Texas Community Development Block Grant Program

2017-2018 Colonia Fund: Construction (CFC)

Application Guide

June 2017

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TxCDBG Goals and Requirements

The goal of the Texas Community Development Block Grant (TxCDBG) Program is to develop viable communities by providing decent housing and a suitable living environment, as well as by expanding economic opportunities, principally for persons of low-to-moderate income. In awarding funding pursuant to Government Code Section 487.351(c), the Texas Department of Agriculture (TDA) shall give priority to eligible activities in the areas of economic development, community development, rural health and rural housing to support workforce development.

The objectives of the TxCDBG Program are:

1. To improve public facilities to meet basic human needs, principally for low-to-moderate income persons;
2. To improve housing conditions, principally for persons of low-to-moderate income;
3. To expand economic opportunities by creating or retaining jobs, principally for low-to-moderate income persons; and
4. To provide assistance and public facilities to eliminate conditions hazardous to the public health and of an emergency nature.

Choosing a Pre-approved Grantwriter/Administrator

Applicants for the 2017-2018 CFC grants are responsible for identifying the person or firm that will provide administrative services for the project, if funded. Federal guidance has become increasingly restrictive, and prevents vendors from providing "statements of work" prior to being procured. Communities that require outside contractors for administrative services must procure these services without the assistance of any vendor that intends to submit a proposal. In an effort to simplify the procurement process for communities, TDA has solicited Applications to Prequalify Grant Administrators from vendors interested in grant writing and administering CFC projects for the 2017-2018 contract years. Service providers submitted their qualifications directly to TDA. TDA reviewed the proposals based on satisfaction of the minimum qualifications and developed a pre-approved list of vendors included in Appendix VII of this CFC application guide.

- Communities submitting an application to TDA for CFC funding that intend to use a third-party Grant Administrator **must** solicit administrators (grant writers and/or grant administrators) from the pre-approved list of vendors.
- Communities will be required to select an administrative service provider through Commissioners Court action **prior to the Grant Administrator preparing the application**. Information about the steps the community must complete and forms necessary to complete the solicitation of an administrator/grant writer can be found in Appendix VII.
- Communities that prepare grant applications and administer grant projects using City/County employees, or through a subrecipient agreement with a Council of Government, are not required to complete this procurement process; however, TDA may request similar information regarding grant administrator qualifications in the future to ensure administrative capacity.

Application Submittal and Deadline Requirements

The application procedures for the 2017-2018 TxCDBG Colonia Fund: Construction (CFC) are included in this Application Guide. The 2017-2018 CFC application is available at www.TexasAgriculture.gov. The procedures in this application guide supersede those published in all previous TxCDBG application guides.

The deadline for all 2017-2018 TxCDBG CD Fund applications is 5:00 p.m. C.T. on September 18, 2017.

Applications will not be accepted after 5:00 p.m. on the final day of submission, unless the applicant can demonstrate that the untimely submission was due to extenuating circumstances beyond the applicant's control.

The application packet must contain two (2) signed and completed copies of the application: one with original signatures and one copy of the original. An electronic copy of the application is also required. Only the PDF document of the application is needed electronically. This will allow TDA to export the application into a database for faster processing. Email to cdbgapps@TexasAgriculture.gov

Contact Information

Mailing Address (for U.S. Postal Service):	Physical Address (for Overnight Carriers):
Texas Department of Agriculture Texas Community Development Block Grant Program Post Office Box 12847, Capitol Station Austin, Texas 78711	1700 N. Congress Avenue, 11th Floor Mailroom Austin, Texas 78701 Or Hand Deliver to staff on 2nd Floor

Telephone Contact Information

Erica Garza at 512-936-7875	Chad Hinds at 512-936-0232	Joe Midura at 512-936-7880

Any application that is incomplete, noncompliant with program requirements, or received late will be disqualified. Applications lacking information necessary to make a determination concerning the eligibility of the activity (e.g., data on low-to-moderate income benefits) or compliance with TxCDBG and Federal program requirements (e.g., citizen participation requirements) will be disqualified. A substantially complete TxCDBG application must include all of the following information:

- A completed 424 Form with original signature;
- All application forms, fully completed;
- A passed/adopted Local Government Resolution authorizing submission of the application;
- Evidence of compliance with the TxCDBG Citizen Participation Plan including the Public Hearing Notice;
- Legible, quality maps;
- Annual Audit (See *Application Information* Section).
- Active SAM.gov registration

Applications lacking any of the items listed in the checklist will be disqualified. An Application Review Checklist is located in the Application Guide. Applicants are required to verify that the application is complete using the checklist.

