**Community Development Block Grant Program**



**COVID-19 Response**

**Phase 3**

**Instructions**

Indiana Office of Community and Rural Affairs

CDBG Program

One North Capitol, Suite 600

Indianapolis, IN 46204**General Information and Instructions**

The Office of Community and Rural Affairs (OCRA) seeks applications from eligible local units of government that would like to be considered for OCRA's COVID-19 Response program funded through the state Community Development Block Grant (CDBG) program. Eligible local units of government are any counties, cities, or incorporated towns in both entitlement and non-entitlement areas. Unincorporated areas must apply through the county in which they are located.

**General Information**

The goal of the CDBG COVID-19 Response program through OCRA is to help communities, with eligible populations, respond to and mitigate the impacts of the COVID-19 pandemic. Projects must demonstrate the following:

* They meet the goal of the Federal Act;
* The particular project is in response to or mitigates the impacts of the COVID-19 pandemic;
* The funds granted will have a significant impact on residents;
* The community has demonstrated a strong commitment to the project and its sustainability; and
* The project is ready to proceed and be complete within 12 months upon grant award.

**Minimum Requirements**

To be eligible for CDBG assistance, projects must meet the following minimum requirements:

* The lead applicant must be a city, county, or incorporated town with the legal capacity to carry out the proposed program.
* The lead applicant may contract with a not-for-profit organization to carry out an eligible project's activities, provided that the organization can document its non-profit status with the U.S. Internal Revenue Service, the Indiana Department of Revenue, and the Indiana Secretary of State.
* The proposed project must meet a national objective and be an eligible activity under Section 105 (a) of the Housing and Community Development Act of 1974. In general, the project must be a benefit to a low- or moderate-income person or households, defined as:
* Area Benefit – the proposed activity benefits all residents in a defined area in which at least 51% of the residents are LMI persons;
* Limited Clientele – the proposed activity benefits a defined group of persons, and at least 51% of those persons are LMI persons; or
* Job Retention – the proposed activity retains permanent jobs of which at least 51% are held or made available to LMI persons.
* If the lead applicant has previously received any CDBG funds through OCRA or the Indiana Housing and Community Development Authority (IHCDA), the applicant must **NOT** have:
* any unresolved monitoring/audit findings;
* any overdue grant reports or closeout documents; or
* **a COVID-19 Response grant that has not received Release of Funds**;
* Any Program Income collected from any previous CDBG grant must be obligated for use, that has been approved by OCRA, before the submission of a new CDBG application. Program Income may be used as part of the local match for a CDBG application. Please contact the CDBG program staff for additional information regarding Program Income.
* Local match, if included, must be provided by the applicant or a third-party. Other local, state, or non-HUD federal grants can count towards local match. The local match is a percentage of the total project cost, not the grant amount being requested.
  + Applicant or subrecipient must provide proof of the availability of those funds at the time of application.
* All requests to use in-kind match must be submitted two (2) weeks before the application deadline via email to CDBG program staff. Eligible sources of the in-kind match include but are not limited to:
* The appraised fair market value of donated land. (Land donations by applicants, developers, organizations, or individuals with financial or ownership interest in the project are ineligible as an in-kind match);
* Volunteer labor is calculated at $15.00 per hour regardless of the type of work; and
* Donated goods or services valued at regular cost.

Requests must include:

* A summary of the request that shows a breakdown of how the amount was calculated;
* A letter from the chief elected official requesting the use of In-Kind match and identifying the amount requested;
* Supporting documentation, including a commitment letter from the donor regarding what is being donated and the value; and
* In the case of land donation, a copy of the fee appraisal (a review appraisal is not required) and all supporting URA documentation.

