

I. Introduction and Program Outline

A. State Administration

The Rhode Island Department of Administration, Division of Planning, Office of Housing and Community Development ("OHCD") administers the State's Community Development Block Grant ("CDBG") Program for those communities that do not receive allocations directly from the U.S. Department of Housing and Urban Development.

To serve as a support element for the program, a Steering Committee has been formed with representation from the Governor's Office, the Economic Development Corporation, Rhode Island Housing, Department of Transportation, Division of Planning, Department of Administration (Housing Resources Commission/Office of Housing and Community Development) and two citizens appointed by the Governor with expertise or interest in housing, economic and community development issues. The committee is advisory to the Governor and Community Development staff and participates in the evaluation of applications. An additional representative from the State's Department of Environmental Management will be sought for this committee and/or consulted on relevant proposals.

B. Governing Regulation(s)

The CDBG program is governed by U.S. Department of Housing and Urban Development regulations at 24 CFR Part 570.480 (CFDA# 14.228).

Maximum Feasible Deference - States are granted maximum feasible deference in interpretation of the statutory and regulatory requirements for the CDBG program, provided these interpretations are not plainly inconsistent with the Housing and Community Development Act ("HCDA") and the Secretary's obligation to enforce compliance with the intent of the Congress as declared in the HCDA.

C. Available Funding

In PY'2009, the total funding estimated to be available for the RI CDBG program is \$5,156,870. From this total, the amount of \$203,137 is set aside for State use in program administration; \$100,000 requiring no match; and \$103,137 (2% of the State's allocation) matched by the State on a one-to-one basis. The State may hold aside certain additional amounts for administration necessary due to CDBG program income available at the local level. In addition, \$51,568 (1% of the State's allocation) is set aside to meet the technical assistance needs of CDBG recipients. The State may, at its discretion, then hold aside certain amounts necessary to make required repayments on Section 108 loan guarantees. The remainder, approximately \$4,902,165 will be available to distribute as follows :

1. Small City/Mini Entitlements are eligible for a minimum allocation of \$400,000/each. This amount will be reserved from the above for eligible activities contained in the community's application.
2. The progress of communities in the second/third year of a previously funded multi-year neighborhood revitalization programs will be assessed and PY'2009 funds will be committed as determined appropriate.
3. In accordance with the Low/Moderate Income Housing Act, communities with State-approved affordable housing plans will receive priority funding for housing and community development funds.
4. The State has set aside up to \$500,000 to fund activities designed to address the foreclosure crisis in non-entitlement municipalities. Those efforts which comprehensively addressing the needs of an area highly impacted by foreclosures will be prioritized.

Remaining monies, after deduction of 1-4 above, will fund applications on an annual competitive basis. If more than one application is under consideration and insufficient funds are available, priority will be given to proposals based on the criteria outlined in this handbook.

Any uncommitted funds recaptured, reallocated or otherwise available from prior program years or uncommitted program income returned to the State which becomes available prior to grant awards will be used to fund activities proposed in the current annual competitive cycle -or- to repay Section 108 loan guarantees (at the State's discretion).

Any additional funds recaptured, reallocated or otherwise available subsequent to grants awards or any program income returned to the State subsequent to grant awards shall be used to repay Section 108 loan guarantees -or- will be reserved for the following application cycle (at the State's discretion). If greater than \$200,000 become available, the State may, at its discretion, open a special application cycle to distribute these funds. The forms and procedures applicable to this special application cycle will mirror those of the annual competitive process. There would be no application limits imposed during special application cycles.

D. Eligible Applicants

The State may only directly fund applications from eligible municipalities. All Rhode Island municipalities, except the CDBG entitlement Cities of Cranston, East Providence, Pawtucket, Providence, Warwick and Woonsocket, are eligible to apply for funding.

II. Eligible Activities (24 CFR Part 570.482)

A. General

The State CDBG program regulations (24 CFR Part 570.482) are minimal relative to eligibility. Generally, activities listed under 105(a) of the Housing and Community Development Act of 1974 ("HCDA") are eligible for funding under this program. However, applicants are cautioned that each proposed activity must meet a "National Objective" as detailed in Section III of this handbook. Appendix A details eligible activity/national objective requirements.

Communities are urged to consult HUD's "Guide to National Objectives and Eligible Activities for State CDBG Programs" for a more detailed discussion of eligibility/national objectives, to determine an activity's fundability. Although the State is given latitude in defining program requirements, this Guide can serve as general interpretive guidance. This Guide has been provided to all eligible CDBG municipalities, is available online, and is hereby incorporated to be part of this application handbook. Chapter 2 of the Guide detail categories of eligible activities, including:

105(a)(1)	Acquisition of Real Property
105(a)(2)	Public Facilities and Improvements and Privately-owned Utilities
105(a)(3)	Code Enforcement
105(a)(4)	Clearance, Rehabilitation, Reconstruction and Construction of Buildings (including Housing)
105(a)(5)	Architectural Barrier Removal
105(a)(6)	Loss of Rental Income
105(a)(7)	Disposition of Real Property
105(a)(8)	Public Services
105(a)(9)	Payment of Non-Federal Share
105(a)(11)	Relocation
105(a)(12 & 16)	Planning and Capacity Building
105(a)(13)	Program Administrative Costs
105(a)(14 & 15)	Activities Carried Out Through Nonprofit Development Organizations
105(a)(17)	Economic Development Assistance for For-Profit Business
105(a)(19)	Technical Assistance
105(a)(20)	Housing Services
105(a)(21)	Assistance to Institutions of Higher Education
105(a)(22)	Microenterprise Assistance
105(a)(23)	In Rem Housing
105(a)(24)	Homeownership Assistance
105(a)(25)	Lead Based Paint Hazard Evaluation and Reduction

<http://www.hud.gov/offices/cpd/communitydevelopment/library/stateguide/>

B. Ineligible Activities

General Rule: The general rule is that any activity not listed in the HCDA as eligible should be considered ineligible. However, by regulation, HUD has interpreted some activities not specifically stated in the HCDA as eligible. Such activities are spelled out in the Guide.

Activities which are Categorically Ineligible include:

- General government expenses
- Political activities
- Buildings or portions thereof used for the general conduct of government as defined in HCDA Section 102(a)(21). This does not include removal of architectural barriers involving such buildings.

Generally Ineligible (some exceptions apply):

- Purchase of equipment
- Operating and maintenance expenses
- New housing construction
- Income payments

III. National Objective (24 CFR Part 570.483)

A. General

The primary objective of the Housing and Community Development Act of 1974 is the development of viable community by the provision of decent housing and a suitable living environmental and expanding economic opportunities, principally for persons of low- and moderate- income.

Each activity must meet one of three named national objectives:

- Predominate benefit to low- and moderate- income persons;
- Preventing or eliminating blights; or
- Meeting other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available to meet such needs.

Over 70% of the State's funding over PY'2008-PY'2010 must be used for activities that benefit L/M income persons. To assure compliance with this requirement, the State therefore prioritizes those activities designed to meet the L/M income national objective. Such activities will likely compete more favorably for funding.

