grant Program.
2. Designate the Texas Capital Fund as the fund category under which the application is to be considered.
3. Designate the activities addressed in the application.
4. Designate the dollar amount being requested.
5. Designate a person (e.g., City Manager or Mayor) who will be authorized to execute documents in conjunction with the application, and any resulting grant contract.
6. Commit to the provision of resources by source and use (if applicable) in support of the proposed project activities, including the specific source (e.g., General Fund, Water/Sewer Fund, General Obligation Bonds) and use of those resources.
7. Commit to compliance with all federal, state, and program requirements, including environmental review, labor standards, procurement, acquisition of property, civil rights, and administrative requirements.

For a sample resolution, see Appendix III: Form and Document Samples.

Documentation of Additional Matching Funds

All resources committed in an application and considered in the scoring of that application must be provided in the event that the project is selected for funding. If these resources are not made available, the locality may be subject to the sanctions described in the “False Information on Application” section of this guide.

If other eligible sources of funding are injected into the project, a commitment letter from each source must be included.

Letter from applicant addressing its inability to fund the proposed improvements

Letter on city letterhead explaining why the city is unable to self-finance the proposed improvements without a TxCDBG award.

Published Notices of Public Hearing and Application Activities

Prior to the preparation and submission of an application for DRP/MS funds, each applicant must hold at least one public hearing and publish a notice that describes the application activities and the availability of the application(s) for public review.

The public hearing gives citizens information about the Texas Community Development Block Grant Program and eligible program activities, as well as opportunities to participate in the development of the applicant's community and economic development needs and the development of TxCDBG applications.

The public notice gives citizens information on proposed uses for the funds and an opportunity to review and comment on the application(s) prior to submission.

Other requirements include:

- Public notices should be prominently posted in public buildings and distributed to local Public Housing Authorities and other interested community service providers.
- Ensure nondiscrimination by taking reasonable steps to ensure meaningful access for persons with Limited English Proficiency (LEP) by providing language assistance as appropriate. Contact TDA for additional information on this requirement based on the community's needs and characteristics.

- Persons with disabilities must be able to attend the hearing and an applicant must make arrangements for individuals who require auxiliary aids or services, if contacted at least two days prior to the hearing.
- Local organizations that provide services or housing for low-to-moderate income persons, including the local Public Housing Authority, Health and Human Services office, Faith-based organizations, and Mental Health and Mental Retardation office, must receive written notification concerning the date, time, location and topics to be covered at the public hearing.

The written notification sent to local service providers for the public hearing must include the date, time, location and topics of discussion at the public hearing (a copy of the notice will suffice if it includes all required information). Send this notification to service providers serving the jurisdiction’s residents – if a local office is located in the community, then that office should receive the notification. If a local office is not located in the community, send the notification to the local or regional office location that serves the jurisdiction’s residents.

The following items are required as evidence of adherence with public hearing and public notice requirements:

1. A copy of the actual published public hearing notice (full page of the newspaper with publication title and date or publisher's affidavit and a copy of the notice) for the required public hearing. The notice must conform to the requirements of the Citizen Participation Plan, including specifics such as the date, time, location of the hearing and the topics to be discussed.
2. A copy of the actual published notice of the application(s) activities and availability of the application(s) for public review. This may be either a full newspaper page with the publication title and date or publisher's affidavit and a copy of the notice. The notice must conform to the requirements of the Citizen Participation Plan including the timing of the published notice and the information included in the notice.
3. A listing of the local service providers that received written notification of the public hearing. Copies of the written notifications must be kept by the applicant and will be reviewed by TDA staff during site visits. Again, the written notification must conform to the requirements of the Citizen Participation Plan including specifying the date, time, and location of the hearing and the topics of discussion.

TDA recommends verifying that the public notices are published on the correct days, as well as allowing sufficient time for publication and public hearing issues to be resolved rather than completing these steps just prior to submitting the application.

For sample public notices, see Appendix III: Form and Document Samples.

Section 106 notification letter (Determination of Eligibility) to/from Texas Historical Commission

Copy of the letter on city letterhead and sent to the Texas Historical Commission (THC). A response from the THC is not required, but should be included, if available.