**Eligible Activities**

The following are eligible activities for this phase:

* Public Services
  + Provide new or expanded mental health services with focuses on:
    - Domestic violence/abuse Services
    - Substance abuse treatment and recovery services
    - Suicide prevention
    - Other general mental health services
  + Provide new or expanded Child Care services
  + Provide new or expanded public WiFi locations (LMI Area Benefit only)
  + Provide expanded food bank or pantry services
  + Establish a Subsistence Payment Program (Six-month limit) (limited clientele only):
    - Applicants must certify they have the capacity to carry out this activity in their application.
    - Payments are limited to rent and utilities, and must go directly to the landlord or provider.
    - Recipients of a local subsidence program must:
      * Be a low- or moderate-income household (51% threshold for LMI does not apply for this activity);
      * Document that non-payment of rent or utility was directly related to COVID-19; and
      * Verify need for assistance via a completed duplication of benefits form.
* Economic Development
  + Provide grants to businesses for use as working capital to retain jobs held by LMI persons and continue operations (Job Retention only)
  + Provide loans to businesses as short-term working capital to retain jobs held by LMI persons and continue operations (Requires an existing Revolving Loan Fund or similar financial instrument)
    - Loans made from awards from this phase must meet the following terms:
      * Up to $25,000 per business
      * Up to 2% interest
      * Up to 1% loan administration fee
      * 3-5-year term with monthly, quarterly, or annual payments
      * Payments can be deferred for the first six (6) months at 0% interest
      * Balance can be converted to a grant if the business retains the jobs for at least two (2) years
      * Annual reporting by the businesses is required for the life of the loan and by the community in perpetuity
* Multiple Eligible Activities
  + Applicants can apply for multiple eligible activities listed with approval from the CDBG Program Director. Please contact your Community Liaison to schedule a call with the Program Director.

For this program, the following general grant activities are eligible for CDBG funding.

* **Administration** - Reasonable and eligible costs associated with the administration of the proposed activity. **This includes costs related to labor standards and environmental review, if applicable.** (Maximum of 2.5% of the grant from any funding source)

**Note:** Due to this program and phase's nature, minimal works are required related to labor standards and environmental review. As such, those costs are part of the costs of administration of the grant and subject to the 2.5% cap.

**Ineligible Activities**

**This list is not meant to be all-inclusive**; please consult your Community Liaison for questions regarding specific projects. The following is a list of **some** of the projects that are not eligible for CDBG funding:

* The acquisition, construction, or rehabilitation of buildings for the general conduct of government;
* Real property acquisition for ineligible activities;
* General equipment purchase;
* Purchase of items that are living (plants, trees, sod, animals, etc.);
* Operation and maintenance expenses associated with public facilities or services;
* General government expenses;
* Political activities of any nature; or
* Direct construction of new housing.

**Projects Combining Eligible and Ineligible Activities**

Depending on a community's needs, it may be appropriate for a project to combine CDBG eligible and ineligible activities. Such a project may still be eligible for CDBG funds, provided:

* that the budget delineates the costs of the eligible and ineligible activities;
* that CDBG funds will not pay for any ineligible activities; and
* that local funds comprise at least the minimum percentage required local match portion of the project.

Please consult your Community Liaison for further guidance.

**Meeting a National Objective of the Federal Act**

Title I of the Housing and Community Development Act of 1974, as amended, identifies the national objectives of the CDBG program.

The community will need to demonstrate that it meets the required objective by providing all the required documentation and answering all relevant questions:

**Benefit to Low- and Moderate-Income Persons – Area Basis**

To show that a project benefits an area of low- and moderate-income people, the following questions must be answered in the application on the National Objective Identification page:

1. What are the boundaries of the service area?
2. How do the boundaries correspond to the project's intended beneficiaries?
3. Using HUD Census data or a certified income survey, what percentage of persons in the service area are of low-to-moderate income?
4. How were the income characteristics of the target population determined?
5. Is the proposed facility available to all service area residents?

