



## **BUCKS COUNTY 2020 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) APPLICATION INSTRUCTIONS**

The County of Bucks is requesting proposals (submitted through this application process) from municipalities and organizations with prospective projects that may be suitable for Community Development Block Grant (CDBG) funding. Projects must comply with US Department of Housing and Urban Development (HUD) CDBG program regulations (24 CFR Part 570).

The County anticipates receiving approximately \$2.09 million of CDBG funding in Fiscal Year (FY) 2020. The amount of funding available is dependent upon the 2020 federal CDBG budget and HUD's allocation formula. Of the total amount anticipated, approximately \$1,672,000 will be awarded for public improvements, public services, housing and economic development activities. Funding decisions are based upon available funding, priority need, eligibility, and potential project beneficiaries. All projects are approved by the Bucks County Board of Commissioners and should align with the County's 2020-2024 Consolidated Plan.

### **Overview of Eligibility and Suitability Considerations**

CDBG funds come with significant compliance and performance reporting requirements. Specific demographic data records and documentation requirements can extend for years beyond completion of a CDBG-funded activity depending upon scope and outcome of the project.

**PLEASE NOTE:** As a CDBG recipient, your organization will be subject to monitoring by the County as well as HUD. As such, we strongly encourage organizations to understand the administrative commitment and subsequent requirements that CDBG funding mandates. Please see [Playing by the Rules: A Handbook for CDBG Subrecipients on Administrative Systems](#) for detailed information on CDBG administrative requirements.

### **Application Guidelines**

Applications must meet the minimum threshold to be considered for funding including: application completeness, project eligibility, and project sustainability. Applicants are required to submit a Core Application, Supplemental Application, Project Budget, and Project Timeline. Included below is an application checklist for reference as you prepare your application submissions. Please also note, a separate application must be submitted for each individual proposed project.

Project requests will be evaluated under the following guidelines:

1. Need for the project or activity: Has the applicant sufficiently documented the need for the project?
2. Realistic development, maintenance and operating budgets: Has the applicant shown that the project can be developed and resulting operations sustained with reasonable revenue assumptions in future years?
3. Applicant experience and capacity: Does the applicant have sufficient successful experience (or have access to such expertise) to efficiently and effectively follow through on the project and all requirements associated with CDBG?
4. Benefit to low- and moderate-income persons: How does the project benefit low- and moderate-income residents of the County? Note: The project must be able to clearly document persons served by the project and the justification of income determination.
5. Timeline accuracy: What is the project schedule? When will the project be ready to commence?
6. Project Objectives: Does the project conform to the County of Bucks Consolidated Plan objectives, as well as other locally developed priorities?



## **Federal CDBG Application Requirements and Restrictions**

All proposed projects must meet the following minimum requirements:

1. **National Objectives:** Projects must meet one of the national objectives established for the Community Development Block Grant Program per CFR 570.208. Please see below for more detailed information.
2. **Eligible Activities:** All applications must that fall under an authorized category of basic eligibility. It is important to properly classify the activity and to provide adequate documentation of eligibility. Some of the basic eligible activities and regulations are outlined below.
3. **Ineligible Activities:** Funds may not be used to pay off existing debt or temporary fixtures. CDBG funds may not be used for the acquisition of property, construction or rehabilitation of structures to be used for primarily religious purposes or which will primarily promote religious interests. Organizations which acquire or improve facilities with CDBG funds, may not subsequently lease space to organizations using the space for primarily religious purposes.
4. **Eligible Applicants:** CDBG projects must be implemented by a nonprofit organization, municipality, or other public agency. Organizations leasing a facility may request CDBG funds to improve the facility provided the property owner agrees to a restricted use of the property for a specified length of time.
5. **Applicant Authorization:** Applications submitted by nonprofit organizations or special districts must be submitted by an authorized representative, e.g. Executive Director, as authorized by the board of directors.
6. **Environmental Review:** Projects which are awarded CDBG funds are subject to the federal environmental review requirements of the National Environmental Policy Act (NEPA). Environmental review procedures cover issues such as:
  - a. Location within Federal Emergency Management Agency (FEMA) 100-year floodplain;
  - b. Eligibility for local, state, or federal historic or landmark registers;
  - c. Exposure to airport or highway noise;
  - d. Endangered species that are listed or proposed for listing under the Endangered Species Act (ESA);
  - e. Protection of water resources including Wild and Scenic Rivers Act of 1968 and Wetlands Protection as per Executive Order 11990.