Completed applications received by the deadline may be subject to disqualification including but not limited to any of the following reasons:

- The applicant is not a unit of general local government;
- The project is located in an entitlement area;
- The application contains ineligible activities;
- The applicant does not comply with the TxCDBG Citizen Participation Plan requirements;
- The applicant does not meet the Applicant Threshold Requirements;
- The application contains false information;
- The applicant did not comply with the TxCDBG survey requirements;
- The same or substantially the same application has been submitted under two or more TxCDBG fund categories;
- The application does not contain adequate or acceptable information to show that each proposed application activity meets a National Program Objective;
- The application does not comply with the requirement concerning the preparation of an assessment of the applicant's housing and community development needs prior to submission of a TxCDBG application;
- The applicant does not provide the information required in the TxCDBG Applicant/Recipient Disclosure section of the Application;

- The applicant does not respond, refuses to respond, or does not provide an adequate response to requests for revisions or additional information within the prescribed timeline;

Applicants may submit two (2) CFC applications in the 2017-2018 application cycle, including any combination of single jurisdiction and multi-jurisdiction applications. For more information regarding single- and multi-jurisdiction applications, refer to the "Types of Application" section of this application guide.

Applicants cannot simultaneously pursue funds under the Colonia Fund *and* another TxCDBG fund category (i.e. STEP Fund or Disaster Relief/Urgent Need Fund) for substantially the same project. However, projects that have been unsuccessful in securing a Colonia Fund award are eligible for consideration under another fund category if they meet that fund category's requirements.

Applicant Threshold Requirements

Additionally, each applicant must be in compliance with the 12- and 24-month threshold requirements to be eligible for TxCDBG funding.

12-Month Applicant Threshold Requirement: To meet the 12-month threshold requirement, a grantee must obligate at least fifty percent (50%) of the total TxCDBG funds awarded under an open TxCDBG contract within twelve (12) months from the start date of the contract or prior to the application deadline, have completed plans and specifications, and have received all applicable environmental approvals from TxCDBG covering this obligation. This threshold is applicable to TxCDBG contracts with an original 24-month contract period. This threshold requirement is not applicable to awards made under the Texas Capital Fund, Colonia Self-Help Centers Fund, the CEDAP Fund, and the Community Enhancement Fund. Further, non-compliance with this requirement will not prevent eligibility of an applicant for the Disaster Relief/Urgent Need Funds.

24-Month Applicant Threshold Requirement: To meet the 24-month threshold requirement, a grantee must submit to TDA the Certificate of Expenditures (COE) report showing the expended TxCDBG funds and a final drawdown for any remaining TxCDBG funds as required by the most current TxCDBG Project Implementation Manual. Any reserved funds on the COE must be approved in writing by TDA. For purposes of meeting this threshold, "expended" means that the construction and services covered by the TxCDBG funds are complete and a drawdown for the funds has been submitted prior to the application deadline. This threshold will apply to an open TxCDBG contract with an original 24-month period and to TxCDBG contracts that have reached the end of the 24-month period prior to the application deadline. This threshold requirement is not applicable to awards made under the Texas Capital Fund, Colonia Self-Help Centers Fund, the CEDAP Fund, and the Community Enhancement Fund. Further, non-compliance with this requirement will not prevent eligibility of an applicant for the Disaster Relief/Urgent Need Funds.

Action Plan and Selection Procedures

The requirements and procedures specified in the Annual Action Plan and the Texas Administrative Code will govern the 2017-2018 CFC application process. Copies of the Action Plan are available on the TDA website at www.TexasAgriculture.gov.

Of the yearly CDBG allocation to the Colonia Fund, ninety-seven and a half percent (97.5%) of those funds are allocated to the Construction Fund (CFC) and two and a half percent (2.5%) are allocated to the Planning Fund (CFP). Subsequent to awarding funds, any portion of the CFC allocation that is unable to be awarded may be used to fund additional eligible CFP applications, and conversely, any portion of the CFP allocation that is unable to be awarded may be used to fund additional eligible CFC applications.

Eligible applications will compete for funding without regard to regional location. Application scoring is completed by TDA staff and then applicants are notified of the final scores and funding recommendations.

Applications are given priority if the proposed project or activity benefits areas that have been previously awarded funds through the Texas Water Development Board (TWDB) Economically Distressed Areas Program (EDAP) and assists colonia residents who cannot afford the cost of service lines/connections and plumbing costs associated with the activities funded by EDAP.