The following documentation **MUST** be provided in the application:

1. Detailed map(s) showing the location and boundaries of the service area, including street names
2. HUD LMI Data Maps and Worksheet
3. For income Surveys

* The income survey methodology, the low-to-moderate income worksheet, and the sample survey instrument must be included.
* Income Certification Form
* Preapproval to use an income survey from OCRA CDBG program staff.

**Benefit to Low- and Moderate-Income Persons- Limited Clientele Basis**

There are eight groups of people presumed by federal regulations to be made up of at least 51% low- and moderate-income persons. Those groups are as follows:

* Senior citizens (people who are 62 years of age or older);
* Migrant farmworkers;
* Abused children;
* Battered spouses;
* Severely handicapped adults;
* Homeless persons;
* Illiterate adults;
* Persons with AIDS.

For Limited Clientele projects serving other persons, the benefit to low- and moderate-income persons must be documented by an income verification process, and should include at least three (3) months of data.

For a limited clientele project, the following questions will need to be answered in the application on the National Objective Identification page:

1. Who will use the proposed facility? Are the beneficiaries in a group presumed to be low- and moderate-income, or will beneficiaries be qualified based on income?
2. Will any other groups or the general public also use the facility? If so, to what extent?
3. If the facility is to be used on an income-eligible basis, how will income and family size information of users be documented? How was the percentage of low- to moderate-income users determined or estimated?

**Maximum Grant Amounts**

OCRA has established a **maximum grant award of up to $250,000**. If OCRA determines that a lesser amount is appropriate, it may be necessary to revise the project and budget before award.

**Grant Administration**

**An OCRA Certified Grant Administrator is not required for this program.** If used, all grant administrators involved in the projects must be fully Accredited CDBG Grant Administrators. This certification must be current at the time of application. A list of Certified Grant Administrators and other related information can be found at [www.in.gov/ocra/2536.htm](http://www.in.gov/ocra/2536.htm).

Per federal regulations, projects funded with CDBG must use the Qualifications Based Selection (QBS) procurement method for architectural and engineering services. All other professional services must be procured using the Request for Proposal (RFP) method. These methods are required regardless of the sources of the funds being used to pay for the service. Due to the emergency nature of this program, other federal procurement options may be available. Please contact your Community Liaison for more information.

**NOTE:** Private firms or non-governmental entities that perform project development and administration activities for CDBG-assisted projects (project development, environmental review, grant application preparation, procurement assistance, grant administration) will NOT be allowed to perform architectural, engineering, planning, or other related services/activities for grantees or their non-profit sub-recipients on those projects.

**Public Hearings**

Two (2) public hearings must be held at different stages of a project. For this phase, one (1) public hearing must be held before submitting the full application. For awarded applications, a second public hearing must be held before the request for closeout. **Note: New public hearings must be held for each phase, regardless of prior application(s).**

Applicants should be aware of local newspaper deadlines for submitting advertisements. Some smaller newspapers are published weekly and require that the advertisement be placed well in advance of the public hearing. Other methods of advertising the public hearing are also encouraged. All public hearings must be accessible to disabled persons. Public hearings should also be made convenient to the low- and moderate-income residents who will benefit from the project.

The public hearing notice and the publisher's affidavit documenting publication dates, the dated sign-in sheet, and signed minutes must be attached to the application for the **first public hearing**. The affidavits are the **only** application document accepted after the application due date. **The affidavit must be received within 14 days of the application due date. OCRA is not responsible for reminding applicants to submit the documents.**

For awarded applications, the public hearing notice and the publisher's affidavit documenting publication dates, the dated sign-in sheet, and signed minutes must be submitted as part of the request for closeout for the **second public hearing**. The affidavits are the **only** application document accepted after the application due date. **The affidavit must be received within 14 days of the application due date. OCRA is not responsible for reminding applicants to submit the documents**

**Minutes must be signed and dated by the party that recorded them.** *If a third party, such as a grant administrator, takes the meeting minutes, the applicant* ***must*** *include a document stating that the third party is acting as the applicant's representative.* It is recommended that an audiotape of the public hearing be recorded and kept until the grant is closed out. OCRA may request transcripts of the public hearings.

