

# CITY OF ANNAPOLIS

## COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

### Application and Guidelines *Local Fiscal Year 2016*

**MICHAEL PANTELIDES**  
MAYOR



**COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM**  
Department of Planning and Zoning  
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Annapolis, MD 21401  
410-263-7961  
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### **Application**

**THE CITY OF ANNAPOLIS  
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM FY 2016  
APPLICATION GUIDELINES**

## **Introduction**

The City of Annapolis is in its 30th year as a recipient of Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development (HUD). Over the years, these federal funds have provided the City the opportunity to address the housing and community development needs of Annapolis' low and moderate-income citizens. The City has used CDBG funds to provide homeownership opportunities, housing rehabilitation services, and support various human service organizations.

The success of the Annapolis community development program lies with citizen participation. The City's many caring citizens and community organizations help to identify programs and projects for CDBG funding. Once the City makes funding available, these same groups and individuals work to carry out the approved programs and projects. In Fiscal Year 2016, which begins July 1, 2015, the City expects to receive approximately \$250,000 in CDBG funds. Of this amount, the city will spend 85 percent on housing and community development projects and 15 percent on public service activities. Applications are due Thursday, December 5, 2014 at 4:30 p.m.

## **Program Requirements for the Use of CDBG Funds**

HUD requires that the activities funded with CDBG funds meet several criteria:

1. The project must meet a HUD National Objective
2. The project must be eligible based on HUD's definition
3. The project must meet local goals and objectives as outlined in the City's Consolidated Housing and Community Plan.

In addition to the HUD requirements, the City has several factors that it considers when evaluating projects.

## **National Objective**

To qualify for CDBG funds, a project must meet the Low and Moderate Income (LMI) Benefit National Objective. This means that an activity must benefit LMI persons or households. This is accomplished by serving individuals or households that earn 80 percent of area median income (AMI) and below (see chart below), or by serving persons presumed to be LMI such as those with special needs, persons with disabilities, homeless persons and the elderly. Another way to meet the LMI benefit criteria is to provide a service that assists a minimum of 51 percent low and moderate-income persons OR the project must be located in an area predominantly inhabited by LMI residents.

HUD LOW AND MODERATE INCOME GUIDELINES EFFECTIVE 2014								
Family Size	1	2	3	4	5	6	7	8
Max. Household Income	\$45,500	\$51,550	\$58,000	\$64,400	\$70,200	\$74,750	\$79,900	\$85,050

## Eligible Activities

HUD regulations also specify categories of activities that are eligible for CDBG funding. Generally, the two types of projects are:

1. Public service activities (e.g. operating expenses for human services), The City is restricted by law to spending no more than 15% of its funds on public service activities
2. Capital Projects (e.g., construction, rehabilitation, acquisition, demolition, clearance, etc.)

All proposed projects must be located in the City and benefit primarily Annapolis citizens. If the project is not located in the City, please provide documentation that shows the project serves primarily Annapolis residents.

According to federal CDBG regulations outlined at 24 CFR 570, the basic eligible activities include a variety of uses including homeownership activities, rental housing activities, public facilities, and public services. The following is a list of possible activities that may be funded with CDBG dollars.

- Acquisition of real property by purchase, long-term lease, or donation
- Acquisition, construction, reconstruction, rehabilitation, or installation of public facilities and improvements, such as water and sewer facilities, streets, neighborhood centers, and the conversion of school buildings for eligible purposes
- Clearance, demolition, and removal of buildings and improvements
- Provision of public services, including but not limited to those concerned with crime prevention, drug abuse, education, homebuyer down payment assistance, energy conservation, and recreational needs
- Repairs to sidewalks, parks, playgrounds, publicly owned utilities and public buildings (in areas showing physical deterioration)
- Relocation payments and other assistance for permanently and temporarily relocated individuals, families, businesses, non-profit organizations, and farm operations
- Housing services, housing counseling, loan processing, and inspections
- Direct homeownership assistance to low- or moderate-income households