Eligible Applicants

Funds for colonia construction projects or activities are available to eligible applicants that are non-entitlement units of general local government (counties and in certain cases cities) that do not participate in the entitlement portion of the Federal CDBG Program.

Eligibility is limited to counties with areas meeting the definition of a colonia that are located within 150 miles of the Texas-Mexico border. Under TxCDBG, a "colonia" is an identifiable community defined by a set of criteria, which includes:

- lack of potable water supply;
- lack of adequate sewage systems;
- lack of decent, safe, and sanitary housing; and
- whether the community existed as a colonia prior to the date of enactment of the Cranston-Gonzalez National Affordable Housing Act (November 28, 1990).

Any county within 150 miles of the Texas-Mexico border that is part of a metropolitan statistical area with a population exceeding 1,000,000 is not eligible. Hidalgo County, while a designated CDBG urban county, is eligible for funding under the Colonia Fund.

Eligible counties with areas located within 150 miles of the Texas-Mexico border are:

> Aransas (Part); Bee; Blanco (Part); Brewster; Brooks; Cameron; Coke (Part); Concho (Part); Crane; Crockett; Culberson; DeWitt (Part); Dimmit; Duval; Ector; Edwards; El Paso; Frio; Gillespie (Part); Glasscock (Part); Goliad (Part); Hidalgo; Hudspeth; Irion; Jeff Davis; Jim Hogg; Jim Wells; Karnes (Part); Kenedy; Kerr; Kimble; Kinney; Kleberg; La Salle; Live Oak; Llano (Part); Loving; Mason (Part); Maverick; McCulloch (Part); McMullen; Menard; Midland (Part); Nueces; Pecos; Presidio; Reagan; Real; Reeves; Refugio; Runnels (Part); San Patricio; Schleicher; Starr ;Sterling (Part); Sutton; Terrell; Tom Green; Upton; Uvalde; Val Verde; Ward; Webb; Willacy; Winkler (Part); Zapata; Zavala

According to Section 43.907 of the Local Government Code, a colonia annexed on or after September 1, 1999, remains eligible for five (5) years after the effective date of the annexation to receive any form of assistance for which the colonia would be eligible if the annexation had not occurred. Therefore, an area annexed by a city on or after September 1, 1999, is eligible to receive Colonia Fund assistance for a period of up to five years after annexation if the area meets the definition of a colonia as well as any other CDBG requirements set forth for all applicants. An application for the colonia may be submitted by the county or the city in which it is located.

While eligibility is only provided to a group of specific counties, these applicants may choose to propose projects that will provide benefits through other sub-recipient groups serving their jurisdiction. For example, a county applies for water distribution line improvements to a water system that is owned and operated by a public utility district. The improvements themselves would become the property of the public utility district, but the programmatic and fiscal compliance responsibilities would remain with the applicant (the county).

Another example is a county applying for funding for the installation of water lines for new service in a colonia area annexed by a municipality after September 1, 1999. Again, the improvements themselves would become the property of the municipality, but the programmatic and fiscal compliance responsibilities would remain with the applicant (the county).

A colonia construction application must include an assessment of the effect of the Model Subdivision Rules established pursuant to §16.343 of the Water Code and enforcement actions throughout the county and provide the colonia identification number for the colonia that would receive the project benefit.

NOTE: If only a portion of a county's territory is located within 150 miles of the Texas-Mexico border, an application submitted by that county can only serve the portion that is located within the 150 mile range.

National Program Objectives (NPO)

Each proposed activity included in an application for TxCDBG funds must meet one of the U. S. Housing and Urban Development's (HUD) three CDBG National Program Objectives, or NPOs. CEDAP projects qualify for CDBG funding under the NPO classified as "Activities Benefitting Low-to-Moderate Income Persons." Refer to the "Identifying Activity Beneficiaries" section on page 6 or the Census and Survey Methodology described in Appendix I for information on how to document that a proposed project satisfies this NPO.

1. Activities Benefiting Low-to-Moderate Income Persons
   a. *Low-to-Moderate Income Area Benefit* – an activity that benefits all residents of an area that is primarily residential. Low-to-moderate income is frequently abbreviated as "LMI."
   b. *Low-to-Moderate Income Limited Clientele* – an activity that provides benefits to a specific group of persons generally presumed to be principally LMI.
   c. *Low-to-Moderate Income Housing* – an activity assisting in the acquisition, construction, or improvement of permanent residential structures may qualify as benefiting LMI persons only to the extent that the housing is occupied by LMI persons.
   d. *Low-to-Moderate Income Jobs* – activity that creates or retains permanent jobs, at least 51 percent of which, on a full time equivalent (FTE) basis, are either held by or available to LMI persons.