In determining whether a proposed activity complies with one or more of the national objectives, OHCD staff will utilize HUD's "Guide to National Objectives and Eligible Activities for State CDBG Program" as well as its own interpretations of the regulations. Appendix A details eligible activity/national objective requirements.

Communities are urged to consult this Guide for a more detailed discussion of eligibility/national objectives, to determine an activity's fundability. Although the State is given latitude in defining program requirements, this Guide can serve as general interpretive guidance. This Guide has been provided to all eligible CDBG municipalities, is available online, and is hereby incorporated to be part of this application handbook. Chapter 3 of the Guide details National Objective requirements (Charts in Chapter 2 show examples of how Eligible Activities can meet these requirements), including:

- Activities Benefiting L/M Income Persons
 - L/M Income Area Benefit
 - L/M Income Limited Clientele
 - L/M Income Housing
 - L/M Income Jobs
- Prevention/Elimination of Slums or Blight
 - Addressing Slums or Blight on an Area Basis
 - Addressing Slums or Blight on a Spot Basis
- Urgent Needs

<http://www.hud.gov/offices/cpd/communitydevelopment/library/statguide/>

B. Area Benefit

Applicants may utilize one of two sources in documenting compliance with the L/M Income Area Benefit National Objective.

- **Census (HUD Low/Moderate Income Summary Data)**
Data tables are available at the OHCD which detail income characteristics of Census Tract and Block Group areas. If these areas coincide with the service area boundaries for the activity proposed, the community may utilize this data to document National Objective compliance.
- **Survey**
If census information is inadequate to document the income characteristics for an area, a community may conduct a survey to document the percent of this area which is low/moderate income. A statistically valid survey methodology must be utilized. HUD Notice CPD-05-06 details the Suggested Survey Methodology to Determine the Percentage of Low- and Moderate- Income (LMI) Persons in a Service Area of a Community Development Block Grant-Funded Activity. This publications should be used in evaluating and conducting surveys to document LMI benefit. This publication can be found online at:

<http://www.hud.gov/offices/cpd/lawsregs/notices/index.cfm>

Generally, these guidelines should be followed in completing incomes surveys. However, there are several State clarifications/variations from this notice as detailed below:

- 1) In conducting surveys, communities should utilize "household" income rather than "family" income as detailed in the Notice. A community that wishes to use "family" income in their survey, must provide OHCD a written request for exemption to this requirement. The request must detail the reason(s) as to why "family" is a superior indicator than "household" for the subject area.
- 2) Prior to initiating a survey, communities must consult with OHCD for any special survey requirements to be imposed. OHCD may request the collection of supplemental information, such as age/minority status, depending on the area targeted and activity(ies) planned.
- 3) Lifespan - Surveys will be valid for up to 5 years, after such time they will be reexamined annually to assure they are still representative of the area. If any significant demographic, economic and non-economic changes have occurred in the area, the survey must be redone. After 5 years, the community must annually submit a written request to OHCD to extend such survey's results (no later than the next decennial census) for new activities.
- 4) Contiguous Areas - The area surveyed must be the entire service area for the project. This area should be consistent with the true known neighborhood boundaries. These boundaries must be clearly mapped and included with the CDBG application. All areas surveyed must be contiguous/abutting; Checker-board survey areas will not be accepted.

- 5) Critical Mass - The subject area must contain a minimum of 500 Low/Moderate income individuals to be eligible for neighborhood revitalization consideration. Areas already the subject of neighborhood revitalization funding will continue to be recognized until the completion of their currently funded effort, even if such areas falls below the minimum critical mass threshold specified herein. Be advised smaller areas may be surveyed and used to justify National Objective Area Benefit activities.

IV. Application Requirements

A. Funding Limits

1. The Community Development Needs section of the Rating and Ranking System will be utilized in developing three categories of applicants: those who may apply for \$250,000, \$400,000 and \$500,000. The specific criteria used are detailed later in this handbook. Communities which have been designed "Mini/Small City" Entitlements may apply for a total maximum of \$700,000.
2. Applications for housing development activities, which increase the number of housing units available to low/moderate income persons, may not be counted as part of the application funding limit and may be awarded in excess of the funding limit. This provision is intended to fund specific development proposals that are ready for implementation. Projects assisting tenants in the purchase and improvement of mobile home parks are included in this exemption.
3. Applications for assistance to specific economic development/private for-profit businesses must be submitted as part of the municipal application, but will not be counted as part of the application funding limit and may be awarded in excess of the funding limit. This provision is intended to fund specific proposals that are ready for implementation.
4. Proposals submitted under 2. and 3. above should be reasonable and must include documentation relative to other funds committed to the project. Proposals under 2. and 3. above will not be funded as special projects if they consist solely of planning and/or predevelopment costs.
5. Operating support for communities which host regional housing and community development programs may not be counted as part of the community's application funding limit and may be awarded in excess of the funding limit.
6. Communities eligible to receive a Small City/Mini Entitlement award are entitled a minimum allocation of \$400,000 to be expended on eligible activities in the communities predominately low/moderate income areas, consistent with a comprehensive plan approved by OHCD. The State may impose conditions relative to the municipality's community organizing effort and plan. The State reserves the right to review this plan, make changes as deemed necessary or appropriate and to make small city entitlement funds received by the community contingent upon the State's approval of the plan and local adherence to the plan and to State imposed conditions. Small City Entitlement communities will be allowed to submit a single application up to a cap of \$700,000. The typical OHCD distribution process will be utilized to determine those specific activities to be funded, including those funded by the "entitlement"/minimum allocation. It should be noted that the \$400,000 is a minimum allocation; a community's individual award may exceed this amount. Small City Entitlement communities will not be permitted to submit "Over the Cap" requests.

7. Applications for assistance relative to the foreclosure setaside, must be submitted as part of the town's application, but will not be counted as part of the application funding limit and may be awarded in excess of the funding limit.

B. Duration

All grant awards will be made for a 12-month period. Extensions may be granted by the OHCD when satisfactory progress toward completion of the projects is evident. All communities are required to spend all monies awarded within four years of award date. Any funds remaining after four years may be recaptured/deobligated and recaptured by the State.

C. Scope of Review

Communities are reminded that the CDBG application process is highly competitive. The State intends to fund the best, most competitive activities in the neediest communities, however all communities are not guaranteed an annual award. In reviewing an application and awarding a grant, the State may eliminate or modify a proposed activity or modify proposed funding where it is determined that such changes are necessary to comply with program requirements, national objectives, and threshold requirements, or where certain activities are not competitive in relation to other applications under review. In reviewing requests for assistance to private for-profit businesses, the State reserve the right to negotiate directly with the private participating parties to substantiate the economic feasibility of the proposed project and to determine the appropriate amount of public financing required.