- Rehabilitation and Preservation of privately owned buildings, Low-income public housing, publicly or commercially owned industrial buildings, non-profit owned non-residential buildings, manufactured housing.
- Code enforcement, including costs incurred for inspection for code violations and enforcement of codes in deteriorating or deteriorated areas.
- Historic preservation, including rehabilitation, preservation, or restoration of publicly and privately owned historic properties
- Economic Development Activities including the acquisition, construction, reconstruction, rehabilitation or installation of commercial or industrial buildings or real property; the provision of assistance (such as loans, grants, and technical assistance) to private non-profit business; microenterprise assistance to facilitate economic development, including financial support (such as grants and loans), technical assistance, and counseling
- Activities by Community-Based Development Organizations (CBDOs) as grants or loans to any CDBO qualified to carry out neighborhood revitalization, community economic development, or energy conservation projects. CBDOs qualifying under HUD criteria are organizations organized under state or local laws to engage in community development activities in specific geographic areas within communities. The complete list of HUD criteria for qualifying as a CBDO can be found at 24 CFR 570.204
- Planning, Urban Environmental Design and Policy-Planning-Management-Capacity Building Activities including planning activities which consist of data gathering, studies, analysis, preparation of plans and the identification of actions that will implement such plans
- Policy-planning-management-capacity building activities that enable a recipient to determine its needs, set goals and objectives, and devise, evaluate, and carry out projects and activities

In general, activities that are not specifically identified as eligible are considered by HUD to be ineligible. The following activities are specifically identified by HUD as **activities that are not eligible for CDBG funding**: acquisition, construction, or reconstruction of buildings for the general conduct of government, general government expenses, political activities, purchase of construction equipment, fire protection equipment, furnishings and personal properties, operating, and maintenance expenses, income payments, and the construction of new housing

## Eligible Applicants

Eligible organizations must be nonprofit 501 (c)(3) agencies serving Annapolis residents. Organizations may be based outside the City as long as the majority of the proposed beneficiaries are City of Annapolis residents.

## Local Objectives

In addition to meeting a “national objective” applicants are required to develop projects that meet at least one of the City’s local objectives which are as follows and are outlined in the City’s Housing and Community Development Consolidated Plan:

### Goal: Affordable Housing Activities

<i>Objectives</i>	
1	Provide assistance to low income homeowners for housing rehabilitation.
2	Preserve and expand the supply of affordable housing through acquisition with rehabilitation and/or new construction.
3	Provide opportunities for first-time homebuyers
4	Support housing counseling for first-time low and moderate-income homebuyers for homeownership and other housing issues

### Goal: Homeless Activities

<i>Objectives</i>	
5	Continue financial support to homeless shelter programs
6	Continue financial support for prevention of homelessness

### Goal: Community Development Activities

<i>Objectives</i>	
7	Support improvement or construction of public facilities serving low and moderate-income neighborhoods.
8	Continue planning efforts in Clay Street Neighborhood by continued participation in organizations in the neighborhood.
9	Support programs that assist children with mentoring, persons with office skills training and persons with information and referral.
10	Support job creation and economic development by assisting microenterprises.

### Goal: Special Needs Activities

<i>Objectives</i>	
11	Assist supportive housing providers.

## **Selection Criteria**

In addition to the HUD requirements discussed previously, the City also takes into consideration the following factors when evaluating a CDBG project for funding:

- The recommended activities must provide maximum public benefits relative to cost.
- The organization must define the outcomes and measurement of those outcomes.
- The project must leverage other funding sources to the greatest extent possible, demonstrating cost sharing opportunities, and in-kind contributions.
- The project must be ready to go which may include factors such as zoning compliance, site control, funds other than CDBG are in place, etc.
- The project cannot duplicate services being offered by another organization.
- If the proposal is a capital project, project cost estimates must be accurate and reflect Davis-Bacon wage rates, if applicable.
- The sponsor must have the administrative capacity to successfully carry out the project, e.g., has previous experience with similar projects

To discuss whether a specific project meets both HUD's and the City's requirements, you may contact Theresa Wellman, Community Development Administrator at (410) 263-7961 extension 7798 or e-mail [tcw@annapolis.gov](mailto:tcw@annapolis.gov). Those submitting a new or first-time proposal are strongly encouraged to contact Ms. Wellman to discuss their proposal before submitting an application.