Applicants are required to document and report the beneficiaries of each proposed application activity. Once an applicant has identified the persons that will benefit from the proposed eligible activity, there are three (3) acceptable ways to document the total beneficiaries and number of LMI beneficiaries for each proposed application activity: HUD Census and American Community Survey based data, the completion of a TxCDBG approved survey, or a combination of the two.

Eligible Activities

Per HUD's Office of Community Planning and Development, states and units of general local government are strongly encouraged to use CDBG colonia set-aside funds for projects addressing lack of potable drinking water supply, lack of adequate sewage systems, and lack of decent, safe and sanitary housing. Although Section 916(b)(3) of the Cranston-Gonzalez National Affordable Housing Act (Act) permits colonia set-aside funds to be used for any activities eligible for assistance under Section 105(a) of the Housing and Community Development Act (HCDA) of 1974, as amended, basic infrastructure (water and wastewater treatment systems) and housing activities should have priority under the colonia set-aside pursuant to the language in Section 916(a) of the Act. The state should provide a funding priority under the colonia set-aside for these types of activities and should only fund other activities if they are undertaken in conjunction with funding of basic infrastructure and housing activities; therefore, **at least 51% of the proposed activities/projects within an application must principally address basic infrastructure (water and wastewater systems) or housing**.

The following activities are eligible under the CFC:

Assessments for Public Improvements

The payment of assessments (including any charge made as a condition of obtaining access) levied against properties owned and occupied by persons of low and moderate income to recover the capital cost for a public improvement.
TxCDBG colonia funds for the payment of assessments are focused on projects providing water and sewer facilities and service where no facilities/service currently exists, and projects providing first-time service access to existing water and sewer facilities for persons of low and moderate income.

Other Improvements

Other activities eligible under Section 105 of the HCDA designed to meet the needs of residents of colonias. Including the amendments adopted in the HCDA of 1992, all of the eligible activities under Section 105 of the HCDA of 1974, as amended, are eligible under the CFC Fund. The following provides additional guidance and further definition concerning eligible and ineligible activities for some of the TxCDBG eligible activities included in Section 105(a) (**NOTE**: eligibility will be determined on a case-by-case basis in the event that a proposed activity does not fall into one of the following categories. Please contact TxCDBG staff for a determination.

Water System Improvements

Eligible activities include:

- installation of new lines;
- installation of larger capacity lines;
- installation of service connections and service re-connections on public property;
- installation of service re-connections and yard service lines on private property when the yard service line and re-connection must be relocated to account for the installation of replacement distribution lines in a new location;
- installation of fire hydrants;
- construction of new intake stations;
- drilling of new wells;
- replacement of facilities beyond their expected life;
- plant expansions or modifications due to increased water demand;
- plant expansions or modifications due to change in source water quality;
- replacement of major equipment (e.g., clarifiers);
- construction of elevated or ground storage tanks; and
- acquisition of real property (including Rights-of-Way/easements).

Ineligible activities include:

- cleaning of lines;
- maintenance/repair of existing ground and elevated storage tanks (including interior and exterior painting unless the repair extends the useful life of the tank by at least 10 years);
- improvements made necessary because of poor maintenance or operational practices;
- replacement of minor equipment;
- minor facility repairs; and
- improvements that will result in operations that are not in compliance with applicable state, federal, and local laws and regulations.

Drainage Improvements

Eligible activities include:

- permanent drainage facilities such as retention ponds or catch basins; and
- acquisition of real property (including Rights-of-Way/easements).
- **NOTE**: TxCDBG considers curb and gutter, when eligible, to be a street improvements activity and not a drainage improvements activity.

Ineligible activities include:

- ditch cleaning and other operation/maintenance activities.

Housing Rehabilitation

Eligible activities include:

- loan or forgivable loan assistance for rehabilitation of housing units that do not meet HUD Section 8 Housing Quality Standards or local codes, whichever is more stringent. Examples include structural repairs, comprehensive weatherization, lead-based paint abatement, heating-ventilation-air conditioning, etc. TxCDBG assistance for housing rehabilitation hard costs cannot exceed $50,000 per unit and must address all existing code deficiencies. Inspection costs, construction, and acquisition costs may not exceed $50,000.

- rehabilitation activities, housing renovation, and housing improvements necessary to make housing units accessible for persons with disabilities. Rehabilitation improvements are subject to the requirements of the Architectural Barriers Act of 1968 and shall comply with the Uniform Federal Accessibility Standards; and
- installation of water or sewer yard service lines and service connections on private property when the housing unit is occupied by a low and moderate income person or persons.