Each application is reviewed twice. The application evaluation scoring system is a vertical competition between entire applications. The Steering Committee evaluation is a horizontal review between comparable activity groupings/categories. This system is designed to achieve a reasonable balance between community development needs and individual project competitiveness and to fulfill the State's intended purpose as stated above.

D. Threshold Requirements

In recognition of State Development Policy, the following are established as basic requirements for the funding of an application.

1. Local Plan Compliance

All proposed activities must be in compliance with:

- the goals, objectives, and policies set forth in the locally-adopted Comprehensive Plan
- the goals, objectives, and policies set forth in the State Guide Plan
- municipal ordinances and regulations

Compliance with the Comprehensive Plan must be demonstrated by how each proposed activity directly implements specific objectives, policies, or strategies contained in the Plan. For communities with an up-to-date Comprehensive Plan State Certificate of Approval, compliance the Comprehensive Plan shall be sufficient to demonstrate compliance with the State Guide Plan. For communities *without* an up-to-date Comprehensive Plan State Certificate of Approval, compliance with the State Guide Plan must be demonstrated by how each proposed activity directly implements specific objectives, policies, or strategies contained in relevant elements of the State Guide Plan.

The Administrative Officer/Planner for the local Planning Board or Commission (or authorized official if no Administrative Officer/Planner exists) shall be responsible for providing citations demonstrating conformance with the Comprehensive Plan and if required, the State Guide Plan. The same official shall also be responsible for certifying that all proposed activities comply with municipal ordinances and regulations.

OHCD will accept, as Zoning Ordinance compliance, a proposal requiring the granting of a special use permit, variance or conditional zoning approved by the Zoning Board of Review, provided that the proposal satisfies all requirements for such approval. Any award will be conditioned upon the granting of the special use permit, variance or conditional zoning approval within 60 days of the date of award. Where a proposal requires amendment to an ordinance or regulations, it will be considered to be in conflict with that ordinance or regulation.

Proposed projects must be consistent with the State Land Use Plan, Municipal Affordable Housing Plan, and the State Strategic Affordable Housing Plan, or meet the general standards and principles set forth in the aforementioned plans applicable to the activity.

Communities will be asked to map each project to demonstrate consistency with the State Land Use Plan. A narrative explanation of impact and consistency with the plan should be submitted for any activity proposed outside of locally-identified growth centers or State urban service boundaries.

2. Flood Plains

New development will not be approved within the 100 year flood plain as defined on mapping provided by the Federal Emergency Management Agency unless such development is designed to mitigate or to be compatible with the flood hazard. This shall not apply to the reuse or rehabilitation for use of existing structures or to the development of shore or waterfront facilities where appropriate flood-proofing and flood protection measures are implemented and where hazards to other property is not increased. In addition, where required/deemed appropriate, any such investment shall be protected by flood insurance.

The local Building Official or other appropriate local official shall certify that the proposed project is consistent with National Flood Insurance program requirements and with the above statement.

3. Planned Transportation Actions

No program will be approved which includes the construction development or rehabilitation of a facility or structure in a location which conflicts with a planned major transportation action or investment. Reference is made to transportation elements of the State Guide Plan and to the Environmental Action Plan of the Rhode Island Department of Transportation for the definition of a "major transportation action".

4. Stream Discharges

No activity which will result in discharges in Class A/SA or B/SB waters will be approved without the written consent of the Department of Environmental Management.

5. Historic Resources

The application must include documentation that the Rhode Island State Historical Preservation Officer/Commission (SHPO) and the Narragansett Indian Tribal Historic Preservation Office (THPO) have been notified of all proposed activities. No activity will be approved without documentation demonstrating compliance with all applicable procedures, rules and regulations.

6. Ground Water Aquifers and Recharge Areas

No activity which will result in waste water discharge into an identified major ground water aquifer or principal recharge area will be approved unless such activity is served by public sewers or is designed to ensure protection of the ground water resource and is approved by an agency of jurisdiction. Reference is made to the State of Rhode Island "208" Areawide Water Quality Management Plan-Map of Water-Related Sensitive Areas.

7. Farmland

No construction or development will be approved in a location where more than 50% of the site consists of soil which are rated as prime farmlands or important farmlands of statewide significance in the 1981 Soil Survey of Rhode Island unless one or more of the following can be demonstrated:

- a. No other location is feasible.
- b. The land cannot be part of a viable farm unit and has not been in farming use for a period of five years.
- c. Urban development has taken place within a 1/2 mile of the location and urban utilities such as public water and sewerage are available within 1/4 mile of the location.

E. Prior Program Performance

A grant award will be contingent upon satisfactory completion of prior State Small Cities CDBG projects, or, if not completed at the time of application review, satisfactory progress toward completion by the scheduled completion date with no discernible problems and in compliance with financial management, civil rights, labor standards and other program requirements.

To be eligible to apply for PY'2009 funds each applicant must have drawdown at least 50% of its PY'2007 grant, at least 75% of its PY'06 & PY'05, 90% of its PY'04 and 100% of its PY'03 and prior year awards by March 31, 2009. Any community may submit written exemption from the Threshold requirement to the Office of Housing and Community Development. The specific reason(s) for delay in implementation should be detailed in the letter of request. OHCD will consider such a request and grant approval if it deems projects funded in the subject grant year are proceeding in a timely fashion.

F. Housing and Community Development Needs Identification

Each applicant must submit, as part of its application, a statement identifying "its housing and community development needs, including those of low and moderate income persons, and the activities to be undertaken to meet such needs". Provisions for this statement will be made in the Application Handbook. Failure to submit this statement will result in the elimination of the application from further consideration. This statement should, where applicable, outline the community's plans for concentrated investment in a community or neighborhood revitalization program, and for multi-year commitment of CDBG funds.

G. Mini/Small City Entitlements

In PY'2009, the State will continue its Small City/Mini CDBG Entitlement program. Under this program, Mini-Entitlement communities will be eligible for a minimum allocation of \$400,000. Funds will be distributed for specific eligible CDBG activities, contained in the community's overall application, consistent with the State's Action Plan in the municipality's predominately low/moderate income areas, which meet minimum concentration requirement.

The State promotes comprehensive neighborhood revitalization strategies. Under this program, CDBG and other resources will be invested in a focused manner to achieve demonstrable improvements in designated distressed areas.

Various criteria have been utilized in designating Small City/Mini CDBG Entitlement communities. It will be determined which communities are eligible to receive a Small City/Mini entitlement by the total number and percentage as well as concentration of low/moderate income persons in areas within the municipality. Specifically, a community must have: 1) a Census Tract/Block Group area (may be contiguous CT/BGs) with a concentration of low/moderate income persons exceeding 70% of the total population for the area, and such that the total number of low/moderate persons in this

area exceeds 2000 and 2) the community must have, in total, at least 5000 low/moderate income persons in predominately (at least 50%) low/moderate income CT/BT areas.

To ensure targeting of CDBG resources to the most needy areas, entitlement communities will be encouraged to request assistance for activities, focusing on those area(s) that met the criteria established by the State as outlined above. It is this distressed area(s) which is empowering the municipality to become a Small City CDBG Entitlement and therefore should be the area(s) concentrated upon for distribution of funds.

