

Proposed CDBG Program Changes for PY 2015  
as reflected in  
Texas Administrative Code Revisions &  
Five Year Consolidated Plan / One Year Action Plan

**Community Development Fund:**

No changes proposed, per Commissioner's letter dated July 3, 2014

**Texas Capital Fund - Real Estate / Infrastructure:**

1. Simplified application process
  - Application process reduced from two-step to one-step application
  - Simplifies the application process for applicant and TDA
  - 2013: 90% of applications submitted were awarded based on preliminary application data
  - *Benefit(s)*: Single application process reduces application-to-award review time by eliminating a second round of document submittals, making the process more amenable to applicant/business timelines.
2. Improved scoring methodology
  - Incidental scoring metrics (awarded contracts, per capita and community size) and unutilized metric (Small/HUB business) eliminated
  - Refined determination of applicant's need by removing poverty rate from scoring and increasing significance of unemployment rate
  - New scoring factors focusing on company performance and impact of job creation activity
  - Establish a Minimum Base Score and eliminated Maximum Scoring Range
  - *Benefit(s)*: Scoring changes target projects with greater economic impact and prioritizes applicants with new job creation and greater job related need.
3. Cap number of TCF infrastructure awards per entity
  - Infrastructure awards limited to two (2) per applicant per program year
  - Real Estate awards remain unlimited
  - *Benefit(s)*: Broadens geographic distribution of limited economic development funds and improves opportunity for unfunded applicants.
4. Increased minimum award
  - Minimum award increased from \$50,000 to \$100,000
  - Zero (0) application requests under \$100,000 in the last two program years
  - *Benefit(s)*: Increase brings the minimum award in line with current applicant need and encourages larger project sizes with commensurate economic impacts.
5. Align CDBG and TCF Program Years
  - Starting date of Feb. 1
  - *Benefit(s)*: Technical change with minimal anticipated impact for applicants but facilitates program reporting.

6. Revised distribution schedule

- Replaces complex funding schedule with improved method
- 50% of Infrastructure/Real Estate allocation distributed on a semi-annual basis
- Cap monthly allocations at \$1.5 million, until funds are depleted; remaining funds roll over to next month
- *Benefit(s)*: Simplified schedule increases distribution throughout the year and awards highest scoring applicants.

**Texas Capital Fund - Downtown Revitalization/Main Street Program:**

1. Revise annual program allocations

- DRP allocation capped at the lesser of 12% of TCF allocation or \$1.2 million per year
- MSP allocation capped at the lesser of 6% of TCF allocation or \$600,000 per year
- *Benefit(s)*: Ensures funding for Infrastructure/Real Estate remains sufficient to support projects with large economic impacts in a period of declining allocations.

2. Revise and integrate DRP/MSP scoring criteria

- Confusing and incidental scoring criteria (minority hiring, community size and occupied structures) eliminated from scoring
- MSP preserves Main Street specific criteria
- *Benefit(s)*: Scoring changes better characterize community need for both programs and harmonize scoring.

**Disaster Relief / Urgent Need Fund:**

1. Contract duration reduced for Disaster Relief and Urgent Need

- DR/UN contracts are reduced from two to one year duration
- With TDA approval, applicants will be able to utilize pre-agreement to expedite project completion
- *Benefit(s)*: DR/UN funds provide assistance for a disaster; shortening the contract duration ensures projects are well planned prior to application and that funds are used to expedite recovery.

**Community Enhancement Fund**

1. Rules to be published and application released

- Awards from \$100,000-\$350,000; funded with deobligated funds
- Designed to stimulate a community's economic development efforts and improve self-sufficiency
- *Benefit(s)*: Launch of dedicated fund to enhance the overall quality of life for all residents within a community