TxDOT notification letter and response (if applicable)

Copy of the letter indicating that the applicant has notified and/or consulted with TxDOT regarding their proposed improvements.

Evidence of Active SAM Registration

The applicant shall include a screen-shot from the System for Award Management (SAM) website at <https://sam.gov> verifying the entity’s registration is active. The screen shot must include the registration expiration date. If the registration has expired, then it is an Inactive Account and has not met this requirement. It may take time to register or re-activate, so start early.

Annual Audit

Applicants must comply with the audit requirements in the Texas Local Government Code for the fiscal year ending 2015 or later. The applicant is required to submit its most recent annual audit or audit opinion letter with its application to demonstrate financial capacity. The audit opinion letter is preferred to the whole audit (Note: not the management letter). The audit must be an organizational-wide audit and cannot be limited to certain parts of the

organization. Annual audits for fiscal years ending on or before December 31, 2014 will not be accepted. Failure to submit an audit for FY 2015 or FY 2016 by the application deadline will result in automatic disqualification.

A303 Categorical Exclusion Not Subject to 58.5

The applicant shall include a completed A303 Categorical Exclusion Not Subject to 58.5 form for the proposed project. (See Appendix III: Form and Document Samples)

Application Review Checklist

See the following page for the Application checklist and instructions.

Applicant Name: _____

Application Review Checklist for Texas Capital Fund

The following items **must** be included in the application. If the application is found to be substantially incomplete it will be denied without further consideration. Applications that have deficiencies will be given 10 business days to satisfy those deficiencies. Applicant or Application Preparer must initial for each item included in the application or indicate that the item is not applicable. Print this page separately and insert directly behind the Application Coversheet.

| | |
|---|---|
| TEXAS CAPITAL FUND DRP/MS Application Contents | Initial if complete NA if not applicable |
|---|---|

Original Application – Part 1

| | |
|--|--|
| Completed 424 Form with original signature | |
| Completed DRP/MS Scoring Sheet | |
| Project Approval Information with all question answered | |
| Community Needs Assessment | |
| Project Summary | |
| Additional Project Information and Source and Use of non-TxCDBG funds Disclosure | |
| Table 1 | |
| Table 2 | |
| National Program Objectives | |

Attachments – Part 2

| | |
|---|--|
| Attach Score Sheet supporting documentation | |
| Area Map | |
| Designated downtown/Main Street area Map | |
| Project Site Map | |
| Floodplain map showing project location | |
| Photos of proposed project site | |
| Resolution passed by the applicant | |
| Documentation of Additional Matching Funds- Letter(s) of Commitment | |
| Letter from applicant addressing its inability to fund the proposed improvements | |
| Public notices | |
| Actual published public hearing notice or Publisher’s Affidavit and copy of notice | |
| Actual published notice of application activities and availability of the application for public review or Publisher’s Affidavit and copy of notice | |
| Listing of the local service providers that were sent the written notification of the public hearing | |
| Section 106 notification letter (Determination of Eligibility) to/from Texas Historical Commission | |
| TxDOT notification letter and response (if applicable) | |
| Evidence of active SAM Registration | |
| Applicant’s Independent Auditor’s Opinion letter from FY2015 or FY2016 Annual Audit | |
| A303 Categorical Exclusion Not Subject to 58.5 | |

Appendix I: Using Census Data and Surveys

To count project beneficiaries and document LMI percentage based on data from the Census, use the Low-to-Moderate-Income Summary Data (LMISD) spreadsheets from the TDA web site. This Excel file contains population and income data for the State of Texas down to the Block Group level.

TxCDBG will only allow the use of the LMISD data to qualify an activity and to document the activity beneficiaries under the following conditions:

1. The project activity will benefit all of the persons within a census geographic area or a significant number of the persons (at least 60% of the persons) within a census geographic area. The census geographic area could be a county, place, census tract, or block group.
2. If only LMISD data is used to document the beneficiaries of an application activity, the low- and moderate income benefit percentage must be at least 51% (not 50.99%) for a single census geographic area or for combinations of two or more census geographic areas.
3. The LMISD data may be used in combination with beneficiaries identified using other methods (as appropriate) to document the beneficiaries of an application activity. Again, the activity must benefit at least 51% low and moderate income persons.

