



**MONTGOMERY COUNTY
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
(CDBG)**

Joanne Ducharme, Ph.D.

**2010 APPLICATION PACKET FOR
NON-PROFIT ORGANIZATIONS &
INTERESTED PARTIES**

Only one (1) proposal will be accepted for consideration from any organization. Applicants must use the forms provided by Community Development in this packet. All applicants must submit the following: **1)** an original of the Non-Profit Organization & Interested Party Application cover sheet (legible), **2)** an original of the Budget Proposal Summary and Expenditures Detail, **3)** an original of the Conflict of Interest Disclosure Form, **4)** an original Certification For Grants and Contracts, (Lobbying Certification), **5)** an original Data Report For All Employees, **6)** an original Resolution (see attached form) designating the Grant Official and acknowledging the submission of the grant proposal, and **7)** one (1) copy of the required support documents. All documents must be typewritten or extremely legible and suitable for copying.

Completed proposals must be received by The Office of Montgomery County Community Development at 501 N. Thompson St., Suite 200 Conroe, Texas 77301 by 5:00 pm, Wednesday, March 31, 2010.

If you have any questions regarding Community Development Block Grant (CDBG) funds, please call the Office of Montgomery County Community Development at (936)538-8060.

Montgomery County Community Development Department
NON-PROFIT ORGANIZATION & INTERESTED PARTY APPLICATION
COVER SHEET
Background Information

Date: _____

Submitted by (Official or Legal Agency Name): _____

Printed Name of Authorized Official: _____

Signature of Authorized Official: _____

Title: _____

Contact Person: _____

Title: _____

Address: _____

Telephone: (Area Code) _____ Fax: (Area Code) _____

E Mail: _____

Amount of CDBG Funds Requested: _____ Total Project Costs: _____

Number of Low Income Persons CDBG Funds will serve: _____

Project Title: _____

Brief Description of Project: _____

Checklist of Required Documents (Please check-off all items submitted. Each item must be submitted and incomplete proposals will not be reviewed.)

- ___1. Original completed and signed application cover sheet.
- ___2. Project or proposal description/narrative (see page 3 for requirements).
- ___3. Completed and signed CDBG budget forms.
- ___4. Completed and signed conflict of interest disclosure form.
- ___5. Articles of Incorporation and Bylaws.
- ___6. State and Federal (IRS) tax exemption determination letters.
- ___7. List of Board of Directors (names, addresses, employment).
- ___8. Resolution of Board of Director's authorization to request funds and designation of authorized official.
(see attached Resolution form)
- ___9. Organization Chart.
- ___10. Job description and resume of program administrator (Exe. Director).
- ___11. Job description and resume of fiscal officer.
- ___12. Financial statement and most recent audit.
- ___13. Letters of Commitment for all matching/other funds. (Letters should be current; i.e., dated within thirty (30) days of an application's submission for funds.)
- ___14. Job descriptions for all positions requesting CDBG funding.
- ___15. Letters of support describing need for specific service.
- ___16. Original completed and signed Certification for Grants and Contracts (Lobbying Certification)
- ___17. Original completed and signed Data Report for All Employees
- ___18. A copy of the previous year's (2009) Fidelity Bond.
- ___19. Copy of current year operations budget showing revenues and expenses.

Required Information for Narrative

I. Project Description (Narrative)

A. Project Summary (minimum one (1) page, if hard copy)

Please state the following with regard to your project:

- 1) The number of low-income persons who will be served **by the requested CDBG funds**;
- 2) The number of low-income persons your total project serves;
- 3) The low-income area that will benefit, if applicable.

The narrative should further include the need and seriousness of the problem to be addressed, the length of time the problem has existed, and any previous efforts to address the problem. State why your organization cannot pay for the project itself and why your project should be funded with CDBG funds. Describe the goals and objectives of the project, the method of approach, the services or activities to be provided and the costs.

B. Eligibility and Documentation of Compliance (minimum one-half (1/2) page, if hard copy)

Please state your projection of the per-person or per-unit costs of services to be provided with CDBG funds. Describe in detail how and why the project is eligible for CDBG funding. To determine the eligibility for area benefit activities, an applicant is required to include boundaries of the entire area to be served by the proposed activity and the basis for determining those boundaries in the proposal. To determine the eligibility for limited clientele activities, an applicant is required to provide documentation that the proposed activity will be used predominately by low-and moderate-income persons and the basis for this determination in the proposal. HUD requires that records and documentation be maintained and reported regarding persons provided assistance throughout the contract period including data showing the size and annual income of the family of each person receiving the benefit. Please state how your organization will comply with these requirements in a timely manner if it is funded. Please identify the staff assigned to these responsibilities. (See CDBG Proposal Guidelines for more information on eligibility.)

- C. **Agency Information** (minimum one (1) page, if hard copy)). If using fillable pdf, please DO NOT allow font size to diminish below 9 pt. There is a second text box on the following page to continue your narrative.