Receipt of a Small City/Mini CDBG Entitlement award is contingent upon the completion of local plans, outlining the needs of the municipality's distressed area(s) and how proposed actions can be accomplished to address those needs. Requests for assistance by entitlement communities must be based on this plan for the designated area(s) and consistent with the State's CDBG Consolidated Plan/Action Plan priorities. If the community's application contains insufficient fundable activities, as determined by the CDBG Application Steering Committee, to meet the minimum allocation of \$400,000, funds may be deferred to subsequent rounds and/or committed to other fundable activities in other communities in the current funding round.

The following requirements, consistent with the HUD requirements placed on the State CDBG program, are being imposed on the distribution of local Entitlement funds. No more than 15% of activities funded (not including operating and administrative funds) may be retained for local administration/planning costs. No more than 20% of the overall application may be requested in support of public services. Clear documentation on national objective must be demonstrated for each project proposed. Unless otherwise approved through the Preagreement provision, CDBG funds may not be used to reimburse the local government for any obligations made prior to award date. State staff and the Application Steering Committee will determine compliance with Plan and program requirements based upon materials submitted in the application.

The State reserves the right to review the plan, as required above, to make changes as deemed necessary or appropriate and to make any entitlement funds received contingent upon the State's approval of such plan. Communities may request waiver of requirements placed upon Entitlement programs. OHCD will consider the impact of granting such waiver and permit/deny such as it deems appropriate.

The balance of State Small Cities CDBG funds will be distributed to communities for activities on a competitive basis. No over-the-cap proposals may be included in Entitlement competitive applications. However, Entitlement community may serve as "lead communities" for implementation of regional/statewide initiatives which are considered independently and not included in calculating the application limit.

H. Preagreement Costs

CDBG funds may not be used to reimburse costs incurred prior to announcement of awards, except as provided below.

The State intends to utilize the provisions of 24 CFR Part 570.489(b) relating to Reimbursement of Pre-agreement Costs. The State has adopted procedures which permits a unit of local government to incur costs for CDBG activities prior to the establishment of a formal grant relationship between the State and the unit of general local government and to charge these pre-agreement costs to the grant, provided that the activities are in accordance with procedures adopted by the State, are eligible and are undertaken in accordance with the requirements of this subpart and 24 CFR Part 58 (environmental review).

General Procedures for Requesting Preagreement Consideration:

An application for Preagreement consideration should be submitted using the same forms and same procedures outlined in the CDBG Application Handbook for the regular competitive application cycle. These requirements include public notification, Town Council approval, Thresholds review, etc. The community may opt to consolidate the public hearing requirements provided all federal and State public notification regulations are complied with.

Communities must document, as part of the narrative portion of the application, the specific reason preagreement approval is necessary (such as cost savings, continuity of service, etc.). The narrative should also provide a timeline relative to the activity, detailing those specific costs requested to be incurred prior to the completion of the CDBG application cycle.

OHCD staff will review preagreement proposals for adherence for Federal and State rules and regulations. The OHCD may approve (in whole or in part), reject or hold application (in whole or in part) until the next funding round. Be advised OHCD staff will only entertain those costs necessary to be incurred prior to the completion of the regular application cycle. Costs incurred prior to submittal of the request will not be considered. OHCD may, at its discretion, convene a special meeting of the CDBG Committee to evaluate the proposal submitted.

If an activity were to receive preagreement approval, the community must complete appropriate environmental reviews (including RROF) prior to the obligation or expenditure of funds awarded.

After receipt of preagreement approval and completion of necessary environmental reviews, a community may incur eligible/approved costs, supporting them with their own resources. Subsequent to completion of the regular application cycle, a final contract relative to the activity will be executed and funds may be drawdown from the State to reimburse the municipality.

A special Preagreement Form (Appendix B of Application Handbook) is available and must be submitted along with any request for preagreement consideration.

I. Regional/Statewide Initiatives

Regional Activities - Activities which are regional in basis (such as regional service providers) may, at each community's discretion, be requested through a single "lead" community. The lead community's application cap may be increased by the amount of the other communities' contributions to that activity. Each other community participating must reduce their application cap by the respective amount. The forms used for implementation/this calculation are available through the OHCD office (Appendix C). In this instance, all contracting and program issues (reporting, etc.) would be managed through the "lead" community. Subrecipient/subgrantee contracts relative to the activity will specifically detail "funding in intended to provide a continuity of service to the entire service area".

J. Neighborhood Revitalization

Neighborhood revitalization is defined as a concentrated investment of resources, federal, State and otherwise, for the purpose of making demonstrable improvements in a designated distressed area. The State's Community Development Block Grant Program defines "designated distressed area" as any area which is predominately, greater than 51%, low/moderate income. The target area boundaries must be consistent with and encompass the entire true "neighborhood".

Neighborhood Revitalization is a central focus in the State's attempt to foster community development. The impact of activities in such comprehensive "holistic" treatments is dramatically increased. Comprehensive programs can consist of a multitude of activities, designed to serve the needs of a predominately low/moderate income area and its residents. These activities may include:

- Housing Development and/or Rehabilitation
- Public Facility Improvements
- Community Infrastructure Improvements
- Economic Development Activities
- Human Services
- Among others...

Activities targeted in this manner are more highly ranked and prioritized. At the Post-Award Management Workshop each year, OHCD staff will meet with communities with approved Neighborhood Revitalization plans to discuss subsequent year tentative commitments. The forms necessary to designate an area are included in the Application Packet.

K. Permitting Procedures

No expenditure for construction or development, excluding the costs generally associated with site design and predevelopment, will be authorized until all reviews, permits, clearances and/or statements of non-applicability have been received as required by any applicable Federal, State and local regulatory or permitting process such as the Fresh Water Wetlands Act, the Coast Resources Management Act, the program of the U.S. Army Corps of Engineers or the U.S. Environmental Procedures Agency. Applicants are required to identify any such applicable system in the Thresholds portion of the proposal.

L. Citizens Participation

Each applicant must involve citizens in the preparation of Community Development programs, and shall provide technical assistance to groups representatives or persons of low and moderate income that request assistance in development proposals. Each applicant must provide for a minimum of two public hearing, each held at a different stage of the application process.

1. First Public Hearing

Each applicant must hold an initial formal public hearing to obtain the views of citizens on community development and housing needs and on program performance. Reasonable notice must be provided for the hearing. Notice of the public hearing shall be inserted into a newspaper of general circulation in the community at least 7 days prior to the date of the hearing. In addition, each applicant shall take steps to announce the hearing through other media to reach persons, such as minority and foreign language residents, not normally reached by newspapers of general circulation.

Eligible cities and towns shall establish procedures to notify low and moderate income persons of opportunities to participate. Where a neighborhood(s) has been designated as an area of slums or blight or as an area which is predominately low/moderate income, community shall document special efforts to notify neighborhood residents of opportunity to participate.