## **Contractual Agreements**

Grant recipients, also referred to as Subrecipients, are required to enter into a contractual agreement with the City of Annapolis to receive a CDBG grant award. The Subrecipient contract contains the federal requirements for receiving a federal grant, such as the CDBG program. The contract also contains the Subrecipient program description, timeframe, budget, scope of services, reporting requirements, and outline other federal requirements. The signature page contains the signatures of persons authorized to enter into contractual agreements. The signature of the Subrecipient Executive Director and Board Chair will legally obligate the Subrecipient to the terms and conditions of the contract.

Will be disbursed once both the organization and the City have signed the contract. Reimbursement for expenses of projects which occur prior to entering into a written contract will be not honored. A formal contract is mandatory, regardless of the amount of the grant awarded. Applicants are responsible for knowing and understanding the terms of their contracts and deadlines for submitting documentation and reports. All projects must be completed within by the end of the program year (June 30), unless otherwise agreed upon.



## Application Process

The City accepts applications for community development annually and awards the funds on a competitive basis. Applicants have approximately 45 days from the date the application is available to the deadline to prepare applications. The submitted applications are evaluated in a three-step process: threshold review, project evaluation, and funding recommendations. Only projects that meet the threshold requirements and have complete applications that were received by the deadline will go forward for project evaluation. To meet the threshold requirements, the project must meet a national objective as required by HUD and include proposed activities that are eligible as defined by HUD.

All projects that meet the threshold requirements are evaluated by City program staff. Program staff makes recommendations to the Housing and Community Development Committee (HCDC). The City's HCDC has oversight responsibility for the CDBG program and the use of CDBG funds. The Committee makes its recommendation for funding to the City Council, which approves all CDBG-funded projects. The CDBG process for FY 2016 is as follows:

Oct. 2014	CDBG staff sends out applications to nonprofit organizations and interested citizens for projects eligible for CDBG funding. City staff assists community groups and nonprofit organizations in developing proposals.
Dec. 2014	<b>Applications are due on December 5, 2014 at 4:30 p.m.</b> Following submittal, CDBG staff reviews proposals to determine eligibility and prepares questions for the February public hearing. Ineligible projects are returned to the applicant and are not sent forward.
Feb. - Mar. 2015	The HCDC holds the first public hearing on <b>February __, 2015</b> to hear presentations on the projects by the project sponsors. The CDBG Staff makes funding recommendations to HCDC. The HCDC selects the projects to recommend to the City Council for funding.
April 2015	The HCDC submits its recommendations to the City Council for inclusion in the City's FY 2016 budget and Action Plan. The Action Plan is the City's application to HUD for the CDBG funds. The recommendations are reviewed and approved by the Mayor and City Council at the <b>April __ 2015</b> Council Meeting. CDBG staff publishes a notice in the local newspaper inviting the public to comment on the Action Plan at a second public hearing public hearing.
May 2015	Once the Council has approved the projects, the HCDC Committee holds a <b>public hearing</b> on the Action Plan on <b>May __, 2015</b> . The Staff submits the FY 2016 Action Plan to HUD May 2015.
June 2015	CDBG staff completes the environmental review process for capital projects and notifies the awarded applicants.
July - August 2015	HUD approves the Action Plan and releases the funds through the environmental review process. The funds are available beginning July 1, 2015 for the selected projects. All CDBG awarded applicants must have an executed Subrecipient Agreement with the City prior to disbursement of funds.