Background - Include the length of time the agency has been in operation, the date of incorporation, the purpose of the agency, and the type of corporation. If the organization is a membership organization, please state the number of members and include a membership list. Describe the type of services provided, locations, the agency's capabilities, the number and characteristics of clients served, and license to operate if required.

Personnel - Briefly describe the agency's existing staff positions and qualifications, and state whether or not the agency has a personnel policy manual with an affirmative action plan and grievance procedure. (Note: Job descriptions for each position requesting CDBG funding must be on a separate page and include the essential job duties and responsibilities; the minimum job requirements such as knowledge or minimum education, minimum work experience, skills and abilities, special requirement, equipment used, contacts, supervision required, physical demands, work environment, hours, benefits and salary.)

Financial - Provide a list of all funding sources for your agency, and the amount received from each source. Describe accounting systems, payment procedures, and audit requirements. Identify commitments for ongoing funding and provide letters of commitment for these funds. (Note: Letters of commitment for all matching/other funds should be current; i.e., dated within thirty (30) days of an applications submission for funding.) Note: The request of the listing of all funding sources was made by the CDBG Advisory Committee. This should be in list form.

Audit - In accordance with the Office of Management and Budget Circulars A-133 and A-110, the Federal Government requires that non-federal entities receiving \$300,000 or more in federal financial assistance in a fiscal year must secure a single audit. If the organization expends \$300,000 or more under only one Federal program, a program-specific audit may be acceptable. Organizations receiving less than \$300,000 must secure an audit, but neither a single audit nor program-specific audit is required. **Montgomery County Community Development however, does require Grant Recipients to provide CDBG with a current audit.**

Insurance/Bond/Worker's Compensation - State whether or not the agency has liability insurance coverage, in what amount, and with what insuring agency. State whether or not the agency pays all payroll taxes and worker's compensation as required by Federal and State law. State whether or not the agency has fidelity bond coverage for principal staff who handle the agency's accounts, in what amount, and with what insuring agency. Provide a copy of the agency's prior year's Fidelity Bond.

Additional Information - Include any other pertinent information.

- D. Project Details** (minimum two (2) pages, if hard copy). If using fillable pdf, please DO NOT allow font size to diminish below 9 pt. There is a second text box on the following page to continue your narrative.

Describe in detail the proposed project, the need for the project, the experience of the applicant, past similar projects, details of project implementation, qualifications of staff, and applicant's finances.

1. Capital Improvements (buildings or physical improvements): Describe the low-income areas to be benefited by the project. Describe the physical plans for the project and include a map showing where the improvements are to be located. Provide details regarding the size of project; ownership of property, including all easements and property acquisition and right-of-way requirements; and how the project costs were estimated and by whom. Please include copies of appraisals, building plans, cost estimates, blueprints and site plans. Cost estimates must include a list of the local government regulations and permits which the project must comply with since these affect project costs.

For structures, include site plan, proof of property ownership, taxes/appraisal, insurance and local government requirements, such as building permits, zoning classifications, etc. For all other improvements, describe project boundaries, linear or square feet (if applicable), materials to be used, etc. Provide details of how the project will be constructed. (Example: CDBG funds will only be used to purchase materials. Labor will be provided by city work crew.) Provide map of service area. Provide right-of-way (ROW) information. (Note: All building improvements must comply with the Americans with Disabilities Act (ADA). Describe the standards and procedures to insure compliance with the requirements of ADA by your proposed project.)

Social Service Programs (program operations, purchase of equipment, administrative costs, etc.): Provide the objectives of the program, the number of low -income persons to be served with CDBG funds. Discuss your organization's staffing pattern. Describe standards and procedures your organization will use to carry out the activities funded with CDBG funds and to insure compliance with the requirements of this federal program. Complete job descriptions are required for all positions to be funded through CDBG funds. (Job descriptions for each position requesting CDBG funding must be on a separate page and include the essential job duties and responsibilities; the minimum job requirements such as knowledge or minimum education, minimum work experience, skills and abilities, special requirements, equipment used, contacts, supervision required, physical demands, work environment, hours, benefits and salary.)

E. Project Schedule (minimum one-half (1/2) page for hard-copy)

Discuss the timetable for completing this project and the use of these funds. If this project is a phase of a larger capital improvement project, provide a description of all phases, the costs for each phase and the total project, the year the phases will be constructed, and how the construction will be funded. (Note: Project should be ready to implement within six (6) months of award of funds.)

F. Acquisition (minimum one-half (1/2) page hard copy, if applicable)

Provide details of any land acquisition necessary for this project, including size of property, zoning designation, flood plain designation, location of property, availability of water and sewer service, costs of providing water and sewer services if not available, the value of property, a list of all taxing jurisdictions, applicable taxes and jurisdictions, current tax rates, any liens and encumbrances. Documentation of current ownership should be provided and an appraisal if available. The results of any existing studies and reports regarding the property should also be included.