1.
If an application activity does not benefit an entire census geographic area, or a significant number of the persons within a census geographic area, then the applicant must use another method to document the beneficiaries. The applicant should then consider conducting a local TxCDBG survey to document the beneficiaries and the low- and moderate-income benefit percentage for the activity. A local survey is usually the best way to document the beneficiaries of direct benefit activities.

Navigating the LMISD Spreadsheets

The following are the three separate spreadsheets that compose the LMISD data (along with the information that each contains):

1. ALL BLOCK GROUPS STATEWIDE – data for every block group in the state
 - a. “geoname” – identifies each block group by census tract and county
 - b. “countyname” – identifies the county
 - c. “tract” – identifies the census tract
 - d. “blkgrp” – identifies the block group
 - e. “lowmod” – number of LMI persons within the block group
 - f. “lowmoduniv” – total number of persons within the block group
 - g. “lowmod_pct” – percentage of LMI persons in the block group
2. LOCAL UNITS OF GOV (NON-ENT) – data for every non-entitlement entity in the state
 - a. “group” – identifies type of entity (COUNTIES, COUSUB/MCD, PLACES)
 - b. “geoname” – identifies the entity
 - c. “place” – provides a place’s identifying census number, if applicable
 - d. “county” – provides a county’s identifying census number, if applicable
 - e. “cousub” – provides a county subdivisions/CDP identifying census number, if applicable
 - f. “lowmod” – number of LMI persons within the block group
 - g. “lowmoduniv” – total number of persons within the block group
 - h. “lowmod_pct” – percentage of LMI persons in the block group
3. LOCAL UNITS OF GOV (ENT) – data for every entitlement entity in the state
 - a. “cdbgname” – identifies the entitlement entity
 - b. “county” – provides a county’s identifying census number, if applicable
 - c. “countyname” – identifies the county in which the entity is located
 - d. “tract” – identifies the census tract
 - e. “blkgrp” – identifies the block group
 - f. “lowmod” – number of LMI persons within the block group
 - g. “lowmoduniv” – total number of persons within the block group

h. “lowmod_pct” – percentage of LMI persons in the block group

i.

The “ALL BLOCK GROUPS STATEWIDE” data may be used to qualify a project that benefits a target area(s) or used to recreate entity-wide LMI data that is broken out by block group (to use in substituting with income surveys or other allowable data) for a project that is entity-wide.

Due to the fact that “split block groups” are no longer available and applicant’s (namely cities) are no longer able to identify which part of a block group’s population actually resides within an entity’s jurisdiction and which ones do not, applicants must recreate these “split block groups” using 2010 Census Data (by using the “Urban/Rural – 090” geographic type) to identify the actual population of a block group that is within their jurisdiction. Once that number is obtained, an applicant must simply apply the original LMI percentage of that block group to the adjusted number to calculate LMI persons for that particular block group. Whether an applicant is obtaining beneficiary numbers for a target area or recreating entity-wide data, the method above will apply to each (if applicable).

The “LOCAL UNITS OF GOV (NON-ENT)” data may be used to qualify a project that has a benefit area that is entity-wide. This data may not be used in combination with any other data or method of identifying beneficiaries (for example, income surveys), with the exception of institutional data (prison, nursing home, etc.) that may be substituted in, as appropriate.

The “LOCAL UNITS OF GOV (ENT)” data is simply provided for the use of eligible county applicants that have an entitlement entity within its jurisdiction. If a county applies for a project with a county-wide benefit, the populations of any and all entitlement entities within the county’s jurisdiction must be subtracted and not considered when calculating the beneficiary data.

Example 1: The City of Athens wants to apply for a project that includes the installation of water distribution lines and fire hydrants in 2 block group (BG) areas. Using the LMISD spreadsheet to recreate the block group data, the City finds the following information:

- BG 5 has 100 residents, but an examination of the project maps indicates the project will only serve 35. The LMI percentage for BG 5 is 51%.
- BG 6 also has 100 residents, but the project is only expected to serve 20.
-

Can the City of Athens use Census data to qualify this project? No, because the project *will not benefit a significant number of BG 5 or BG 6 residents*. Both block groups would qualify if more than 60% of the residents of each were expected to receive benefits. In this case, City A must perform a survey of the benefiting areas.