* Place all documents from each public hearing together in the application. Do not separate by type of documentation.
* All public hearing ads submitted with the application must be of sufficient size to be readable upon review.
* Minutes should be a transcript that documents the topics of discussion and comments made. Not merely state, "there was a discussion."
* Minutes are a great source of quotes showing residential impact.

All questions regarding Limited English Proficiency must be answered on the Citizen Participation page. Please attach the 4 Factor Analysis and Language Access Plan as required.

For more information, please contact your Community Liaison.

**Proposal and Application Process**

There are two stages to the application process: the Proposal stage and the Application stage.

The Proposal stage consists of a community submitting a proposal and allows OCRA to review project information and determine if it is likely to meet a national objective and an eligible activity before submitting a full application. Proposals that do not include all the required information, contain incomplete narratives, or lack significant information will be rejected.

OCRA Community Liaisons will be available between the Proposal and Application to explain the program's rules, provide technical assistance, and address any questions.

**Applicants should be aware that preparing a complete application is a complex process that requires a substantial investment of time and resources.** **Submission of both a proposal and application requires detailed supporting materials and documentation.** Therefore, such materials and documents must be referenced in narratives using the file name and page number. For example, (Filename-00). Do not include attachments that are not discussed and referenced in the application unless required by federal or state policy.

The second stage is the full application. OCRA expects to receive more applications than there are available funds. Applicants are strongly urged to take advantage of the assistance of their Community Liaison so the most competitive application can be submitted. A map of community liaison districts is located at <http://www.in.gov/ocra/2330.htm>.

**Proposal Submission**

Proposals must be submitted via the Indiana Electronic Grants Management System (INeGMS). The system is accessed via the main CDBG webpage at [www.in.gov/ocra/cdbg.htm](http://www.in.gov/ocra/cdbg.htm).

***The proposal MUST be submitted by 4:00 PM ET Friday, January 29, 2021.*** Failure to comply with submission requirements could render a project ineligible to submit a full application to the current round.

**Application Submission**

Applications must be submitted via the Indiana Electronic Grants Management System (INeGMS). The system is accessed via the main CDBG webpage at [www.in.gov/ocra/cdbg.htm](http://www.in.gov/ocra/cdbg.htm).

***The application MUST be submitted by 4:00 PM ET on Friday, February 26, 2021.*** Failure to comply with submission requirements could render an application ineligible.

**Reminders**

* Review each section and make sure all information is accurate.
* Use line breaks to separate paragraphs in the narratives.
* Pictures should be in a single PDF file at the highest resolution possible with clear captions and dates.
* Be sure to reference the file name and page number of each piece of supporting documentation that has been uploaded, and do not include uploads that are not discussed or referenced in the narrative, or related to the project unless federal or state policy requires.
* There should be no handwritten notes, dates, etc. within any upload — handwriting is not considered in scoring.
* If you have any questions about the proposal or application content, please reach out to your Community Liaison. A map of community liaison districts is located at [www.in.gov/ocra/2330.htm](http://www.in.gov/ocra/2330.htm).

If you have any questions about the Indiana Electronic Grants Management System (INeGMS), contact the CDBG program staff or our Grant Services team member. Contact information can be found at [www.in.gov/ocra/2284.htm](http://www.in.gov/ocra/2284.htm).

**Proposal Threshold**

OCRA will review each proposal and determine if it is likely to meet a national objective and is an eligible activity. Proposals must be approved to move forward to the application stage. **Failure to include all required and significant information could result in the proposal not being invited to move forward to the full application.**

**Application Evaluation and Scoring**

Each application will be evaluated and scored using both data-based and scoring committee criteria. Awards will be made by ranking each application based on the total score.

**Award and Feedback**

Awards will be announced on Thursday, April 1, 2021, through a press release. Grant Services will contact each community after the announcement to start the next steps in the granting process. Applications that are not funded can contact their Community Liaison to schedule a feedback meeting.