II. Budget (minimum one (1) page)

Complete and sign the attached CDBG Budget Proposal forms. In addition, the budget narrative should explain the total project budget in detail. Please explain the budget items in the order that the items are listed in the CDBG Budget Proposal forms: For each item, describe the amount of CDBG funds requested, other supporting funds for this project, and the total project costs for each item.

Please distinguish between funds used to leverage CDBG funds and other funds. It is very important that all unit costs and calculations for items be explained in the budget narrative. The source for unit costs also must be explained (e.g.: current market price, hourly rate, estimates, etc.). Private financing arrangements should be discussed in detail in this section. State the amount and source of additional funds to be used on this project. Letters of commitment should be current; i.e., dated within thirty (30) days of application for CDBG funds.

Please do not change the budget items on the budget forms. The budget items are those categories allowed by HUD. Please check your calculations and cost estimates on the budget proposal forms for correctness. Row and columns should total correctly and match the cost estimates included in the narrative.

III. Standard Required Documents

Articles of Incorporation/Bylaws - Articles of Incorporation are the documents filed with the State of Texas which formally establishes a private corporation, business or agency.

State and Federal (IRS) Tax Exemption Determination Letters - Nonprofit organizations must submit tax exemption determination letters from the Federal Internal Revenue Service and the State of Texas.

List of the Board of Directors - A list of the current Board of Directors or other governing body of the agency must be submitted. The list must include the name, telephone number, address, occupation and employer of each member; and must identify the principal officers of the governing body.

Resolution by the Board of Directors for Authorization to Request Funds - A written document certifying that the Board of Directors has authorized the submission of the proposed project. (see attached Resolution Form)

Resolution by Board of Directors for Designation of Authorized Official - A written document certifying that the authorized person has the permission of the Board of Directors to act for the organization. (see attached Resolution Form)

Organization Chart - An organizational chart must be provided which describes the agency's administrative framework and staff positions, that indicates where the proposed project will fit into the organizational structure, and also identifies any staff positions of shared responsibility.

Job Description and Resume of the Chief Program Administrator - Job descriptions must be on a separate page and include the essential job duties and responsibilities; the minimum job requirements such as knowledge or minimum education, minimum work experience, skills and abilities, special requirements, equipment used, contacts, supervision required, physical demands, work environment, hours, benefits and salary.

Job Description and Resume of the Chief Fiscal Officer - Job descriptions must be on a separate page and include the essential job duties and responsibilities; the minimum job requirements such as knowledge or minimum education, minimum work experience, skills, and abilities, special requirements, equipment used, contacts, supervision required, physical demands, work environment, hours, benefits and salary.

Recent Financial Statement and Audit

Completed and Signed Conflict of Interest Disclosure Form

Completed and Signed Certification For Grants and Contracts (Lobbying Certification)

Completed and Signed Data Report For All Employees

Letters of Commitment - Letters of commitment for all matching funds should be current; i.e., dated within thirty (30) days of the application for CDBG funds, the letter must be signed by the person with the authorization to enter into financial or legal agreements for the organization or agency.

Job Descriptions - Written descriptions for all positions requesting CDBG funding. Job descriptions for each position requesting CDBG funding must be on a separate page and include the essential job duties and responsibilities; the minimum job requirements such as knowledge or minimum education, minimum work experience, skills and abilities, special requirements, equipment used, contacts, supervision required, physical demands, work, environment, hours, benefits and salary.

Letters of Support - Please include only letters of support from persons who will directly benefit from the project or letters from persons with expertise regarding technical aspects of the project.

Fidelity Bond – Please submit proof of insurance.

Completed and Signed Budget Forms – Use sheets that are provided in this application.

RESOLUTION

Agency/Corporate Name

On the _____ day of _____, 2010, at a meeting of the Board of Directors of the _____ (agency/corporation name), held in _____, Montgomery County, Texas, with a quorum of the Directors present, the following business was conducted:

BE IT RESOLVED that the Board of Directors of the above corporation do hereby authorize its executive director, _____, and his/her successors in office to apply for and request funding from, and negotiate on terms and conditions that he/she may deem advisable, a contract with The Office of Montgomery County Community Development for Community Development Block Grant (CDBG) funds in the total amount of \$_____ (amount asked for in application) for a project that consists of, _____ . The Board of Directors will secure a fidelity bond covering the full designate _____, (print name) as the Grant Official, whereas Grant Official is defined as an individual who is hereby authorized to act on behalf of the Corporation in financial matters including, but not limited to, the commitment of corporate funds. Further, _____ 's (agency/corporation name) Board of Directors agrees that in the event of loss or misuse of awarded CDBG funds, the _____ (agency/corporation name) assures that the funds will be returned to Montgomery County in full.