Example 2: Tom Green County wants to apply for a county-wide benefit project that includes reconstructing streets throughout the entire county. The county has three incorporated area (that also includes an entitlement city) that it must subtract from its beneficiary data:

| Group | geoname | Place | County | Cousub | lowmod | lowmodu | lowmod_pct |
|----------|------------------------------------|-------|--------|--|--------------|--------------|---------------|
| COUNTIES | Tom Green County, Texas | | 451 | | 41,710 | 102,505 | 40.69% |
| | San Angelo (from entitlement data) | | | | 38,855 | 93,710 | 41.46% |
| PLACES | Grape Creek CDP, Texas | 30629 | | | 1,060 | 2,885 | 36.74% |
| PLACES | Christoval CDP, Texas | 14872 | | | 210 | 445 | 47.19% |
| | | | | Total of Cities: | 40,125 | 97,040 | |
| | | | | County's Unincorporated Population: | 1,585 | 5,465 | 29.00% |

The LMI percentage of the entire unincorporated area is 29.00% (1,585 low- to moderate-income persons and 5,465 total beneficiaries). Tom Green County cannot qualify the project using Census data because the project does not benefit at least 51% low- and moderate-income persons.

Example 3: The City of Trenton wants to apply for a direct benefit project that includes the installation of water distribution lines and fire hydrants in 2 block group (BG) areas. The project will benefit a significant number of BG 2 residents (70%) and a small section of BG 3 (about 5%).

After recreating the “split block groups”, the City finds that the population of BG 2 is 70% low- and moderate-income (455 low- and moderate-income persons and 650 total residents) according to 2010 Census data. BG 3 is found to be 45% low- and moderate-income (324 low and moderate income persons and 720 total residents) according to Census data.

Can the City of Trenton use Census data to qualify this project? Yes and no. TxCDBG would allow the use of Census data for BG 2 but not for BG 3. The City would be advised to use census data for BG 2 and to survey the beneficiaries located in BG 3.

The City surveys BG 3 beneficiaries and the survey identifies 35 total and 28 low to moderate income beneficiaries. The number of beneficiaries in BG 2 (about 70% of BG 2 residents) is 450 total and 315 low and moderate income. Therefore, there are 485 total activity beneficiaries, 343 of whom are of low- to moderate-income.

Applicants using LMISD data to document activity beneficiaries must submit the following information with the application:

- A copy of the data from the LMISD spreadsheet(s) for the applicant and/or the TxCDBG-completed cover sheet, which includes low-and moderate-income benefit percentages for each census geographic area.
- A copy of the methodology and the supporting documentation (SF 1 information if applicable) used to determine the total number and number of low- and moderate-income beneficiaries for a census geographic area where only a portion of the census geographic area is receiving benefit from an application activity.
- For target area activities that do not benefit the entire city or county, a census map that contains the numbers for each census geographic area, the boundaries of each census geographic area, and the locations of the project activities within each census geographic area receiving project benefit.
- The Census information and maps are available from various state agencies and from various websites. When trying to obtain information or maps, first check with your local Council of Governments, as most have these materials for their respective regions. You may also contact TxCDBG staff for information concerning the availability of Census information. Census maps are available on the Census Bureau website at <http://www.census.gov/geo/maps-data/maps/block/2010/>.