Applicants shall provide technical assistance to groups representative of person of low and moderate income that request assistance in development proposals. Such assistance need not include providing funds for such groups. Interpreters shall be provided where a significant number of non-English speaking residents are expected to attend. The public hearing must be conducted by a local government official designated by the Chief Executive or Governing Body in a facility accessible to the handicapped. Sign interpreters should be provided if requested in a timely fashion.

Request Public Notice (Outline)

The (City/Town) of _____ is considering the filing of an application for a Rhode Island Community Development Block Grant. A maximum of \$ _____ is available to undertake the following range of activities:

- a) Improved housing opportunities for low and moderate income families and individuals.
- b) Provision of employment opportunities for low and moderate income persons.
- c) Provision of community facilities and services principally benefiting low and moderate income families and individuals.

A public hearing will be held at _____ on _____ at _____, for the purpose of obtaining the views of citizens on community development and housing needs and on program performance.

(Need handicapped and sign language)

(Phone number to call and TDD number for interpreter)

The following information shall be provided at the public hearing:

- a) The amount of funds expected to be available for proposed community development and housing activities, including the grant and anticipated program income.
- b) The range of activities that may be undertaken.
- c) Description of the past use of funds and the relationship of activities to local community development objectives.
- d) The estimated amount proposed to be used for activities will be benefit persons of low and moderate income.
- e) Plans for minimizing displacement of persons as a result of activities assisted with Community Development funds and to assist persons actually displaced as a result of such activities.

2 Second Public Hearing

Each applicant must publicize the Proposed Application and hold a public hearing to obtain citizens' views on proposed activities. Reasonable notice must be provided for such hearing. Notice of the availability of the proposed application shall be published at least 7 days prior to the public hearing and shall allow for comment either written or oral during that 7 day period.

3. In preparing the Final Application, a community must consider any comment and views and modify the application if it is deemed appropriate. A record of comments and responses must be maintained by the community.
4. The Final Application, as submitted, must be made available to public.

5. Written minutes with a listing of participants must be kept on both public hearings.
6. In developing a program, applicants are to provide for citizen participation appropriate to the activities proposed within the program period. This citizen participation component should be outlined briefly in the "Preliminary Management Plan" and shall provide citizens the address, phone number, and times for submitting complaints and grievances and shall provide for timely written response to written complains and grievances. Where practicable, written answers shall be provided within 15 working days.
7. When a CDBG hearing is advertised and conducted as an agency item within an official scheduled meeting of a public body (ie. Town council/planning board), the "CDBG Hearing" agency item shall be heard as close to the time advertised as possible. Procedures shall be established to allow and accommodate requests by persons with disability to adhere to the advertised time of the hearing. Requests shall be made prior to the beginning of the meting of the public body and shall be reviewed and granted on a case by case basis. Approval shall not be unreasonably denied.
8. Handicapped Accessibility

Cities and Towns are required to make reasonable accommodations to assure that all CDBG public hearings are conducted in a manner that facilitates the full participation of persons with disabilities.

M. Public Disclosure

1. General: Subpart C of Section 102 of the HUD Reform Act is designed to ensure greater accountability and integrity in the way HUD assistance is made available and is applicable to the State's CDBG program.

Each CDBG applicant must complete and submit a Community Development Disclosure Report. This report and instructions for completion of such are provided in the application package at Appendix D.

2. Requirements
 - a. Full Disclosure report must be submitted by any applicant requesting more than \$200,000 in CDBG funds.
 - b. Full disclosure report must be submitted by any applicant requesting less than \$200,000 but has received or could receive other covered assistance (See Appendix D) which when added to the CDBG funds exceeds \$200,000.
 - c. An applicant request of \$200,000 or less in CDBG funds, that will not be receiving other covered assistance, is not required to make full disclosures, but must complete and submit Part I and II of the Disclosure Report.

3. Initial Reports

Applicants required to submit a full initial report must disclose the following:

- a. Other government assistance (Federal, State and/or local) that is to be used in conjunction with the CDBG project.
- b. Identification of Interested Parties: Interested parties are persons and entities with a reportable financial interest in the project. If an entity is being disclosed, the disclosure in Part IV must include an identification of each officer, director, principal stockholder or other official of the entity. All consultants, developers or contractors involved in the application for CDBG assistance, or in the planning, development or implementation of the project, must be identified as an interested party. Also, any other person or entity that has a pecuniary interest in the project that exceeds \$50,000 or 10% of the CDBG assistance, whichever is lower, must be listed as an interested party. Pecuniary interest means any financial involvement in the project, including (but not limited to) situations in which a person or entity has an equity interest in the project, shares in any profit or resale or any distribution of surplus cash or other assets of the project or receives compensation for any goods or services provided in connection with the project. (the following are not considered interested parties: local CDBG administrative staff, recipients of housing rehabilitation assistance, and rehabilitation contractors as long as the rehabilitation agreement is between the property owner and the contractor).
- c. The sources of all funds to be used in the project (including those sources identified in (i) above) and the uses to which said funds are to be put.
- d. The State is prohibited from contracting CDBG funds to a local government until the Disclosure Report is submitted.

N. Local Planning Board or Commission Review

Proposed program activities must be submitted to the local Planning Board or Commission for review and certification to determine compliance of proposed activities with local development policy set forth in the local Comprehensive Community Plan and with local development ordinances and regulations. In addition to the required certification, a copy of the Board or Commission minutes must be forwarded to OHCD as part of the application showing the discussion and action of the Board or Commission. Certification of compliance is required prior to the award of funds.

V. Program Requirements

The following general guidelines, related to a number of administrative items, are included to assist applicants in assembling work items description and budget data. The Post-Award Management Workshop and compliance trainings will be available to all successful applicants/recipients and will set forth detailed requirements for the management of local projects.

A. Local Administrative Costs

The cost of local planning and administration of a project is limited to 15% of the total grant award. Lesser actual amounts may be determined through the awards process. Appropriate administrative costs are:

1. Program management personnel, accounting, bookkeeping, clerical and other functions of program administration.
2. Travel of administrative personnel in conducting CDBG business.
3. Supplies such as: paper, drafting materials, forms, postage and similar items required for program administration.
4. Purchase or rental of services such as: auditing, telephone, data processing, duplicating, printing, and similar administrative requirements.
5. Purchase or rental of required office and administrative equipment, including: typewriters, calculators, filing equipment, communication equipment, office furniture and similar items. The purchase of such equipment is authorized only for the initial CDBG grant and not for any subsequent grant. Authorized equipment does not include the purchase of automobile or other heavy equipment. Disposition of acquired equipment is governed by close-out procedures.
6. Costs associated with provision for public input into program implementation or for any citizen information component of the program.
7. Costs incurred in environmental or other reviews or in the satisfaction of any permitting procedures or other local, State or federal requirement necessary for program implementation.
8. Consultant costs, if use for overall program management or program design, subject to the restrictions discussed under Subpart B, following. Cost which are directly related to specific program activities are considered as costs within those activities and are not included within the 15% limit. Such costs may include: housing inspectors, appraisers, estimators, loan officers, construction inspector and relocation officers.