Ineligible activities include:
- rehabilitation activities that include only cosmetic repairs or which improve only the appearance of the structure without addressing structural and code deficiencies.

Wastewater Improvements
Eligible activities include:
- installation of new lines;
- replacement of existing lines (if deteriorated or obsolete);
- installation of larger capacity lines;
- installation of service connections and service re-connections on public property;
- installation of service re-connections and yard service lines on private property when the yard service line and re-connection must be relocated to account for the installation of replacement collection lines in a new location;
- construction of new lift stations due to expanded capacity;
- plant expansions or modifications due to changes in influent characteristics;
- plant expansions due to increased influent where the existing facility is operating at or near capacity as established by the Texas Commission on Environmental Quality (TCEQ);
- construction of a new sewage treatment plant; and
- acquisition of real property (including ROWs/easements).

Ineligible activities include:
- cleaning of lines;
- rehabilitation of lift stations if no expanded capacity is being added to collection or treatment systems;
- replacement of minor equipment;
- minor facility repairs;
- improvements made necessary because of poor maintenance or operational practices; and
- improvements that will result in operations that are not in compliance with applicable state, federal, or local laws and regulations.

Road/Street Improvements
Eligible activities include:
- construction of roadways at new locations, regardless of surface materials to be used;
- construction of added width capacity in the form of additional lanes (not less than 10 feet of added width);
- acquisition of additional rights-of-way for construction at new locations or for added width capacity;
- projects that increase the structural strength of the roadway or improve service of the roadway. Generally, this refers to improvements in the surface material quality. (e.g., caliche to crushed rock, crushed rock to asphalt, etc.);
- bridge/Culvert Replacement (where deteriorated or obsolete); and
- curb and gutter when done in conjunction with other eligible street activities (Note: TxCDBG considers curb and gutter, when eligible, to be a street improvements activity and not a drainage improvements activity).

Ineligible activities include:
- seal coating;
- overlays;
- level-ups;
- resurfacing to return to the original design and condition of the roadway;
- extensions of installations of curb, gutter, and/or sidewalks (except in conjunction with an eligible paving activity listed above); and

- resurfacing, stabilizing, or widening roadway shoulders and side road approaches (except in conjunction with eligible drainage activities).

Application and Contract Maximums

For the Colonia Fund Construction application, the maximum application request amount is $500,000 and the minimum is $75,000. For the 2017-2018 CFC Application cycle, two applications may be submitted by an eligible applicant. In an effort to address the most needy of colonias, TDA has opened up the CFC cycle to allow a county to submit two applications. TDA's goal is to fund applicants with a more comprehensive approach to ending colonia like conditions. Each application must include one or more "stand-alone" projects, and cannot depend on work proposed in any other pending TxCDBG application. An applicant may not submit two applications that include On-Site Sewer Facilities (OSSF) activities in both applications. Applications must justify any amount requested in the application and the amount requested is subject to review and negotiation.

Identifying Activity Beneficiaries

This section includes descriptions of acceptable methods of identifying beneficiaries of a proposed eligible activity. The method(s) used by an applicant to identify the beneficiaries of an activity are based on the type of activity proposed and the persons that could or will actually benefit from the proposed activity.

TDA staff reviews the beneficiaries reported in the application for accuracy, the acceptability of the method(s) used by an applicant to identify the beneficiaries for each proposed activity, and for compliance with the criteria for NPOs.

Activities Principally Benefiting Low-to-Moderate Income Persons

An activity addresses the NPO of principally benefitting low-to-moderate income persons if it meets the area benefit activity, housing activity, limited clientele activity, or job activity criteria.

Area Benefit Activities

Area benefit activities must benefit all residents in an area where at least 51 percent of the residents are LMI persons. Residents claimed as beneficiaries in the target area must be based on the entire area served by the activity. An activity serving an area that is not primarily residential in character is not eligible under the area benefit criterion. The benefit area must be clearly identified in the project map.

Special Assessments for Public Improvements

TxCDBG funds may pay special assessments and fees levied against residential properties owned and occupied by LMI persons for a public improvement that benefits all residents of the target area. Localities cannot levy special assessments and service connection/tap-on costs and fees on LMI persons to recover the TxCDBG-financed portion of a public improvement.

However, localities may levy such fees to recover the portion of a public improvement financed from other funding sources if TxCDBG funds are used to pay these costs for the residential properties owned and occupied by LMI beneficiaries.