The County's environmental review of projects must be completed prior to funds being committed to a project or any choice-limiting action has been taken. The final awards are contingent on the results of an environmental review.

## **CDBG Contract Requirements**

Agencies that are awarded CDBG funds for capital projects are subject to the following contract requirements. Please consider these when planning your proposal.

1. **Audit:** Agencies receiving CDBG funding are required to submit an independent audit on an annual basis. Agencies which spend \$750,000 or more in federal funds in a given year must meet federal financial auditing requirements, as documented in Super Circular 2 CFR 200 from the federal Office of Management and Budget: [https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200\\_main\\_02.tpl](https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl)
2. **Competitive Procurement:** Agencies which use CDBG funds to purchase goods or services, including consultant services and construction services, must select the vendor, consultant or construction firm based on a competitive process. Agencies shall take all necessary affirmative steps to assure that minority firms, women's business enterprises and labor surplus area firms are used when possible.
3. **Davis Bacon Federal Labor Standards Provisions:** Projects which utilize CDBG funds for construction, alteration, or rehabilitation are subject to Federal labor standards provisions including Davis-Bacon wage rates. These regulations require that construction contractors pay a wage which is typically higher than those paid for projects which are not federally assisted. All construction work is covered even in instances where only a small portion of the work is actually paid for with CDBG funds.
4. **Section 3:** Projects awarded \$200,000 or more in CDBG and/or other funds from HUD (if any portion of the funds are used to pay for construction contracts of over \$100,000) will be required to comply with Section 3 regulations at 24 CFR Part 135. These regulations require that a minimum of 30 percent of new positions generated by the construction work be filled by low- and moderate-income persons.
5. **Lead- Based Paint:** Projects must comply with HUD regulations regarding lead-based paint. These requirements prohibit the use of lead-based paint and require elimination of immediate lead-based paint



hazards in residential structures (including emergency and transitional housing) and notification of the hazards of lead-based paint poisoning to purchasers and tenants of residential structures constructed prior to 1978.

6. **Change of Use Restriction:** CDBG-assisted properties must be used for CDBG eligible activities, as opposed to other private activities, until five years after expiration of the agreement, or for such longer period of time as determined to be appropriate by the County.
7. **Insurance Requirements:** Agencies will be required to provide evidence of general liability and property insurance to the County of Bucks as an additional insured and as a loss payee under their policy. Other additional insurance requirements may apply.
8. **Accessibility:** Agencies awarded CDBG funds must certify the organization's accessibility and, if applicable, plans for corrective action.

Other CDBG requirements may apply.

More comprehensive information may be required from applicants whose projects have been selected, such as agency information, maps, photographs, property, and environmental information. Priority rankings and assessments are subject to final approval at the discretion of the Bucks County Board of Commissioners. All projects or activities awarded funds that fail to complete the activity in a timely manner shall be subject to recapture of funds and/or contract termination. Timely is defined as one year with some project exceptions. Please ensure all project budgets have projected figures that are accurate and current within the last 90 days prior to application submission. Only applications that are complete and submitted on or before the due date will be considered for funding. **Completed applications must be submitted to the CED office no later than 4:00 P.M. on March 18, 2020.** Please direct all questions to 215-345-3845 or by email to [cedhs@buckscounty.org](mailto:cedhs@buckscounty.org).

Please submit applications to:

[cedhs@buckscounty.org](mailto:cedhs@buckscounty.org)

or

County of Bucks  
Office of Community & Economic Development  
1260 Almshouse Road  
Doylestown, PA 18901



## **CDBG Guide to National Objective Compliance**

The primary objective of the CDBG Program is the development of viable communities by the provision of decent housing, a suitable living environment, and expanding economic opportunities, principally for persons of low- and moderate-income (LMI). This is achieved by ensuring that each funded activity meets one of the three named national objectives: benefiting LMI persons; preventing or eliminating slums or blight; or meeting an urgent need. The following is a summary of information found in the U.S. Department of Housing and Urban Development’s CDBG Guide to National Objectives & Eligible Activities for Entitlement Communities regarding requirements in meeting the national objectives.