## Application Requirements

Applications must be received at the City Planning and Zoning Office by **Thursday, December 5, 2014 at 4:30 p.m.** **Applications received after the above date and time will not be considered. Extensions will not be permitted.**

**One original and seven copies** of the application must be submitted to:

City of Annapolis  
Department of Planning and Zoning  
CDBG  
145 Gorman Street 3<sup>rd</sup> Floor  
Annapolis, MD 21401

The application is available on the City's CDBG webpage at <http://bit.ly/15HQZiR>. Fax or email submissions will NOT be accepted.

Complete all parts and questions in the application form. Incomplete applications will be returned to the applicant without further funding consideration.

Please submit application on 8-1/2@ x 11@ paper. To facilitate photocopying, please do not have the applications bound in any way. That is, please do not utilize binders, professional spirals or binding, etc.

Please submit one (1) original with original signatures and seven (7) copies of the complete package of documents. In addition to the application, please provide the following information. New Applicants are those organizations that have never applied for CDBG funds or have not applied since FY 2010:

1. List of the Board of Directors, with addresses and phone numbers
2. Name, address, and phone number of your accountant and/or attorney
3. Copy of your latest audit or financial statement and current operating budget
4. Certificate of Good Standing (within 6 months) from the MD Department of Taxation
5. Articles of Incorporation – (new applicant)
6. By Laws – (new applicant)
7. Documentation that the sponsoring agency is a certified nonprofit 501 (c)(3) agency. (new applicant)

The federal government requires organizations to provide a DUNS number as part of their grant applications and proposals. You may call 1-866-705-571 or register for a DUNS number via Dun and Bradstreet's Web site at <https://eupdate.dnb.com/requestoptions.asap>. Please note that registration via the Web site may take up to 30 business days to complete.

## **For More Information**

The Community Development staff is available to help you with technical advice and to answer any questions you might have. Please feel free to call Theresa Wellman, Chief of Community Development, at 410-263-7961 for further information or assistance. Ms. Wellman's E-mail address is [tcw@annapolis.gov](mailto:tcw@annapolis.gov).

## **Special Note**

It is the policy of the City, in the exercise of its police powers for the protection of the public safety, public health and general welfare, to assure equal opportunity to all persons to live in decent housing facilities and to eliminate discrimination in all housing accommodations regardless of race, color, religion, disability, familial status, sexual orientation, marital status, sex, lawful income, or national origin, and to that end to prohibit discrimination in all housing accommodations by any person.

The City meets the provisions of the American's with Disabilities Act, especially Title II, and with Section 504 of the Rehabilitation Act of 1973. All persons and organizations with projects or programs, which meet the requirements of the CDBG program, will be considered for funding.



City of Annapolis
Department of Planning & Zoning
145 Gorman Street, 3rd Fl
Annapolis, MD 21401-2535

PlanZone@annapolis.gov • 410-263-7961 • Fax 410-263-1129 • TDD use MD Relay or 711 • www.annapolis.gov

Community Development Block Grant (CDBG) Program
Project Request for Fiscal Year 2016 Funds
Deadline: Thursday, December 5, 2014, at 4:30 p.m.

Organization name

Address

Phone Fax Email

Contact Title

Address

Phone Fax Email

Federal ID # DUNS #

Incorporation Date State

501(c)(3) Registration date

Project title

CDBG amount requested \$ Total project amount \$

Project location

Eligible activity

Faith-based Organization Yes No

Certification

I certify that I have reviewed this application and that to the best of my knowledge and belief, all the information provided in this application is true.

Signature of Chief Executive Officer Date

Print name Title

## EXECUTIVE SUMMARY

In one page or less, provide a brief summary of your project. Please be sure to include the following items. The purpose of the project, how many people will be served and how the funds will be used.

**DESCRIBE THE PROBLEM**

Describe the specific problem(s) the project is intended to help solve and the people it is intended to help. Please include data used to identify and verify the need for the project such as Census data, waiting list information, and/or other statistics.