If you have any questions, please reach out to your Community Liaison. A map of community liaison districts can be found at [www.in.gov/ocra/2330.htm](http://www.in.gov/ocra/2330.htm).

**EVALUATION CRITERIA**

Total of 300 points available.

**DATA BASED FACTORS (120 POINTS):**

* LMI % via Census Data – 60 pts
  + Max of 60 Points; 1% = 1pt
  + Based on Census data or an already completed Income Survey
* Local Match – Points for % of local funds to grant request - 10 pts
* Weekly Continued Unemployment Claims for the County – 30 pts

1. Less than 500 – 0 pts
2. 500-999 – 5 pts
3. 1000-1999 – 10 pts
4. 2000-2999 – 15 pts
5. 3000-3999 – 20 pts
6. 4000-5000 – 25 pts
7. More than 5000 – 30 pts

* Focus on disadvantaged population; or for economic development activities, Minority-, Women-, or Veteran-Owned Business – 10 pts
* Regional Collaboration – Multiple communities coordinating or supporting an activity (i.e., multiple communities applying to support a regional food bank or regional loan program)– 10 pts

**DESIGN/DEVELOPMENT FACTORS (180 POINTS):**

A maximum of 180 points awarded according to the evaluation in three areas:

**Description**– 40 points

**Need**– 70 points

**Financial Impact and Management**– 70 points

These points are awarded by consensus of a scoring committee that will evaluate each application using the following questions**.**  Applicants are encouraged to contact their Community Liaison for technical assistance that could increase the application's competitiveness.

|  |  |
| --- | --- |
| **DESCRIPTION** | **40** |
| **Application and Selection Process** | **30** |
| Is there a detailed, easy to understand the description of the activity and any related processes? | 20 |
| Are there clear and measurable desired outcomes for the activity? | 10 |
| **Activity History** | **10** |
| Is the history of the activity summarized with key dates identified? If the activity is new, is there a clear summary of the development process? | 10 |
| **NEED** | **70** |
| **Impact of COVID-19 on the Community, in General** | **20** |
| Is there an overview of how the community, in general, has been impacted by COVID-19? | 20 |
| **Impact of COVID-19 on the Community's Residents and Businesses** | **35** |
| Does the community clearly outline how the CDBG funds will help address the impact of COVID-19? | 20 |
| Is there a summary of the efforts made by the community to counter the impacts on residents? | 10 |
| Is supporting documentation provided detailing the impact and efforts? | 5 |
| **Impact of CDBG Funds if Awarded** | **15** |
| Does the community clearly outline how the CDBG funds will help address the impact of COVID-19? | 15 |
| **FINANCIAL IMPACT AND MANAGEMENT** | **70** |
| **Activity Management** | **20** |
| Is there an overview of how the activity will be managed? | 10 |
| Are the roles of the community and others managing the activity defined? | 5 |
| Have any management processes been defined? | 5 |
| **Financial Management and Stability** | **40** |
| Does the community outline how funds will be managed? | 10 |
| Did the community and, if applicable, the subrecipient provide a summary of the current financial status with supporting documentation? | 10 |
| Is there a strategic marketing plan for the activity? | 10 |
| Is there a sustainability and growth plan for activity? | 10 |
| **Draft Activity Materials** | **10** |
| Did the community provide the required draft materials? Were the materials logical? | 10 |

**BONUS POINTS (10 Points)**

OCRA will award bonus points for applicants in Rural/ MIX and Rural counties based on the Indiana County Classification System. Five (5) points will be awarded to counties classified as Rural/Mix, and ten (10) points will be awarded to counties classified as Rural. For more information on the Indiana County Classification System, visit [www.extension.purdue.edu/extmedia/EC/EC-766-W.pdf](http://www.extension.purdue.edu/extmedia/EC/EC-766-W.pdf).