

# COVID-19 Response Program: Phase 2

a CDBG program



The Community Development Block Grant Program (CDBG) is a federally funded, competitive grant program that helps rural communities with eligible populations to improve their quality of life with projects that focus on the overall health and safety of their residents. The goal is to encourage communities with eligible populations to focus on long-term community development.

## Program Criteria

- Competitive process and more information will be requested at beginning
- Communities that received award in phase 1 can apply for phase 2
- Cannot have any unresolved findings or overdue documents
- Must meet a national objective and eligible activity
- Must hold at least one public hearing before application, and a second at closeout
- Applicant has already achieved site control
- Procuring a Grant Administrator is optional for this program
- Administration costs from CDBG funds is limited to 2.5% of the request.

Proposals are due June 26 and applications are due July 31

## Eligible Applicants



Non-entitlement city, county, or incorporated town.



**Sub-recipients** can be: 501(c)(3) not-for-profit organization that has contracted with one of the previous entities.

## What programs are available?

Program	Max Grant Amount
Economic Development	\$250,000

**No local match is required!**

## Eligible Business Recipients

For-profit enterprises with:

- Small businesses (100 employees or less)
- Microenterprises (5 employees or less, one must be the owner)

Meet the National Objective of 51% LMI Job Retention by using:

- Income Verification and OCRA's full-time equivalency (FTE) worksheet

If a microenterprise, documenting the owner(s) are LMI

- Document that the jobs being retained would be lost if not for the grant/loan



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Program specific eligible activities

## Economic Development

Project Type	Eligible Activities
Grants to business to retain LMI jobs	<ul style="list-style-type: none"> <li>-Working Capital</li> <li>-Continue Operations</li> <li>-Support Remote Work</li> </ul> <p><b>Additional requirements:</b></p> <ul style="list-style-type: none"> <li>- Up to \$10,000 per business</li> <li>- 2 years of annual reporting after closeout</li> </ul>
Loans to business to retain LMI jobs	<ul style="list-style-type: none"> <li>-Working Capital</li> <li>-Continue Operations</li> <li>-Support Remote Work</li> </ul> <p><b>Additional requirements:</b></p> <ul style="list-style-type: none"> <li>- Up to \$25,000 per business</li> <li>- 3 to 5 year term</li> <li>- Up to 2% interest</li> <li>- Up to 1% loan administration fee</li> <li>- Monthly, quarterly, or annual payments</li> <li>- Balance can convert to a grant if business retains jobs for at least 2 years</li> <li>- Payments can be deferred for first six months at 0% interest</li> <li>- Requires annual reporting by the community in perpetuity</li> </ul>

Contact your Community Liaison with your questions



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