Attest: Signed by the following officers of the _____
Agency/Corporate Name

President

Date

Secretary

Date

Corporate Seal

Community Development Block Grant Program
24 CFR 570.611 Conflict of Interest

- (a) Applicability.
- (1) In the procurement of supplies, equipment, construction, and services by recipients by subrecipients, the conflict of interest provisions in 24 CFR 85.36 and 24 CFR 84.42, respectively, apply.
 - (2) In all cases not governed by 24 CFR 85.36 and 24 CFR 84.42, the provisions of this section applies. These cases include the acquisition and disposition of real property and the provisions of assistance by the recipient or by its subrecipient to individuals, businesses, and other private entities under eligible activities, which authorize such assistance (e.g., rehabilitation, preservation, and other improvements of private properties or facilities pursuant to 570.202 or grants, loans and other assistance to businesses, individuals, and other private entities pursuant to 570.203, 570.455, or 570.703(i).
- (b) Conflicts prohibited. The general rule is that no persons described in paragraph (c) of this section who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted under this part, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract or agreement with respect to a CDBG-assisted activity, or with respect to the proceeds of a CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.
- (c) Persons covered. The conflict of interest provisions of paragraph (b) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the recipient, or any designated public agencies, or of subrecipients which are receiving funds under this part.
- (d) Exceptions. Upon the written request of the recipient, HUD may grant an exception to the provisions of paragraph (b) of this section on a case-by-case basis when it has satisfactorily met the threshold requirements of (d)(I) of this section, taking into account the cumulative effects of paragraph (d)(2) of this section.
- (1) Threshold requirements. HUD will consider an exception only after the recipient has provided the following documentation:
 - (i) A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and
 - (ii) An opinion of the participating jurisdiction's attorney that the interest for which the exception is sought would not violate state or local law.
 - (2) Factors to be considered for exceptions. In determining whether to grant a requested exception after the recipient has satisfactorily met the requirements of paragraph (d)(I) of this section, HUD shall conclude that such an exception will serve to further the purposes of the ACT and the effective and efficient administration of the recipient's program or project, taking into account the cumulative effect of the following factors, as applicable:

- (i) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project that would otherwise not be available;
- (ii) Whether an opportunity was provided for open competitive bidding or negotiation;
- (iii) Whether the person affected is a member of a group or class of low- or moderate-income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;
- (iv) Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision-making process with respect to the specific assisted activity in question;
- (v) Whether the interest or benefit was present before the affected person was in a position as described in paragraph (b) of this section.
- (vi) Whether undue hardship will result either to the recipient or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and
- (vii) Any other relevant considerations.
- (viii) Conflict of Interest Disclosure Form

CONFLICT OF INTEREST DISCLOSURE FORM

The CDBG regulations at 24 CFR 570.611 provide that no person who is an employee, agent, consultant, officer, or elected official or appointed official of the recipient or subrecipient that are receiving CDBG funds and:

- 1. who exercises or has exercised any functions or responsibilities with respect to activities assisted with CDBG funds; or
- 2. who is in a position to participate in a decision-making process; or gain inside information with regard to these activities,

may obtain a financial interest or benefit from a CDBG-assisted activity, or have any interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one (1) year thereafter.

A disclosure of the nature of the conflict must be made at the time a proposal for CDBG Program funds is submitted to the Montgomery County Community Development Department.

_____ I certify that no conflict of interest exists between Montgomery County and

(Name of Organization)

_____ I certify that a conflict of interest exists between Montgomery County Community Development and

The nature of the conflict of interest is described below: (Please identify the individual, employment, and the conflict of interest [their affiliation with your organization]).

Signature of Authorized Agency Official

Date

Typed Name and Title

Certification for Grants and Contracts

The undersigned certifies, to the best of his or her knowledge and belief that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connections with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan or cooperative agreement.

- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement the undersigned shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying,” in accordance with its instructions.

- (3) The undersigned shall require that the language of this certification be included **in** the award documents for all subawards at all tiers (including subcontracts, subgrants and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Executed this _____ day of _____, 2010.

By: _____

Signature

(Typed or Printed Name)

(Title if any)

Covered Action: COMMUNITY DEVELOPMENT BLOCK GRANT
(Type and identity of program, project or activity)



**COMMUNITY DEVELOPMENT DEPARTMENT
2010 CDBG PROPOSAL GUIDELINES**

OVERVIEW

FY 2010 Funds Expected

Montgomery County will receive approximately \$1,826,075 in Community Development Block Grant (CDBG) funds directly from the U.S. Department of Housing and Urban Development (HUD) for program year 2010, October 1, 2010 to September 30, 2011. Montgomery County CDBG funds can be used within the unincorporated areas of Montgomery County. In most instances, **CDBG funds cannot be used to provide services for residents or fund projects within the City of Conroe.**

CDBG PROGRAM

Primary Objective

The primary objective of the Community Development Block Grant Program is to aid in the development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and very low-income.

National Objectives

Each project or program assisted through the CDBG Program must meet one of the following three (3) national objectives:

- I. Activities benefiting low-income persons:
 - a. **Low-and Moderate-Income Area Benefit Activities:** An activity, the benefits of which are available to all the residents of an area, where at least fifty-one (51 %) percent of the residents are low-income according to HUD. [Note: Area must be primarily residential in character.]
 - b. **Low-and Moderate-Income Limited Clientele Activities:** An activity which provides benefits to a specific group of persons rather than everyone in an area generally. At least fifty-one (51 %) percent of the beneficiaries of the activity must be low-income persons according to HUD. [Note: Does not include housing activities or the creation or retention of jobs.]
2. Aid in the prevention or elimination of slums and blight; or
3. Meet other urgent community development needs having a particular immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs.