Appendix II: Sample Table 1 and Table 2

TABLE 1

Target Area: Designated Downtown District Construction Completion Type: Contract

| Activity Description | Total Benes | LMI Benes | LMI % | TxCDBG Construction | TxCDBG Engineering | TxCDBG Acquisition | Other Construction | Other Engineering | Other Acquisition | Activity Total |
|--|-------------|-----------|--------------|---------------------|--------------------|--------------------|--------------------|-------------------|-------------------|----------------|
| Sidewalks | 100 | 51 | 51.00% | 135,000 | 0 | 0 | 0 | 30,000 | 5,000 | 170,000 |
| Lighting | 0 | 0 | 0.00% | 500 | 0 | 0 | 0 | 0 | 0 | 500 |
| Administration (Use Construction column) | 0 | 0 | 0.00% | 15,000 | 0 | 0 | 0 | 0 | 0 | 15,000 |
| ACTIVITY TOTALS: | 0 | 0 | 0.00% | 150,500 | 0 | 0 | 0 | 30,000 | 5,000 | 185,500 |

| Race | # Non-Hispanic Beneficiaries | # Hispanic Beneficiaries | Total Activity Beneficiaries |
|--------------------------------|------------------------------|--------------------------|------------------------------|
| Asian | 30 | 0 | 30 |
| Black African American | 20 | 10 | 30 |
| White | 15 | 10 | 25 |
| American Indian/Alaskan native | 10 | 5 | 15 |
| TOTALS: | 75 | 25 | 100 |

| Gender | Total Males | Total Females | Total Benes |
|--------|-------------|---------------|-------------|
| | 50 | 50 | 100 |

REQUIRED - Census Geographic Area Data
Identify the census tract and block group(s) in which the project will take place

County Code: 12

| Census Tract (6-digit) | 01 | 02 | 03 | 04 | 05 | 06 | 07 | 08 | 09 | 10 |
|------------------------|-------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 9500.00 | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

- City-wide Benefit
- County-wide Benefit

Beneficiary Identification Method(s)

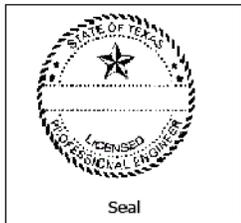
- An approved TxCDBG survey was used to identify the beneficiaries for this activity.
- 2010 Census information used to identify the beneficiaries for this activity?
- The required Census or Texas State Data Center map has been provided if required.

Provide the number of beneficiaries identified through each of the following methods for this activity:

TxCDBG Survey: 0 2010 Census: 100 Area Benefit: 0 Housing Activity: 0 Limited Clientele: 0

TABLE 2 - BUDGET JUSTIFICATION OF RETAIL COSTS

| Activity Description | HUD Act # | Materials/Facilities/Services | \$/Unit | Unit | Quantity | Construction | Acquisition | Total |
|----------------------|-----------|-------------------------------|------------|------|----------|-----------------|-------------|-----------------|
| Sewer Improvements | 031 | Mobilization | \$5,000.00 | EA | 1 | \$5,000 | \$0 | \$5,000 |
| Sewer Improvements | 031 | 6" PVC and fittings | \$10.00 | LF | 500 | \$5,000 | \$0 | \$5,000 |
| Sewer Improvements | 031 | 8" PVC and fittings | \$20.00 | LF | 1,500 | \$30,000 | \$0 | \$30,000 |
| Sewer Improvements | 031 | 6" and 8" Gate Valves | \$1,000.00 | EA | 15 | \$15,000 | \$0 | \$15,000 |
| Sewer Improvements | 031 | Erosion Control | \$5,000.00 | | 1 | \$5,000 | \$0 | \$5,000 |
| | | | | | | \$60,000 | \$0 | \$60,000 |



[Handwritten Signature]
Signature of Registered Engineer/Architect Responsible For Budget Justification:

Sep 16, 2016 +1 (512) 321-4567
Date: Phone Number

Appendix III: Form and Document Samples
Sample Public Hearing Notice and Application Activities Notice

SAMPLE PUBLIC HEARING NOTICE:

Published on (July 14, 2012):

PUBLIC HEARING NOTICE

(XYZ) COUNTY

TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

(XYZ) County will hold a public hearing at 7:00 p.m. on July 14, 2012, at (XYZ) County Courthouse regarding the submission of an application to the Texas Department of Agriculture for a Texas Community Development Block Grant Program (TxCDBG) grant. The purpose of this meeting is to allow citizens an opportunity to discuss the citizen participation plan, the development of local housing and community development needs, the amount of TxCDBG funding available, all eligible TxCDBG activities, and the use of past TxCDBG funds. The County encourages citizens to participate in the development of this TxCDBG application and to make their views known at this public hearing. Citizens unable to attend this meeting may submit their views and proposals to (John Doe), County Judge at the County Courthouse. Persons with disabilities that wish to attend this meeting should contact the County Courthouse to arrange for assistance. Individuals who require auxiliary aids or services for this meeting should contact the County Courthouse at least two days before the meeting so that appropriate arrangements can be made. Para más información en español, comuníquese con (add local contact name) al XXX-XXX-XXXX.