## DESCRIBE THE PROJECT

1. Describe the project and the activities that will be performed or services that will be provided, i.e. how this project is the solution to the previously described problem.
2. How will you use the CDBG funds?
3. Show how your organization will coordinate the proposed project with existing services

**PROJECT LOCATION AND BENEFICIARIES**

1. What is the location of the proposed project?

2. Are you serving clients citywide \_\_\_\_\_ or is there a service area \_\_\_\_\_?

If there is a service area(s) for this project, please describe the boundaries of the service area and provide census tract numbers and a map.

3. Does another organization provide the same service in the same service area?

Yes                      No

If yes, please explain why both projects are needed in order to meet a need.

4. Number of people will directly benefit from this project \_\_\_\_\_

Of those, number who are low and moderate income \_\_\_\_\_

CDBG cost per low/moderate income persons. \_\_\_\_\_



5. Please, identify the number of persons with special needs that this project will serve, if applicable.

Persons who are homeless \_\_\_\_\_

Persons with physical disabilities \_\_\_\_\_

Persons with mental illness \_\_\_\_\_

Persons with HIV/AIDS \_\_\_\_\_

Elderly persons \_\_\_\_\_

At-risk children and youth \_\_\_\_\_

Other (specify) \_\_\_\_\_

6. Describe how you will provide documentation that the beneficiaries are low and moderate-income persons or households. (Please see the income limits on page 2 of the application guidelines).

## PROJECT GOALS

Describe how your proposed project meets one of the local Goals and one of the Objectives, using the information on **page 4** of the Guidelines (Local Objectives).

**GOAL: What Consolidated Plan goal does your project meet?**

*(Example: Retain Affordable Housing Stock and Increase Availability of Affordable Permanent Housing.)*

Need to revise

**OBJECTIVE: What is the Consolidated Plan objective associated with that goal?**

*(Example: Preserve and expand the supply of affordable housing through acquisition with rehabilitation and/or new construction.)*

**OUTPUTS: Using this strategy, how many outputs, or units will be served?**

*(Example: Develop four affordable homeowner units through acquisition and rehabilitation of an existing complex.)*

**OUTCOMES: What are the program outcomes you want to achieve or long term indicators that you are achieving success?**

*(Example: Four low and moderate-income families will have permanent, affordable housing.)*

## SELECTION CRITERIA

**Please discuss how this project meets each of the following:**

- The recommended activities must provide maximum public benefits relative to cost.
  
- The organization must define the outcomes and measurement of those outcomes.
  
- The project must leverage other funding sources to the greatest extent possible, demonstrating cost sharing opportunities, and in-kind contributions.
  
- The project must be ready to go which may include factors such as zoning compliance, site control, and funds other than CDBG are in place, etc.
  
- The project cannot duplicate services being offered by another organization.
  
- If the proposal is a capital project, project cost estimates must be accurate and reflect Davis-Bacon wage rates, if applicable.

**ORGANIZATION EXPERIENCE AND CAPACITY**

- |   | Full time | Part time |
|---|-----------|-----------|
| 1. Number of paid staff   | _____     | _____     |
| 2. Number of paid staff that will work on this project                        | _____     | _____     |
| 3. Number of volunteer staff  | _____     | _____     |
| 4. What is the amount of your organization's current annual operating budget? |           |           |

\_\_\_\_\_

List your major source(s) of funding:

	\$	
	\$	
	\$	
	\$	
	\$	
	\$	

5. Describe your organization's mission, activities currently being undertaken, and how your proposed project furthers that mission and current activities.
  
6. Describe your organization's most recent key accomplishments.
  
7. Please, discuss your organization's administrative capacity to carry out the project successfully, e.g., has previous experience with similar projects

**PROJECT BUDGET – PUBLIC SERVICES**

Please complete the following budget chart for this project, including all budget items, the total budget for each item, and the funds that are being requested for each line item.