Low-Moderate, Very Low, and Extremely Low-Income Eligibility

Low-moderate income persons are defined as those residents of a household whose total annual income does not exceed eighty (80%) percent of the median family income for the area. Very low-income persons are defined as those residents of a household whose total annual income does not exceed fifty (50%) percent of the median family income for the area. Extremely low-income persons are defined as those residents of a household who's total annual income does not exceed thirty (30%) percent of the median family income for the area. Income figures for Montgomery County are provided on the following page.

FY 2009 INCOME LIMITS SUMMARY

Houston-Baytown-Sugar Land, TX HUD Metro FMR Area
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FY 2009 Income Limit Area	Median Income	FY 2009 Income Limit Category	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Houston- Baytown- Sugar Land, TX HUD Metro FMR Area	\$63,800	Very Low (50%) Income Limits	\$22,350	\$25,500	\$28,700	\$31,900	\$34,450	\$37,000	\$39,550	\$42,100
		Extremely Low (30%) Income Limits	\$13,400	\$15,300	\$17,250	\$19,150	\$20,700	\$22,200	\$23,750	\$25,300
		Low (80%) Income Limits	\$35,750	\$40,850	\$45,950	\$51,050	\$55,150	\$59,200	\$63,300	\$67,400

The **Houston-Baytown-Sugar Land, TX HUD Metro FMR Area** contains the following areas: Chambers County, TX; Fort Bend County, TX; Galveston County, TX; Harris County, TX; Liberty County, TX; Montgomery County, TX; San Jacinto County, TX; and Waller County, TX.

Income Limit areas are based on FY 2009 Fair Market Rent (FMR) areas. For a detailed account of how this area is derived please see our associated FY 2009 Fair Market Rent documentation system.

BUDGET PROPOSAL SUMMARY

Project Title: _____

Organization: _____

Address: _____

(Area Code)Telephone Number: _____ Ext. _____

Contract Period: _____ to _____

Description	CDBG	Additional*	TOTAL
1. Personnel	\$	\$	\$
2. Construction	\$	\$	\$
3. Contingency (10% of Construction)	\$	\$	\$
4. Professional Fees/Contract Services (Professional services must be procured by full and open competition)	\$	\$	\$
5. Travel	\$	\$	\$
6. Lease Space	\$	\$	\$
7. Consumables and Supplies	\$	\$	\$
8. Rent, Lease, Purchase Equipment	\$	\$	\$
9. Other (Explain)	\$	\$	\$
Total Budget	\$	\$	\$

Identify Sources of Additional Funds* _____ _____ _____ _____ _____ _____ Signature of Authorized Agency Official _____ Typed Name and Title	Amount of Funds: \$ _____ \$ _____ \$ _____ _____ Signature of Preparer _____ Typed Name and Title
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*NOTE: Letters of commitment must be submitted from sources for all additional funds listed in budget.

BUDGET PROPOSAL EXPENDITURES DETAL

Project Title: _____

Organization: _____

Contract Period: _____ to _____

1. Personnel (Job descriptions for all CDBG funded positions must be included in proposal.)
--

# of Employees	Position Description	Monthly Salary	# of Mos.	Total Wages (all sources)		
				CDBG	Additional	Total
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
				\$	\$	\$
Salaries Subtotal				\$	\$	\$
Fringe Benefits:						
FICA				\$	\$	\$
Worker's Compensation				\$	\$	\$
Insurance				\$	\$	\$
Retirement				\$	\$	\$
Other (please list)				\$	\$	\$
Fringe Benefits Subtotal:				\$	\$	\$
Personnel Subtotal:				\$	\$	\$

**BUDGET PROPOSAL
EXPENDITURES DETAIL**

Project Title: _____

Organization: _____

Contract Period: _____ to _____

Description (include all calculations)	CDBG	Additional	Total
2. Construction Costs (Capital Improvements Only)			
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
Subtotal: Construction Costs	\$	\$	\$
3. Construction Costs (Contingency: 10% of construction costs)			
	\$	\$	\$
	\$	\$	\$
Subtotal: Construction Costs Contingency	\$	\$	\$
4. Professional Fees (Contract Services/Professional Services) Must be procured by full and open competition.			
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
Subtotal: Professional Fees/Contract Services	\$	\$	\$

**BUDGET PROPOSAL
EXPENDITURES DETAIL**

Project Title: _____

Organization: _____

Contract Period: _____ to _____

Description (include all calculations)	CDBG	Additional	Total
5. Travel (State mileage rate)			
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
Subtotal: Travel	\$	\$	\$
6. Lease Space			
	\$	\$	\$
	\$	\$	\$
Subtotal: Lease Space	\$	\$	\$
7. Consumables and Supplies			
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
Subtotal: Consumables and Supplies	\$	\$	\$
8. Rent, Lease, Purchase of Equipment			
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
Subtotal: Rent, Lease, Purchase of Equipment	\$	\$	\$
9. Other (Specify)			
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
Subtotal: Other	\$	\$	\$
Total Budget			

Basic Eligible Activities

CDBG funds may be used to carry out a wide range of community development activities directed toward Neighborhood revitalization, economic development and improved community facilities and services. Funds may be used for the activities listed below.