B. Use of Consultant or Staff Services

Applicants may use municipal staff or contract for services in the preparation of applications and in the management of an approved project. This decision should be based upon the nature of the program and the general capacity of the local government. A community may elect to use contract services for the preparation of application materials as a matter of convenience, recognizing that many consultants have experience in community development programs. The selection of a consultant shall be conducted in a manner so as to provide maximum open and free competition.

The following guidelines are for communities deciding to use contracted services for the preparation of an application.

1. A community whose application is approved for funding may budget up to \$5,000 of its administrative allocation for work in the preparation of the application. Any cost in excess of this \$5,000 must be funded by the community.
2. Appropriate administrative amounts will be calculated based upon the awarded program. Application/consultant fees may be taken from the community's administrative award.
3. Funds will not be available for such reimbursement (in full or in part) if the application is not approved for funding or if administrative funds are less than the amount desired for consultant services.
4. Communities may contract in one of two ways:
 - (a) By payment from local funds with reimbursement up to the prescribed limit, if the application is funded. This represents a risk of local funds since the reimbursement is available only if the application is funded and administrative amounts provided are sufficient to cover the expense.
 - (b) By "speculative" arrangement for such services where payment up to the prescribed limits is made only if the application is funded. This represents a risk on the part of the contractor.

Applicants are reminded that a goal of the State program is the development of local capacity to sustain a program of community development. A community receiving funding for the first time must develop this capacity either by forming a local staff and utilizing available technical advisory services or by using contract services having the required capacity. If the option of contract services is used, such services must also be used to build local management capacity.

Communities may not contract for the preparation of application materials and guarantee the contractor the right to administer the approved program. A contract for program management cannot be executed until after a grant award. While the Community Development offices recognizes that the same contractor may be engaged for management, the community must initiate an open selection process that it may examine the qualification of all candidates. Any such contract or consulting services must be selected in accordance with Federal requirements.

C. Program Income

Any income resulting from the implementation of any approved program activity shall be returned to the State program unless such income is applied by the grantee to continue the same approved program activity from which such income was derived. Upon request, the State may grant permission for the use of such income funds for another eligible program activity. All requirements placed on the expenditures of regular CDBG funds shall be applied to the expenditure of such income. However, communities may request in writing a waiver of program requirements other than Eligibility/National Objective. Income from revolving fund activities (including housing rehabilitation and commercial façade) may be retained and used for the same approved program. Income generated from any other activity may not be retained and must be returned to the State. HUD CPD Notice 04-11 should be consulted for the identification and treatment of CDBG Program Income.

D. Displacement and Relocation

It is the policy of this program to minimize displacement due to the implementation of any program activity. Relocation shall be governed by the Uniform Relocation Act ("Act"). For any other involuntary or permanent displacement with respect to residential or non-residential property, not covered by this Act, grantees will be required to utilize the general standards of said Act by providing equivalent benefits. The State will require prior approval of any potential displacement and relocation resulting from any approved activity. Each grantee must certify that it will follow the State of Rhode Island Residential Anti-Displacement and Relocation Assistance Plan.

E. One-for-One Replacement

In accordance with the Section 104(d) of the Housing and Community Development Act of 1974, as amended, and implemented at 24 CFR Part 42.375, all Occupied and Vacant Occupiable lower-income dwelling units that are demolished or converted to a use other than as lower-income dwelling units in connection with an assisted activity must be replaced with comparable lower-income dwelling units.

Replacement units must be sufficient in number and size to house no fewer than the number of occupants who could have been housed in the units that are demolished or converted.

Financially feasible for rehabilitation is defined as follows: Residential structures that can be rehabilitated to code within the maximum subsidy per unit limits for HUD's 221(d)(3) program. Any unit which does not meet the requirements of condemnation under the State Building Code for reasons directly attributable to deteriorated major building systems is hereby determined to be Structurally Feasible for Rehabilitation.

Recipients must certify to the State that it has in effect and is following a Residential Antidisplacement and Relocation Assistance Plan and that it will minimize displacement. The municipality will certify to the requirements stated herein by signing the Residential Antidisplacement and Relocation Assistance Plan as part of its grant agreement.

Prior to the obligation/expenditure of funds, communities which plan demolition activities must submit to OHCD a "One for One Replacement of Lower-income Dwelling Units" plan which details how units which are planned to be demolished will be replaced. Said plan should include a list of structures to be demolished, those identified as financially and structurally feasible for rehabilitation and how such units will be replaced if demolition is to occur.

The one-for-one replacement requirements may not apply, based upon objective data, if it is determined there is an adequate supply of vacant low/moderate income dwelling units in standard condition available on a nondiscriminatory basis within the jurisdiction of the grantee. A community may request such exception from the State in accordance with the regulation, who will evaluate the request and required supporting documentation submitted, and submit such to HUD along with its recommendation.

F. Non-Performance or Non-Compliance by Grantees

OHCD shall monitor grantees for compliance with program requirements and the terms of the grantee's agreement. While the principal purpose of this monitoring is to provide for timely detection and correction of problems which may arise, this system will also serve to initiate action toward the rescission of grants and the recaptures of funds where no correction local effort is indicated. OHCD staff will make every effort to assist in resolving problems, including amendment of the grant agreement where extenuating local circumstances exist, and the rescission of a grant will be considered only as a last resort. Local program administrators are strongly urged to consult with CDBG staff whenever problems arise.

G. Independent Audit

Grantees will contract for an annual independent audit of their financial operations, including compliance with federal and State laws and regulations, if required. Any local government with federal expenditures in excess of \$500,000 in an audit period, must have an annual audit conducted in accordance with OMB Circular A-133. Grantees with federal expenditures below this threshold amount, must document the total federal and CDBG expenditures in the audit period with OHCD so that monitoring efforts can be adjusted appropriately.

H. Civil Rights Compliance

1. Equal Opportunity

Grantees are required to collect and maintain data on the racial, ethnic, handicapped status, and gender characteristics of heads of households, of persons who are applicants for, participants in, or beneficiaries of the program.

2. Fair Housing

Grantees must prepare and implement a plan of action to affirmatively further fair housing for each CDBG. The community must detail this action in its annual performance report with OHCD.

3. Section 3

Grantees are required; under Section 3 of the Housing and Community Development Act of 1968, as amended; for activities providing direct assistance, to the extent feasible, to assure that, opportunities for training and employment be given to lower income residents of the area, and that contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in the area.

4. Excessive Force

No CDBG funds may be obligated or expended to any unit of general local government that fails to adopt and enforce a policy of prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; or fails to adopt and enforce a policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstration within its jurisdiction.