<b>Budget item</b>	<b>CDBG funds requested</b>	<b>Other funding</b>	<b>Source (Federal, State, Private)</b>	<b>Other funding committed or requested?</b>	<b>Total project cost</b>
Salaries/Benefits (list each position)		\$			
Rent/Leasing Costs	\$	\$			
Utilities/Telephone (please specify)	\$	\$			
Equipment	\$	\$			
Insurance	\$	\$			
Office Supplies	\$	\$			
Printing/Postage	\$	\$			
Audit/Accounting	\$	\$			
Other (please describe)	\$	\$			
<b>Total Budget</b>	\$	\$			\$

**PROJECT BUDGET – CAPITAL PROJECTS**

Complete the detailed budget below which specifically outlines the sources and uses of all project funds, and how the funds will be used to cover total project costs. Please add to the spreadsheet as necessary.

**Sources and Uses**

I. USES (List all uses of funds for the project such as acquisition, design, rehabilitation, etc.)

Uses	Dollar amount
1.	
2.	
3.	
4.	
5.	
6.	
7.	

**Total Uses / Total Project Cost \$** \_\_\_\_\_

II. SOURCES (List all sources of funds for the project)

Sources	Dollar amount
1. Request from CDBG	
2.	
3.	

**Total Sources for Project \$** \_\_\_\_\_

III. USES FOR FUNDS REQUESTED FROM THE CITY (List all of the specific items from the Project Budget above that you are requesting from CDBG)

Budget items	Dollar amount
1.	
2.	
3.	
4.	
5.	

**Total Uses for Funds \$** \_\_\_\_\_

## LEVERAGING

1. Have you applied or do you intend to apply for funding from other sources for this project?      Yes      No  
 If no, why not?

If yes, where have you applied? (If approved, please provide a copy of the commitment letter.)

Source	Contact	Approved	Pending	Denied

2. Please identify all of the sources of funds available for the project you are recommending and if the funds will be provided to you in the form of a loan or a grant.

Source of Funds	Loan/Grant	Amount

3. If you will use volunteers or in-kind contributions for this project, please explain.

## FOR CAPITAL PROJECTS ONLY

### PROPERTY INFORMATION

*(Complete only if the project involves property acquisition, construction, and/or rehabilitation.)*

1. Where is the project located or to be located?

If the project is to be located at a specific location, please give the address.

Please describe the current use of the proposed location for the project.

2. If the proposed project is for a specific location, do you have site control (deed, contract of sale)?      Yes      No

If no, please describe plans for obtaining site control with an estimated date for when you plan to have site control.

3. If the proposed project is for a specific location, what is the current zoning for the site?
4. Demonstrate how the proposed project is in compliance with local zoning codes and land use designations or describe any zoning or land use challenges currently being reviewed that may affect the project.



**CITY OF ANNAPOLIS  
COMMUNITY DEVELOPMENT BLOCK GRANT FY 2016**

**DOCUMENT CHECK LIST**

1 original and 7 copies

Project Map

Recent (within 6 months) Certificate of Good Standing from the Maryland Department of Assessments and Taxation (Call 410-767-1340) to obtain a Certificate)

List of the names of your Board of Directors, with addresses and phone numbers

Name, address, and phone number of your accountant and/or attorney

Copy of your latest audit or financial statement or Federal Tax Form 990

Current operating budget

Signature of Chief Executive Officer

If this is a rehabilitation or construction project, provide evidence of site control, e.g., deed, lease, etc.

If capital project, provide evidence of zoning compliance

**For New Applicants Only (organizations that have never applied for CDBG funds or have not applied since FY 2010):**

IRS tax-exempt determination letter

Copy of your Articles of Incorporation

Bylaws

**CDBG Staff Only**

All forms are included/complete:            Yes            No

Reviewer signature \_\_\_\_\_ Date \_\_\_\_\_