- Acquisition. Acquisition in whole or in part of real property. Examples: Purchase of land easements, right-of-ways and buildings. This authority is subject to the limitation at 24 CFR 570.2079(a)(1) which would preclude the acquisition cost attributable to a building to be used for the general conduct of government and 24 CFR 570.207(a)(3) which would preclude the acquisition of property to be used for political activities.
- Public facilities and improvements. Acquisition, construction, reconstruction, rehabilitation (including removal of architectural barriers to accessibility) or installation of public facilities (except for buildings for the general conduct of government) and improvements.
- Clearance activities. Demolition of buildings and improvements; removal of demolition products (rubble) and other debris; physical removal of environmental contaminants or treatment of such contaminants to render them harmless; and movement of structures to other sites.
- Public services. Provision of public services (including labor, supplies, materials and other costs), provided that the following criteria is met. The public service must be either: (1) a new service; or (2) a quantifiable increase in the level of a service above that which has been provided by or on behalf of the unit of general local government within the prior twelve (12) months. This requirement is intended to prevent the substitution of CDBG funds for recent support of public services by local or State funds. [Note: The amount of CDBG funds used for public services cannot exceed fifteen percent (15%) of each entitlement area's grant.]
- Privately owned utilities. CDBG funds may be used to acquire, construct, reconstruct, rehabilitate, or install the distribution lines and facilities of privately owned utilities. A privately owned utility may be defined as a publicly regulated service which is provided through the use of physical distribution lines to private properties and that is owned and operated by a non-public entity. Utilities include, but are not necessarily limited to, natural gas, electricity, telephone, water, sewer, and television cable services.
- Construction of housing. CDBG funds may be used only as last resort housing according to the provisions set forth in 24 CFR part 42 (Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally Assisted Programs) or when carried out by an entity that has received funding through a Housing Development Grant. [Note: Other than these two situations, new housing construction is ineligible under the CDBG Program, unless carried out under the authority of the basic eligibility category, 570.204 (a), "Special Activities by CBDOs."
- Code enforcement. CDBG funds may be used for code enforcement only in deteriorating or deteriorated areas where such enforcement, together with public or private improvements, rehabilitation, or services to be provided, may be expected to arrest the decline of the area. Code enforcement involves the payment of salaries and overhead costs directly related to the enforcement of state and/or local codes.
- Homeownership assistance. CDBG funds may be used to provide financial assistance to low-and very-low-income households to assist them in the purchase of a home.

- Microenterprise assistance. Microenterprise means a business having five or fewer employees, one or more of whom owns the business. CDBG funds may be used to facilitate economic development through the establishment, stabilization and expansion of microenterprises including the provision of technical assistance to new or existing microenterprise or to persons developing a microenterprise, and general support to owners of microenterprises and persons developing microenterprises.
- Planning and capacity building. CDBG funds may be used for studies, analysis, data gathering, preparation of plans, and identification of actions that will implement plans.
- Rehabilitation. Costs of rehabilitation for residential (whether privately or publicly owned), commercial/industrial and other property such as non-profit owned, nonresidential buildings and improvements that are not considered to be public facilities or improvements under 24 CFR 570.201 (c). eligible types of assistance include: costs of labor, materials, supplies and other expenses required for rehabilitation; financing; refinancing; property acquisition; security devices; insurance; conservation; water and sewer; tools; barrier removal; landscaping; sidewalks, and driveways; renovation of closed buildings; historic preservation; lead-based paint hazard evaluation and reduction; rehabilitation services; and businesses in residences. [Note: Commercial or industrial property, but where such property is owned by a for-profit entity rehabilitation under this category is limited to exterior improvements of the building and the correction of code violations.]
- Special economic development. CDBG funds may be used by a non-profit subrecipient for the acquisition, construction, rehabilitation, reconstruction, or installation of commercial or industrial buildings, structures and other related real property equipment and improvements. CDBG funds may be used to provide assistance to private for-profit entities for an activity determined to be appropriate to carry out an economic development project. This assistance may include, but is not limited to grants; loans; loan guarantees; interest supplements; technical assistance; or any other form except for those described as ineligible in 24 CFR 570.207(A), such as political activities. Economic development services in connection with the above subcategories, including outreach efforts to market available forms of assistance; screening of applicants; reviewing and underwriting applications for assistance; preparation of agreements; management of assisted activities; and the screening, referral, and placement of applicants for employment opportunities generated by CDBG-eligible economic development activities. The costs of providing necessary job training for persons filling those positions also may be provided. [Note: All activities under the category of Special Economic Development Activities at 24 CFR 570.203 must meet level of public benefit as defined by HUD. The level of public benefit to be derived from the activity must be appropriate given the amount of CDBG assistance being provided given HUD standards.]
- Special activities by Community Based Development Organizations (CBDOs), CDBG funds may be provided to qualified CBDOs to carry out neighborhood revitalization, community economic development, *or* energy conservation projects.
- Other Miscellaneous/Other Activities.