National Objective	Conditions for Eligibility	Examples
Benefiting low- and moderate-income persons: Area Benefit (LMA) 570.208(a)(1)	A facility or improvement will be used for a purpose that benefits all residents in a defined area primarily residential in which at least 51% are LMI households.  Paying all or part of a special assessment on behalf of LMI Households qualifies under this objective.	The Installation of paved streets, sidewalks, curbs and gutters in a predominantly LMI household neighborhood.  CDBG funds pay the assessment made to Low-Mod Income household homeowners when a new water/sewer system is installed in their neighborhood.
Benefiting low- and moderate-income persons: Limited Clientele (LMC) 570.208(a)(2)	The majority of public service activities qualify under this national objective.  Services provided to a specific group of people who are comprised of at least 51% LMI households.	Home ownership counseling provided to a group of LMI individuals.  Renovation or expansion of a food pantry
Benefiting low- and moderate-income persons: Housing (LMH) 570.208(a)(3)	The facility or improvement exclusively benefits housing to be occupied by LMI households.	A parking lot and landscaping are improved on the site of a rental property with 51% LMI households paying affordable rents.
Benefiting low- and moderate-income persons: Jobs (LMJ) 570.208(a)(4)	Public improvement is for an economic development project that creates or retains permanent jobs.  In order for a CDBG funded economic development activity to qualify as an activity that benefits low and moderate income persons, at least 51% of the jobs created or retained (full time equivalent basis) will be held by or made available to low and moderate	A new water tower will enable factory expansion and owners to commit to hiring at least 51% of new permanent jobs to LMI persons.
Preventing or eliminating slums or blight: Area 570.208(b)(1)	Public improvements are within a designated blighted area and activity addresses conditions that contribute to blight.	An outdated fire hall is rehabilitated and equipment is updated to prevent further loss of life and property due to fires.
Preventing or eliminating slums or blight: Spot 570.208(b)(2)	Public improvements is outside designated blighted area and activity is limited to eliminate specific conditions of blight or decay.	Historic library building not located within a designated area is rehabilitated.
Urgent Needs 570.208(c)	Acquisition, construction, or reconstruction of a public facility that is designated to alleviate recent serious and imminent threat to public health and safety and no other funds are available.	A storm sewer system is reconstructed after a severe flood damaged it. All other funding sources are unavailable or exhausted.

### ***Information on benefiting low- and moderate-income persons: Area Benefit (LMA)***

An area benefit activity is an activity *which is available to benefit all the residents of an area that is primarily residential*. In Bucks County, in order to qualify as addressing the national objective of benefitting LMI persons on an area basis, the activity must meet the identified needs of LMI persons residing in that area where at least 38 percent of the residents are LMI. The benefits of this type of activity are available to all residents in the area regardless of income. Thus all residents in the defined service area must be considered in the calculation of LMI percentage. Some examples of area benefit activities include:

- Street and sidewalk improvements;
- Water and sewer line rehabilitation; and
- Neighborhood and recreational facility improvements.

### ***Determining the Service Area***

Accurately determining the area served by the activity is critical to meeting a national objective. Generally speaking, it is reasonable to assume that certain kinds of facilities serve only very small areas. For example, sidewalks and streetlights on a residential street, and tot-lots and small playgrounds would usually benefit only the residents of the immediately adjacent area. Conversely, a park containing multiple amenities or a parking area for residents not close enough to walk could not reasonably be designed to serve only the block group it resides within. An activity located near the boundary of a block group(s) would be expected to include the neighboring block group(s). Regardless of the infrastructure/facility, it will be necessary for the applicant to determine, and the County to support, the service area before CDBG assistance may be provided. The factors considered in making determination of the area served for these purposes are:

- Nature and location of the activity;
- Accessibility issues; and
- Availability of comparable activities.

### ***Nature of Activity***

In determining the boundaries of the area served by a facility, its size and how it is equipped need to be considered. For example, a park that is expected to serve an entire neighborhood cannot be so small or have so little equipment (number of swings, slides, etc.) that it would only be able to serve a handful of persons at any one time. Conversely, a park that contains three ball fields, or a ball field with grandstands that can accommodate hundreds of spectators, could not reasonably be said to be designed to serve a single neighborhood. The same comparison would apply to the case of assisting a small, two-lane street in a residential neighborhood versus that of assisting an arterial four-lane street that may pass through the neighborhood but is clearly used primarily by persons passing through from other areas.