Under certain conditions, TxCDBG funds may pay special assessments and fees for LMI persons in connection with public improvements not initially financed with TxCDBG funds. The payment of special assessments/fees constitutes TxCDBG assistance to the public improvement. TxCDBG funds may pay the assessments/fees on behalf of LMI persons provided that:

- The installation of the public improvements was carried out in compliance with requirements applicable to activities assisted under the TxCDBG Program, including labor, environmental, and citizen participation;
- The installation of the public improvement meets a TxCDBG NPO; and
- TxCDBG funds cover the assessment/fees on behalf of LMI persons.

When assessments/fees might be levied for public improvements not financed with TxCDBG funds and meeting the first two criteria described above, applicants must either waive the payment of the assessments/fees or request funds in the TxCDBG application to pay such fees levied against residential properties owned and occupied by LMI persons.

Water Distribution Lines or Sewer Collection Lines in Residential Areas
Residents of a target area are beneficiaries if the water or sewer lines installed through the application activities provide service to all residents of the area. If applicable, project activities must include funds to pay related special assessments, service connection costs, and fees levied against residential properties owned and occupied by LMI persons.
Sewer Main Trunk Lines, Water Main Supply Lines, and Looping Of Water Lines
Residents of a target area are beneficiaries if the water provided through the new or replaced lines is available to them. The residents of the target area that receive improved water pressure or an alternate means of access to water through the looping of water lines are also considered beneficiaries.

The residents of a target area are beneficiaries when existing or new sewer collection lines flow into the new or replaced sewer collector trunk lines en route to the treatment plant. This also applies for lift stations.

Water Treatment, Water Supply, Water Storage Improvements
The residents of a service area that will be served by the proposed treatment, supply, or storage improvements are counted as beneficiaries. These improvements generally provide a community-wide or system-wide benefit. If the improvement provides less than a system-wide benefit, the applicant must base the beneficiary count on the number of residents in the service area that benefit from the improvement.

Sewage Treatment Plant Improvements
All residents served by the sewer treatment facility that will be improved through the TxCDBG application activities are considered beneficiaries. If there is more than one treatment facility serving the applicant's jurisdiction, the applicant must identify only the beneficiaries residing in the service area of the plant that will be improved through the proposed project.

Water and Sewer Yard Service Lines and Service Connections
All persons residing in homes that receive a service connection, service re-connection, or water meter located on public property may be considered beneficiaries.

Installing service re-connections and yard service lines on private property is an area benefit activity only when the beneficiaries already receive water or sewer service and relocation of the yard service line is necessary because some existing water lines or sewer lines are relocated as part of TxCDBG application activities.

The yard service lines must be treated as a separate activity and must meet the 100 percent LMI benefit threshold for the total number of residents receiving the yard service line assistance.

Street Improvements
Area benefit may be used to qualify street paving activities. However, for street paving activities with multiple non-contiguous target areas, each target area must separately meet the LMI National Program Objective – at least 51% of the beneficiaries in each non-contiguous target area must be LMI.

Beneficiaries of street improvement projects include residents whose property lines abut the arterial or collector streets targeted for improvement, as well as those who rely on the targeted streets as the only way to access their area of residence. Residents of arterial street blocks whose property directly abuts either side of the collector streets targeted for improvement are also considered beneficiaries.

Flood and Drainage Improvements
All residents in the recognized drainage basin or the area that will actually receive improved drainage from the proposed activities are beneficiaries.

Solid Waste Disposal/Landfills/Transfer Stations
Residents of the service area for the landfill or transfer station are considered beneficiaries. A multi-jurisdiction application may be necessary if multiple governmental jurisdictions will use the landfill or transfer station.

Community Centers/Senior Centers/Multi-purpose Centers/Other Public Centers
If there is only one center in the community, this may be a community-wide benefit activity. If there is more than one community center, the applicant must identify the service area for the center. All residents in the service area of the proposed center are beneficiaries.

Activities under this category may meet the NPO for Limited Clientele Activities if the proposed center will serve only a specific population within the community.

Acquisition of Real Property
All residents that benefit from the planned use of the property may be considered beneficiaries. A final determination shall be based on the property's actual use.

Demolition
Residents whose property line is adjacent to the properties to be cleared may be considered beneficiaries. If this activity is part of a neighborhood revitalization project, applicants may base the beneficiary count on the population of the defined neighborhood revitalization area. Applicants must contact TxCDBG staff prior to application submission to determine appropriate target area requirements.