Payment of the non-federal share. Federal share only for activities which are otherwise eligible for CDBG assistance. It should be noted that the authority to use CDBG funds for the non-Federal share of another program does not override any specific restrictions against the use that may be contained in the statute or regulations of that program.

Urban renewal completion. Costs of completing an urban renewal project funded under Title 1 of the Housing Act of 1949.

Technical assistance. The use of CDBG funds to increase the capacity of public or nonprofit entities to carry out eligible neighborhood revitalization or economic development activities.

Assistance to institutions of higher education. CDBG funds may be used to provide assistance to an institution of higher education (i.e., secondary schools or higher) when the grantee determines that such an institution has demonstrated a capacity to carry out activities that fall under one or more of the basic eligible activities under the CDBG Program.

Housing services. CDBG funds may be used to pay costs in support of activities eligible for funding under the HOME Program. This includes services such as housing counseling in connection with tenant-based rental assistance and affordable housing projects, energy auditing, preparation of work specifications, loan processing, inspections, tenant selection, management of tenant-based rental assistance, and other services related to assisting owners, tenants, contractors and other entities participating or seeking to participate in the HOME Program.

Reconstruction. Reconstruction is generally defined as meaning the rebuilding of a structure on the same site in substantially the same manner. Deviations from the original design are permitted for reasons of safety or if otherwise impractical. The structure to be reconstructed may be residential or nonresidential, and either publicly-or privately owned.

CDBG funds can be used for housing units acquired through tax foreclosure proceedings. Specifically, essential repairs and payment of operating expenses needed to maintain the habitability of housing units acquired through tax foreclosure proceedings in order to prevent abandonment and deterioration of such housing in primarily low-and moderate-income neighborhoods.

Handicapped Accessibility. Projects directed to the removal of material and architectural barriers that restrict the accessibility or mobility of elderly or handicapped persons.

Ineligible Activities

The CDBG program regulations identify certain activities as categorically ineligible. Also they identify certain other activities that are ineligible unless they are carried out by a CBDO under the authority of 24 CFR 570.204.

The general rule in the CDBG program is that any activity that is not authorized under the provisions of 24 CFR 570.201-570.206 (or, where applicable, the statute) is ineligible to be assisted with CDBG funds. The purpose of this section is to discuss specific activities that are ineligible and to provide guidance in determining the eligibility of other activities frequently associated with housing and community development.

Categorically ineligible:

The following activities **may not** be assisted with CDBG funds under any circumstances:

- Buildings or portions thereof used for the general conduct of government;

- General government expenses required to carry out the regular responsibilities of the unit of general local government;
- Political activities. CDBG funds cannot be used to finance the use of facilities or equipment for Political purposes or to engage in other partisan political activities, such as candidate forums, voter transportation, or voter registration.

Generally ineligible:

The following activities may not be assisted with CDBG funds unless authorized as Special Economic Development Activities under 24 CFR 570.203 or when carried out by a CBDO under the provisions of 24 CFR 570.204.

- Purchase of equipment: The purchase of equipment with CDBG funds generally is ineligible.

Construction equipment. The purchase of construction equipment is ineligible, but compensation for the use of such equipment through leasing, depreciation, or use allowances pursuant to OMB Circulars A-21, A-87, or A-122 as applicable for an otherwise eligible activity is an eligible use of CDBG funds. However, the purchase of construction equipment for use as part of a solid waste disposal facility is eligible under the category of Public Facilities and Improvements.

Fire protection equipment. Fire protection equipment is considered for this purpose to be an integral part of a public facility. Thus, purchase of such equipment would be eligible under the category of Public Facilities and Improvements. This includes fire engines and specialized tools such as "jaws of life" and life-saving equipment as well as protective clothing worn by fire fighters.

Furnishings and personal property. The purchase of equipment, fixtures, motor vehicles, furnishings, or other personal property not an integral structural fixture is generally ineligible. CDBG funds may be used, however, to purchase or to pay depreciation or use allowances for such items when necessary for use by a recipient or its subrecipients in the administration of activities assisted with CDBG funds, or when eligible as fire fighting equipment, or when such items constitute all or part of a public service pursuant to 24 CFR 570.201(e). Also, these items are eligible when carried out by a for-profit business as part of CDBG assistance under the authority of 24 CFR 570.203(b).