### ***Location of Activity***

Where an activity is located will also affect its capacity to serve particular areas, especially when the location of a comparable activity is considered. A library, for example, cannot reasonably be claimed to benefit an area that does not include the area in which it is located. When a facility is located near the boundary of a particular neighborhood, its service area would be expected to include portions of the adjacent neighborhood as well as the one in which it is located.

### ***Accessibility***

The accessibility of the activity also needs to be considered in defining the area served. For example, if a river or an arterial road forms a geographic barrier that separates persons residing in an area in a way that precludes them from taking advantage of a facility that is otherwise nearby, that area should not be included in determining the area served. Other limits to accessibility may apply to particular activities. For example, the amount of fees to be charged, the time or duration that an activity is available, access to transportation and parking, and distance to be traveled can all constitute barriers to the ability of persons to benefit. Language barriers might also constitute an accessibility issue in a particular circumstance.

### ***Comparable Activities***

The nature, location, and accessibility of comparable facilities and services must also be considered in defining a service area. In most cases, the service area for one activity should not overlap with that of a comparable activity (e.g., two community centers, two clinics, or two neighborhood housing counseling services).

## **CDBG Guide to Project Eligibility**

In order for an application to be considered for funding, a category for eligibility must be selected with a clear narrative explain how the proposed project is qualified. Applicants are strongly encouraged to refer to the CDBG Regulations defining the specific aspects of a project which would be considered as eligible. These can be referenced at: <https://www.hudexchange.info/resources/documents/24-CFR-Part%20-570-CDBGs.pdf>

Basic Eligible Activities include:

1. *Eligible Housing Rehabilitation and Preservation Activities 570.202* Assistance to rehabilitate:
  - Privately owned residential buildings and improvements;
  - Low-income public housing and other publicly owned residential buildings and improvements;
  - Manufactured housing, when considered part of a community’s permanent housing stock.
2. *Eligible Rehabilitation and Preservation Activities 570.202* Assistance to rehabilitate:
  - Code enforcement in deteriorating or deteriorated areas where such enforcement, together with public or private improvements, rehabilitation, and services to be provided, may be expected to arrest the decline of such areas.
  - Renovation of closed schools or other building for use as an eligible public facility or housing.
  - Financial assistance through grants and loans to be provided for rehabilitation activities for buildings listed above.
  - Improvements to the exterior of commercial or industrial building and the correction of code violations of buildings owned publicly and privately.
3. *Historic Preservation 570.202(d)* of sites or structures that are either listed on or determined to be eligible for the National Register of Historic Places, or designated as a State or local landmark or in a historic district by appropriate law or ordinance.
4. *Clearance and Remediation Activities 570.201(d)* including removal of buildings and improvements, movement of structures to other sites and physical removal of environmental contaminants or treatment of such contaminants to render them harmless.
5. *Economic Development Activities 570.203* are activities that will create or retain permanent jobs or provides goods/services to a Low/Mod Area including commercial or industrial improvements, assistance to private for-profit entities such as loans, job training and other technical assistance. These activities must also meet the Public Benefit Standard (570.209): CDBG funds cannot exceed \$50,000 per full-time equivalent job or \$1,000 per L/M person served.
6. *Acquisition/Disposition 570.201(a)* of real property, except buildings for the general conduct of government and subject to certain limitations. Acquisition also includes rights-of-way and easements.
7. *Public Services 570.201(e)* (including labor, supplies and materials) such as those concerned with employment, crime prevention, child care, health care, education and job training, public safety, fair housing counseling, recreation senior citizens, homeless persons, drug abuse counseling and treatment, and energy conservation counseling and testing.
8. *Public Facilities and Improvements 570.201(c)* including construction, reconstruction, rehabilitation, removal of architectural barriers to accessibility, or installation of accessible improvements.

The CDBG program uses the terms “public facilities” and “public improvements” broadly to include all improvements and facilities that are either publicly owned, or owned by a nonprofit, and operated so as to be open to the general public. The regulations specify that facilities that are designed for use in providing shelter for persons having special needs are considered to be public facilities (and not permanent housing), including nursing homes, shelters for victims of domestic violence, shelters and transitional facilities/housing for the homeless, group homes for the developmentally disabled and thus are covered under this category of basic eligibility.