Relocation Assistance
When the unit of general local government is required to provide relocation assistance, residents benefitting from the relocation assistance activity are the same beneficiaries as those who benefit from the activity that required their displacement.
When relocation assistance is voluntary, the unit of general local government may qualify the assistance based on the NPO addressed by the displacing activity, or if the relocation assistance is provided to LMI persons, based on principally benefitting LMI persons.

Fire Prevention
All residents in the service area for the specific improvements (e.g., hydrants, fire stations) are beneficiaries.

Parks and Recreational Activities
All residents in the service area for the proposed park or recreational facility improvements are beneficiaries. If there is only one park or recreational facility in the community, it is considered a community-wide benefit project. If there is more than one park or recreational facility, the applicant must identify the service area of the park or recreational facility that is included in the proposed project.

Code Enforcement
All residents of the designated area affected by such enforcement are beneficiaries. Applicants must contact TxCDBG staff prior to application submission to determine appropriate target area requirements.

City or County Jails
All residents in the jurisdiction served by the jail are considered beneficiaries. For a city jail, the benefit is at least citywide. For a county jail, the benefit is at least countywide.

Planning-only Activities
When planning is the only activity included in a TxCDBG grant, the application must include documentation that at least 51 percent of the persons who would benefit from the implementation of the plan are LMI persons. Planning activities for a target area or entire community with at least 51 percent LMI population will meet the NPO focused on primarily serving persons of low-to-moderate income.

Housing Activities

To meet the NPO of principally benefiting LMI persons, housing activities must improve permanent residential structures that will be occupied by LMI persons. Eligible projects include (but are not limited to):

- acquisition or rehabilitation of property by the unit of general local government, a sub-recipient, an entity eligible to receive assistance under section 105(a)(15) of the Housing and Community Development Act of 1974, as amended (neighborhood-based nonprofit organization, local development corporation, nonprofit organizations serving the development needs of the non-entitlement community), a developer, an individual homebuyer, or an individual homeowner; and
- conversion of non-residential structures to residential structures.

Housing Rehabilitation

LMI persons residing in housing that will receive rehabilitation assistance are considered beneficiaries. Since the actual number of beneficiaries may not be known when the application is prepared, an applicant may estimate the number of beneficiaries by multiplying the number of housing units proposed for rehabilitation by the average household or family size for the applicant's jurisdiction obtained from Census data (e.g., 10 proposed housing units and an average family size of 3.5 persons for the jurisdiction would yield an estimate of 35 beneficiaries).

The beneficiaries of TxCDBG-financed housing rehabilitation assistance programs, including programs for the rehabilitation of housing units to include improvements necessary to make the units accessible to persons with disabilities, are limited to LMI persons.

Voluntary Relocation Assistance

When relocation assistance is voluntary under a TxCDBG-financed housing rehabilitation program, assistance is limited to LMI persons. The beneficiaries are the residents of the housing units that receive voluntary relocation assistance.

Water and Sewer Yard Service Lines and Service Connections on Private Property

For projects that include the provision of first-time water service or first-time sewer service, the installation of service connections and yard service lines on private property is considered a housing rehabilitation activity and must meet the housing activity criteria. TxCDBG funds will only pay for the costs of service connections, yard service lines, and related house plumbing improvements that are located on private property for LMI persons.

For example, City A receives a TxCDBG grant to provide first-time sewer service in a target area that includes 80 persons, of which 52 are LMI. The beneficiaries of the sewer collection lines, lift stations, etc., needed to provide service to the area are all 80 persons. City A will provide TxCDBG-funded assistance to the LMI persons in the target area for sewer house connections, yard service lines, and related plumbing improvements. The sewer house connections, yard service lines, and related plumbing improvements are a housing rehabilitation activity benefitting only the 52 LMI persons in the target area**.**

On-Site Sewage Facilities

For projects that include the provision of first-time on-site sewage facilities or replacement of on-site sewage facilities, the installation of septic systems on private property is considered a housing rehabilitation activity and must meet the housing activity criteria. TxCDBG funds will only pay for the systems that are located on private property for LMI persons. **Applicants applying for this activity must provide a waiting list of homeowners that have requested assistance, including addresses and date of contact, to document the need as described in the Community Needs Assessment and submit selection criteria to TDA**.

Rental Housing Activities

For rental housing, beneficiaries are LMI persons residing in units that receive TxCDBG assistance. Rents must be held at affordable levels to qualify under the housing activities criterion.