- Operating and maintenance expenses. The general rule is that any expense associated with repairing, operating, or maintaining public facilities, improvements and services is ineligible. Specific exceptions to this general rule are operating and maintenance expenses associated with public service activities, interim assistance, and office space for program staff employed in carrying out the CDBG program. Examples of operating and maintenance expenses that generally are ineligible include:

Maintenance and repair of public-owned streets, parks, playgrounds, water and sewer facilities, neighborhood facilities, senior centers, centers for persons with disabilities, parking, and other public facilities and improvements. Examples of maintenance and repair activities for which CDBG funds may not be used include the filling of pot holes in streets, repairing of cracks in sidewalks, the mowing of grass in city or county parks, and the replacement of street light bulbs.

Payment of salaries for staff, utility costs, and similar expenses necessary for the operation of public works and facilities.

- New housing construction. See discussion of this activity type under the earlier sections entitled Construction of Housing and Special Activities by CBDOs.
- Income payment. The general rule is that CDBG funds may not be used for income payments. For purposes of the CDBG program, "income payments" is defined as a series of subsistence-type grant payments made to an individual or family for items such as food, clothing, housing (rent or mortgage), or utilities, but excludes emergency grant payments made over a period of up to three consecutive months directly to the provider of such items or services on behalf of an individual or family. One-time grants, emergency type grants, or loans for such purposes may be authorized under the category of public services.

NOTE: Certain activities, even if they would otherwise be eligible under the category of Special Economic Activities cannot be assisted with COBG funds if they are specifically ineligible under the provisions of the public benefit standards under 24 CFR 570.209. Certain activities may not be eligible for funding if they are not cited as a high priority under Montgomery County's HUD-approved Consolidated Plan.

OTHER PROGRAM INFORMATION

Land Acquisition

Applicants are encouraged to have all necessary land acquisitions completed prior to applying for CDBG funds. If land acquisition is a part of the project proposal, please contact The Office of Montgomery County Community Development at (936) 538-8060 **prior** to submitting the proposal.

Displacement

The permanent displacement of homeowners, tenants, businesses, non-profit organizations or farms for CDBG-funded projects is discouraged. If permanent displacement is necessary, it must comply with Federal regulations. In addition, certain restrictions apply to the demolition of buildings that could be used to provide housing for low-and moderate-income persons. If a proposed project includes displacement, this information must be included in the proposal. If displacement is a part of the project proposal, please contact The Office of Montgomery County Community Development at (936) 538-8060 **prior** to submitting the proposal.

Ownership of Improvements

CDBG funds cannot be used to repair or maintain public facilities for the general conduct of government. The applicant must have the legal authority to submit an application for CDBG funds to improve or construct public facilities and/or legal ownership of private facilities.

First Amendment Church/State Principles

As a general rule, CDBG assistance may not be used for. Generally, CDBG funds may not be used for the acquisition of property or the construction or rehabilitation of structures to be used for religious purposes or which will otherwise promote religious interests.

However, CDBG funds may be used to rehabilitate buildings owned by primarily religious entities if the primarily religious entity agrees to provide all eligible activities under this program in a manner that is free from religious influences and the funds must be used for a wholly secular purpose under certain conditions. Please contact The Office of Montgomery County Community Development at (936)538-8060 for additional information.

Conflict of Interest

The general rule is that no persons who exercise or have exercised any functions or responsibilities with respect to CDBG activities or assisted or who are in a position to participate in a decision-making process or gain inside information with regard to these activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract or agreement with respect to a CDBG-assisted activity, or with respect to the proceeds of the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one (1) year thereafter. The conflict of interest provisions apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the recipient, or any designated public agencies, or of subrecipients which are receiving funds.

Full and Open Competition

To help ensure that consulting services are procured in a manner that is fully and openly competitive, the procurement of consulting services shall be conducted in a manner that provides full and open competition. 24 CFR 85.36(c)(1) identifies the following among the situations considered to be restrictive of competition:

- (i) Placing unreasonable requirements on firms in order for them to qualify to do business,
- (ii) Requiring unnecessary experience and excessive bonding,
- (iii) Noncompetitive pricing practices between firms or between affiliated companies,
- (iv) Noncompetitive awards to consultants that are on retainer contracts,
- (v) Organizational conflicts of interest,
- (vi) Specifying only a "brand name" product instead of allowing "an equal" product to be offered and describing the performance of other relevant requirements of the procurement, and
- (vii) Any arbitrary action in the procurement process.

Section 84.43, which covers the subject of competition for non-profit organizations, provides, in part:

"All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition."

Non-Profit/Not-For Profit

In the realm of social service providers, Montgomery County Community Development only funds nonprofit or not-for-profit organizations who are registered as such with the State of Texas.

Timely Expenditures/Reports

If the agency has previously received CDBG funds, Montgomery County Community Development will determine if the agency has been timely with expenditures. Montgomery County Community Development only funds agencies who have demonstrated the capacity to be timely.

Public Presentation/Hearing

In order to be considered for CDBG funding the proposal must be presented at a public forum. Proposals deemed eligible for funding will be notified of the time and date of the public presentation/hearing.