SAMPLE APPLICATION ACTIVITIES NOTICES:

Published on (September 26, 2012):

PUBLIC NOTICE

(XYZ) COUNTY

TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

(XYZ) County is giving notice of the county's intent to submit Texas Community Development Block Grant Program grant applications for a (Downtown Revitalization/Main Street) grant request of (\$150,000) for (the installation of ADA compliant sidewalk activity) in the (community of XX). The application is available for review at the (XYZ) County Courthouse during regular business hours. Para obtener una copia en español, comuníquese con (add local contact name) al XXX-XXX-XXXX.

EXHIBIT A

PERFORMANCE STATEMENT

City of Virginia

All activities funded with TxCDBG funds must meet one of the CDBG program’s National Objectives: benefit low- and moderate-income persons, aid in the prevention or elimination of slums or blight, or meet community development needs having a particular urgency.

The Contractor shall carry out the following activities in the target area(s) identified on the map in its Economic Development application. The Contractor shall obtain the Department’s prior written approval for any modifications or changes that are made to this project’s activities specified in Exhibits A and B.

CURRENT NEED

The purpose of this Economic Development project is to provide infrastructure in the form of sidewalk activities in the Downtown Revitalization area designated by the Contractor. The Contractor certifies that the activities carried out under this contract will meet the national objective of aiding in the prevention or elimination of slums or blight.

Sidewalk Activities

The “minimum necessary” activities are to consist of one thousand four hundred thirty linear feet (1,430 l.f.) of concrete sidewalks, seventeen (17) ADA compliant ramps and associated appurtenances. These improvements shall be in the following locations:

| Location | From | To |
|--------------------|--------------------|----------------|
| Virginia Street | Marie Street | Patrick Street |
| Shelbyville Street | Cora Street | 490 l.f. east |
| Cora Street | Shelbyville Street | Pecan street |

General Administration

Contractor shall ensure that the amount of Department funds expended for all eligible project-related administration activities, including the required annual program compliance and fiscal audit does not exceed the amount specified for administration in the Budget.

Engineering

Contractor shall ensure that the amount of Department funds and/or matching funds expended for all eligible project-related engineering services, including preliminary and final design plans and specifications, all interim and final inspections, and all special services does not exceed the amount specified for engineering in the Budget.

**Environmental Review
for Activity/Project that is Exempt or
Categorically Excluded Not Subject to Section 58.5
Pursuant to 24 CFR Part 58.34(a) and 58.35(b)**

Project Information

Project Name:

Responsible Entity:

Grant Recipient (if different than Responsible Entity):

State/Local Identifier:

Preparer:

Certifying Officer Name and Title:

Consultant (if applicable):

Project Location:

Description of the Proposed Project [24 CFR 58.32; 40 CFR 1508.25]:

Level of Environmental Review Determination:

Activity/Project is Exempt per 24 CFR 58.34(a): _____

Activity/Project is Categorically Excluded Not Subject To §58.5 per 24 CFR 58.35(b): _____

Funding Information

| Grant Number | HUD Program | Funding Amount |
|---------------------|--------------------|-----------------------|
| | | |
| | | |

Estimated Total HUD Funded Amount:

This project anticipates the use of funds or assistance from another Federal agency in addition to HUD in the form of (if applicable):

Estimated Total Project Cost (HUD and non-HUD funds) [24 CFR 58.32(d)]:

Compliance with 24 CFR §50.4 and §58.6 Laws and Authorities

Record below the compliance or conformance determinations for each statute, executive order, or regulation. Provide credible, traceable, and supportive source documentation for each authority. Where applicable, complete the necessary reviews or consultations and obtain or note applicable permits of approvals. Clearly note citations, dates/names/titles of contacts, and page references. Attach additional documentation as appropriate.