5. Assessments

Grantees will not attempt to recover any capital costs of public improvements assisted in whole or in part with Title I funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements; unless (a) Title I funds are used to pay the proportion of such fee of assessment that relates to the capital cost of such public improvements that are financed from revenue sources other than Title I funds; or (b) for purposes of assessing any amount against properties owned by persons of low or moderate income who are not persons of very low income, the State certifies that it lacks sufficient Title I funds to comply with the requirements of clause (a).

6. Technical Advisory Services

In compliance with its Community Development certification, the State of Rhode Island has taken steps to make technical advisory services available to both applicants and grantees uniformly upon request. Although the Community Development staff cannot prepare your application, project/guarantee funding or determine what activities to apply for, the staff is available to assist local communities with technical submission requirements. The staff also works closely with grantees to provide assistance in the management of funded projects.

VI. Evaluation and Scoring

A. General Steps in Application Process

1. Notification to eligible communities of their funding limit and the availability of funds and transmittal of an Application Handbook with the final date for application submission. An application workshop (held February 13, 2009 for PY'09 CDBG fund) is scheduled.
2. Convening of a public hearing for prospective applicants to obtain the views of citizens on local housing and community development needs.
3. Publication by the applicant of the proposed application including a statement of community development objectives and the projected use of funds. A second public hearing shall be conducted before the proposed application due date.
4. Completion of the application incorporating comments and views obtained by citizens. The final application shall be made available for public inspection.
5. Submittal of activities to the applicant's planning board or commission to determine compliance of proposed activities with local planning and development policy as set forth in the local Comprehensive Plan. Certification of compliance is required prior to the award of funds.
6. Completion of the application and all necessary certifications with all supporting materials and submitted to the OHCD by the required deadline.
7. General application review as follows:

B. General Steps in Review Process

- a) Review by OHCD staff for compliance with program and application requirements, national objectives and eligible activities (as detailed later in this handbook). The scoring system will also be completed at this stage.
 - b) Review by Division of Planning for compliance with threshold criteria.
 - c) OHCD staff may, at its discretion, consult with other state agencies, including but not limited to the Department of Elderly Affairs, the Department of Human Services, and the Department of Health for advise relative to requests for assistance in their areas of expertise.
 - d) During the review period, OHCD staff may request additional information or documentation from applicants and may request minor modification to the proposals in order to meet program requirements, national objectives and threshold criteria. Applicants will not be allowed to make substantial changes or modifications to their application which would necessitate public notice and comment. Applicants will be allowed no more than two weeks to submit requested materials.
 - e) Results of previous reviews/scoring will be provided to the Application Steering Committee for review and drafting of recommendation to the Governor.
 - f) Recommendations of the Committee, along with appropriate conditions, are transmitted to the Governor, who is responsible for the final decision on grant awards.
1. OHCD Staff Review/Fundability: All applications will be reviewed by OHCD staff for compliance with Federal and State program rules and regulations. Any activity deemed not in compliance with such requirements will be eliminated from consideration. Areas under consideration in this part include:
- a. Completeness of application. Applications (in whole or in part) which are not complete or lack information necessary for the effective review of the proposal may be eliminated from consideration.
 - b. Fundability. Any activity proposed which does not meet Eligibility and National Objective requirements will be eliminated from consideration.
 - c. Process Issues. An application/activity which has not progressed through necessary regulatory public comment processes, may be eliminated from consideration.
 - d. Consistency with program design. Any activity not submitted in accordance with program requirements (such as on the forms provided and on the timeline dictated) shall be eliminated from consideration.

During this process, OHCD shall complete a quantifiable analysis (See "Scoring" below) of proposals, the results of which will be provided to the Application Steering Committee for their deliberations.

2. **Thresholds Review:** All activities which pass the "Fundability" test previous described, shall be reviewed under the "Thresholds" criteria detailed elsewhere in this handbook. Division of Planning staff shall conduct this review and may comment on and/or eliminate activities under consideration if it is determined they are inconsistent with State/federal policies and requirements. Areas to be reviewed include:
 - a. **State and Local Plans:** Proposed projects must be consistent with the local Comprehensive Plan, State Land Use Plan, Municipal Affordable Housing Plan, and the State Strategic Affordable Housing Plan, or meet the general standards and principles set forth in the aforementioned plans applicable to the activity.
 - b. Flood Plains
 - c. Planning Transportation Actions
 - d. Stream Discharge
 - e. Historic Resources
 - f. Ground Water Aquifers and Recharge Areas
 - g. Farmland
3. **Application Steering Committee:** The Steering Committee will undertake a qualitative review guided by the quantitative scoring, threshold comments and assisted by OHCD staff. The Committee's recommendations to the Governor should reflect a reasonable balance between community development needs and effective competitiveness of individual project proposals.

Activities will be reviewed in the general order of category priority. The review will consist of a project by project analysis grouped by activity type (eg. Neighborhood Revitalization, Housing Rehabilitation, Housing Development, Economic Development, Public Facilities/Services and Planning/Other).

Activities will be eliminated from consideration if the Committee feels they do not meet any of the following tests:

- a. **Timeliness** - if an activity is not likely to proceed in a timely fashion (within the next 12 months).
- b. **Other Sources/Reviews** - if an alternative source of funds is available in support of the proposal. It should be noted this committee often has no control over such alternatives resources. The Committee may also eliminate activities from consideration if they feel the proposal has not progressed through necessary/appropriate review steps other State/local authorities.

- c. Capacity/Performance - if the administrative agency for the activity lacks the experience and/or capacity to implement the proposed activity. Demonstrated past performance and resolution of prior monitoring/audit findings will be taken into consideration.
- d. Feasibility/Accuracy - if a proposal is not feasible as described in the application, the committee may eliminate it from consideration. Cost effectiveness of the proposals will be reviewed under this criteria. If the information provided in the application is inaccurate, it may also be eliminated.

Remaining activities which meet the above specified required, will be considered for funding. The committee will weight its deliberations on the following priorities:

- a. Neighborhood Revitalization efforts
- b. Provision of Housing Opportunities
- c. Provision of Employment Opportunities
- d. Provision of Community Facility Improvements
- e. Provision of Services

Activities will be funded, in whole or in part, based upon State Priorities, taking into account limited funding available, geographic distribution of resources and staff/threshold comments. Priority populations and activities as detailed in the State's Non-Housing Community Development needs assessment may receive extra consideration.

- 4. Governor's Role: Final awards by the Governor shall be based on the recommendation of the Steering Committee. Modification to the recommendations may be made based on the following criteria:
 - a. An activity conflicts with other State projects or priorities.
 - b. An activity duplicates other State projects.
 - c. The recommendation are not consistent with State objectives/policies.
- 5. Scoring: During the OHCD review, fundable activities will be scored competitively against each other using the following criteria.
 - a. Needs - A comparative Community Development Needs score will be generated for each eligible CDBG applicant. This "CD Needs" Score will constitute 50% of the community's application score.

b. Community Development Needs Criteria:

Population

0 to 20 points - low number to high number

Family Income

Percentage of persons with annual income below HUD's LMI levels.

0 to 10 points - low percentage to high percent

Total number of person with annual incomes below HUD's LMI levels.