Site improvements made to property that is in public ownership are considered to be a “public improvement.” However, this category *does not authorize expenditures for “buildings for the general conduct of government.”*

<b>Public Facilities and Improvements</b>	
<b>Eligible Public Facility and Improvement</b>	<b>CDBG Conditions</b>
Sewer and Water Facilities	<p>These projects may be undertaken on an interim basis in areas exhibiting objectively determinable signs of physical deterioration where it was determined that immediate action is necessary to arrest the deterioration and that permanent improvements will be carried out as practicable to repair:</p> <ul style="list-style-type: none"> <li>• Publicly owned utilities; and</li> <li>• The execution of special garbage, trash, and debris removal, including neighborhood cleanup campaigns, but not regular curbside collection of garbage or trash in an area</li> </ul>
Streets and Sidewalks	
Curbs and Gutters	
Parks and Playgrounds	
Senior Citizen Centers	
Parking Lots or Garages	
Utility Lines	
Recreation Center	
Police or Fire Station in which services to the public are actually provided (as opposed to administrative offices)	Fire protection equipment including fire trucks, fire fighters’ protective clothing, “jaws of life,” and other life-saving equipment are eligible for CDBG funding under Public Facilities and Improvements as this equipment is integral to the fire protection facility.
Aesthetic amenities on public land such as (trees, sculptures, pools of water and fountains and other works of art).	These include all improvements and facilities that are either publicly owned or that are traditionally provided by government, or owned by a non-profit, and operated so as to be open to the general public.
Library	Public facilities that serve the entire jurisdiction of the grantee, a main library for example, may qualify under the LMI benefit national objective only if the percentage of LMI persons in the entire jurisdiction is sufficiently high to meet the “area benefit” test.
Special Assessments	Special Assessments are used to recover the capital costs of a public improvement through a fee levied or a lien filed against a parcel of real estate either as, 1) a direct result of a benefit derived from the installation of a public improvement or 2) a one-time charge made as a condition of access to an improvement. Sewer tap-in fees are an example of a special assessment.
Privately Owned Utilities- 570.201 (l)	<p>CDBG funds may be used to acquire, construct, reconstruct, rehabilitate, or install the distribution lines and facilities for privately owned utilities.</p> <p>A privately-owned utility refers to service that is publicly regulated and is provided through the use of physical distribution lines to private properties.</p> <p>Examples of eligible utilities are electricity, telephone, water, sewer, natural gas and cable television</p>
Other	Bucks County is willing to consider other public facility projects not listed above. It is highly recommended that applicants contact Bucks County to discuss new projects ideas prior to submitting a grant application.

## Application Attachments

### Organization Information and Documents

- Applicant/Contact Information
- Description Organizations of Principal Services
- List of Board of Directors and Officers, Organizational Chart
- Information Describing Experience and Capacity of Organization
- Details of Past CDBG Project Information
- Non-Discrimination Policy
- Purchasing Policy
- Articles of incorporation/bylaws
- Nonprofit Determination Letters - IRS and State Franchise Board
- Signed Board Resolution Approving Submission of Application
- CDBG Application Certifications - must be signed by an Authorized Representative of your agency
- Financial Statement or Audit Dated: \_\_\_\_\_

### General Project Information

- National Objective
- Proposed Activity Information and Detailed Project Scope
- Property Information
- Document Evidencing Property Control
- Appraisal (if applicable)
- Map(s) of Project Service Area
- Description of Service Area Determination (narrative justification)
- Map(s) Showing Property Boundaries, Physiographic characteristics, and Easements (if any present)
- Photographs and Documents Attesting to Current Conditions
- Environmental Information
- Historic Preservation Information
- Proposed Budget
- Sources and Uses of Funding
- Letters of Commitment from Other Funding Sources
- Cost Estimate for Construction Activities
- Expected Project Timeline
- Partnership Agreements
- Length of Service Provision
- Accessibility
- Letters of Local Support
- Performance Measurements Outcomes
- Documentation of Method for Determining Project Beneficiaries
- Displacement/Relocation Information
- Site Plans