| | | |
|---|--|---------------------------|
| Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR 50.4 and 58.6 | Are formal compliance steps or mitigation required? | Compliance determinations |
| STATUTES, EXECUTIVE ORDERS, AND REGULATIONS LISTED AT 24 CFR §58.6 | | |
| Airport Runway Clear Zones and Accident Potential Zones 24 CFR Part 51 Subpart D | Yes No <input type="checkbox"/> <input type="checkbox"/> | |
| Coastal Barrier Resources Coastal Barrier Resources Act, as amended by the Coastal Barrier Improvement Act of 1990 [16 USC 3501] | Yes No <input type="checkbox"/> <input type="checkbox"/> | |
| Flood Insurance Flood Disaster Protection Act of 1973 and National Flood Insurance Reform Act of 1994 [42 USC 4001-4128 and 42 USC 5154a] | Yes No <input type="checkbox"/> <input type="checkbox"/> | |

Mitigation Measures and Conditions [40 CFR 1505.2(c)]

Summarize below all mitigation measures adopted by the Responsible Entity to reduce, avoid, or eliminate adverse environmental impacts and to avoid non-compliance or non-conformance with the above-listed authorities and factors. These measures/conditions must be incorporated into project contracts, development agreements, and other relevant documents. The staff responsible for implementing and monitoring mitigation measures should be clearly identified in the mitigation plan.

| Law, Authority, or Factor | Mitigation Measure |
|---------------------------|--------------------|
| | |
| | |
| | |
| | |

Project Name

Project Locality and State

HEROS Number

Preparer Signature: _____ Date: _____

Name/Title/Organization: _____

Responsible Entity Agency Official Signature:

_____ Date: _____

Name/Title: _____

This original, signed document and related supporting material must be retained on file by the Responsible Entity in an Environmental Review Record (ERR) for the activity/project (ref: 24 CFR Part 58.38) and in accordance with recordkeeping requirements for the HUD program(s).

Determination of Eligibility letter to be produced on city letterhead and sent to the Texas Historical Commission (THC). A response from the THC is not required for the TxCDBG Application, but should be included if available.

[DATE]

Mark Wolfe, State Historic Preservation Officer
Texas Historical Commission
c/o History Programs Division
P.O. Box 12276
Austin, TX 78711-2276

Re: Texas Capital Fund Grant, [CITY, COUNTY]

Dear Reviewer:

The City of [CITY] is making an application for a Texas Capital Fund grant through the Texas Department of Agriculture. The Texas Capital Fund is financed by the U.S. Department of Housing and Urban Development through the Texas Community Development Block Grant Program. We understand that a review is required for our project under Section 106 of the National Historic Preservation Act because of the federal funding involved.

The proposed project will consist of [DESCRIBE PROJECT].

We understand that the first step in the Section 106 review process is to identify whether there are historic buildings, structures, objects, sites, or districts within our project's Area of Potential Effect (APE), which extends beyond the concise footprint of the project location to include adjacent buildings and structures that may experience physical or visual effects from the project. [In the case of sidewalk construction, the APE should include all buildings and structures adjacent to the sidewalk.] Please review the attached material and determine whether properties in the APE are eligible for listing in the National Register of Historic Places:

- Photos of all buildings, structures, or sites 45 years old or older within the above-defined area (labeled with addresses). [Photos should be high quality, color, and show at least the main façade of the building in its entirety.]
- General photos of the project locations (streetscape, etc.).
- Maps with the project area marked. [Historic-age buildings should be identified on maps or photographs should be keyed to maps.]

If you identify historic properties in the APE and our project is selected for funding, we understand that we will need to submit more information regarding the project design elements in order for your office to evaluate the project's potential to affect historic properties and complete the Section 106 review process. This information will include construction documents for the proposed project. However, we also understand that your office recommends early consultation during the design process, before the submission of these drawings, to prevent adverse effects to historic properties and avoid unnecessary delay to project construction.

If you have questions about this information please contact me at [TELEPHONE NUMBER] or [EMAIL].

Yours truly,

[CITY REPRESENTATIVE]
[CITY DEPARTMENT]

Enclosures