0 to 10 points - low number to high number

Housing Stock

Housing Conditions as defined by Consolidated Plan

0 to 10 points - low percent of units with problems to high percent of units with problems.

Housing Affordability

0 to 10 points - low percentage of affordable housing to high percentage of affordable housing

Economic Indicators

Percentage of population receiving public assistance

0 to 10 points - low percent to high percent

Percent of population unemployed

0 to 10 points - low percent to high percent

Per Capita/Property Value Indicators

Per Capita Income

0 to 10 points - high income to low income

Percent of Personal Income to Full Value of Property:

0 to 5 points - low percent to high percent

(Computed by multiplying the per capita income by the most Recent population estimate and dividing the result by the full value of property)

Per Capita Full Value of Property:

0 to 5 points - high value to low value

(Full value of the property divided by the population)

c. Anticipated Project Benefits

Every activity determined "fundable" will be comparatively scored using the following criteria for each class of activity.

- 1) Housing activities will be rated relative to one another. Rehabilitation programs and housing projects will be ranked separately. Total maximum points for a housing proposal is 100.

- a) Ratio of CDBG funds to the Number of Units Provided

Up to 25 points will be provided to the most cost-effective CDBG activities (0-25; least cost per unit receives highest points). Activities which provide assistance between \$1 and \$15,000 per unit will be provided an equivalent score under this criteria. This provision is intended to promote comprehensive rehabilitation of structures assisted.

- b) Past Performance

Up to 25 points will be awarded based upon the Town's past performance with regard to its rehabilitation program. This will include whether the Town has participated in a Housing Consortium (5pts for Yes; 0pts for No) and the percentage of previous years' rehabilitation program funds drawn/committed (Score will equal 20% of the total percentage of funds drawn/committed from the prior two years' rehabilitation program).

- c) Community Priority

Up to 25 points will be awarded based upon the local priority ranking of the specific activity. For example:

Ranking	Point Value
1	25
2	22.5
3	20
...	...

d) Community Revitalization

Up to 25 points will be awarded based upon the extent to which this activity is involved in a community/neighborhood revitalization effort. If this activity is included in a specific CDBG neighborhood revitalization effort it will receive 15pts; if it is directly implementing activities under its Local Affordable Housing Plan, it will receive an additional 10pts.

2) Economic Development Activities will be rated relative to one another. Total maximum points for these activities is 100.

a) Cost effectiveness

Up to 50 points will be awarded to activities based upon the cost per benefit (0-50pts with the highest points going to projects which assist the greatest number of LMI people per CDBG dollar invested). Activities designed to meet similar national objectives will be grouped (LMIJobs, LMIArea, LMILimited Clientele) and ranked comparatively.

b) Community Priority

Up to 25 points will be awarded based upon the local priority ranking of the specific activity. For example:

Ranking	Point Value
1	25
2	22.5
3	20
...	...

c) Community Revitalization

Up to 25 points will be awarded based upon the extent to which this activity is involved in a community/neighborhood revitalization effort. If this activity is included in a specific CDBG neighborhood revitalization effort it will receive 25pts.

3) Community Facility and Services activities will be rated relative to one another. Total maximum points for a facility/service proposals is 75.

a) Cost effectiveness

Up to 25 points will be awarded to activities based upon the cost per benefit (0-25pts with the highest points going to projects which assist the greatest number of LMI people per CDBG dollar invested).

b) Community Priority

Up to 12.5 points will be awarded based upon the local priority ranking of the specific activity. For example:

Ranking	Point Value
1	12.5
2	11.25
3	10.00
...	...

c) Community Revitalization

Up to 12.5 points will be awarded based upon the extent to which this activity is involved in a community/neighborhood revitalization effort. If this activity is included in a specific CDBG neighborhood revitalization effort it will receive 12.5pts.

4) Slums and Blight activities will be rated relative to one another. Total maximum points for a Slums/Blight proposals is 50.

a) Cost effectiveness

Up to 30 points will be awarded to activities based upon the total number of dilapidated structures or blighting influences to be rehabilitated, demolished, acquired, etc and indicators of the area served. 10 points will be provided to the activity eliminating the greatest percentage of dilapidated structures; 0 will be provide to the activity eliminating the least percentage of dilapidated structures for the subject area. 25% (up to 20 points) of the municipal's applicable LMI percentage will be the remainder of this score.

b) Community Priority

Up to 10 points will be awarded based upon the local priority ranking of the specific activity. For example:

Ranking	Point Value
1	10
2	9
3	8
...	...

c) Community Revitalization

Up to 10 points will be awarded based upon the extent to which this activity is involved in a community/neighborhood revitalization effort. If this activity is included in a specific CDBG neighborhood revitalization effort it will receive 10pts.

5) Community Facility and Services activities will be rated relative to one another. Total maximum points for a facility/service proposals is 75.

a) Cost effectiveness

Up to 25 points will be awarded to activities based upon the cost per benefit (0-25pts with the highest points going to projects which assist the greatest number of LMI people per CDBG dollar invested).

b) Community Priority

Up to 12.5 points will be awarded based upon the local priority ranking of the specific activity. For example:

Ranking	Point Value
1	12.5
2	11.25
3	10.00
...	...

c) Community Revitalization

Up to 12.5 points will be awarded based upon the extent to which this activity is involved in a community/neighborhood revitalization effort. If this activity is included in a specific CDBG neighborhood revitalization effort it will receive 12.5pts.

5) Planning activities will be rated relative to one another. Total maximum points for a Planning proposals is 50.

a) Benefit

Up to 30 points will be awarded based upon the total number and percentage of low/moderate persons located in the area to be served by this planning activity. The score will be equivalent to one-third of the areas LMI percentage (up to 30points).

b) Community Priority

Up to 10 points will be awarded based upon the local priority ranking of the specific activity. For example:

Ranking	Point Value
1	10
2	9
3	8
...	...

c) Community Revitalization

Up to 10 points will be awarded based upon the extent to which this activity is involved in a community/neighborhood revitalization effort. If this activity is included in a specific CDBG neighborhood revitalization effort it will receive 10pts.

- 6) A multi-purpose application will be scored under each applicable subpart above and the score proportioned according to the percentage of the total fund allocated to each type of activity.

C. Steering Committee Review

The Steering Committee will undertake a qualitative review assisted by State staff. The Steering Committee will base its deliberation on the rating system and select the strongest proposals from comparable groupings of activities. The Steering Committee's recommendations to the Governor should reflect a reasonable balance between community development needs and effective competitiveness of individual project proposals.

The review will consist of a project by project analysis grouped by activity type/category. The Steering Committee will weight its consideration on the program's priorities. The analysis will consider 1) cost effectiveness of the proposal, including leveraged funds; 2) extent to which the proposed activities address community development needs identified by the community in the Community Development Plan; 3) extent to which the activity represents a coordinated approach to community/neighborhood revitalization; and 4) adequacy of the proposed management plan as well as prior program performance, including resolution of monitoring or audit findings.