Limited Clientele Activities

To qualify as a limited clientele activity, the activity must meet one of the following tests:

The activity must benefit a clientele generally presumed to be principally LMI persons. Activities that exclusively serve a group of persons in any one or a combination of the following categories may be presumed to benefit 51 percent LMI:

- elderly persons (age 62 and over)
- abused children
- battered spouses
- homeless persons
- illiterate adults
- migrant farm workers
- persons meeting the Census Bureau definition of "severely disabled." Persons are classified as having a severe disability if they:
    - use a wheel-chair or have used another special aid for 6 months or longer;
    - are unable to perform one or more functional activities or need assistance with an activity of daily living (getting around inside the home, getting in or out of bed or a chair, bathing, dressing, eating, and toileting) or instrumental activity of daily living (going outside the home, keeping track of money or bills, preparing meals, doing light housework, and using the telephone);
    - are prevented from working at a job or doing housework; or
    - have a selected condition including autism, cerebral palsy, Alzheimer's disease, senility or dementia, or intellectual disability.
    - are less than 65 years of age and are covered by Medicare or receive Supplemental Security Income (SSI).

The activity must require information on family size and income so that it is evident that at least 51 percent of the clientele are persons whose family income does not exceed the LMI limit.

- The activity must have income eligibility requirements that limit the activity exclusively to LMI persons.
- The activity must be of such a nature, and be in such a location, that the activity's clientele will primarily be LMI.

An eligible TxCDBG activity that exclusively serves the residents of Public Housing Authority (PHA) units could qualify as a limited clientele activity because the income guidelines used to determine PHA eligibility are the HUD Section 8 Income Limits.

An eligible TxCDBG activity that exclusively serves a Nursing Home where at least 51 percent of the Nursing Home residents are LMI persons could qualify as a limited clientele activity. Nursing Home residents that are eligible for Medicaid (not Medicare) assistance meet income limit eligibility requirements that are lower than the low-to-moderate income limits. Residents of Nursing Homes that are older than 62 years of age are in a clientele group that is presumed to be principally LMI.

As an example, a Nursing Home with 100 residents has 75 persons that qualify for Medicaid. The 75 Medicaid-eligible persons are LMI. Thirteen (13) of the remaining 25 (25 X 0.51 = 12.75 = 13) Nursing Home residents can also be considered LMI by using the minimum TxCDBG activity qualifying low/mod benefit percentage (51%).

Community Center, Multi-Purpose Center, and Service Center Activities

A community center, multi-purpose center, or service center activity could qualify as a limited clientele activity if the center exclusively serves:

- one or a combination of the groups of persons in the accepted categories listed for limited clientele activities;
- persons through programs that require information on family size and income where there is evidence that at least 51 percent of the clientele are LMI; or
- persons through programs that are limited to persons of low-to-moderate income.

For centers which would provide some office space for limited clientele eligible programs and some space for general use by persons in the service area, the TxCDBG requires that the number of beneficiaries be based on the total number of persons residing in the service area (area benefit activity that usually includes all persons residing in the city for a city center or all persons residing in the county for a county center).

Senior Center Activities

A senior center activity could qualify as a limited clientele activity if the center exclusively serves:

- elderly persons (age 62 and over) or a combination of the groups of persons in the accepted categories listed for limited clientele activities; or
- persons through programs that require information on family size and income where there is evidence that at least 51 percent of the clientele are LMI; or
- persons through programs that are limited to persons of low-to-moderate income.

Please note that all other general use of the facility and use by persons that are not senior citizens must represent only incidental use. Otherwise, the activity must qualify as an area benefit activity that includes all persons residing in the city for a city center or all persons residing in the county for a county center.

Service Centers for Severely Disabled Persons

A service center for severely disabled persons activity (facilities such as physical/vocational rehabilitation centers, mental health/mental retardation service centers, etc.) could qualify as a limited clientele activity if the center exclusively serves:

- severely disabled persons or a combination of the groups of persons in the accepted categories listed for limited clientele activities; or
- persons through programs that require information on family size and income where there is evidence that at least 51 percent of the clientele are LMI; or
- persons through programs that are limited to persons of low-to-moderate income.

Provision of Accessibility to Public Buildings

Removal of architectural barriers to the mobility or accessibility of elderly persons or severely disabled persons to public buildings could qualify as a limited clientele activity if the activity is limited to public buildings. The applicant must be able to document that complete accessibility to the public building is being provided.

A TxCDBG application that includes a public building accessibility activity must include improvements such as handrails, ramps, widening of doorways (entrances and exits to the building and to primary offices and meeting rooms), modifications of restroom facilities, elevator(s) (if applicable), parking, and related improvements.

The beneficiary count for this activity is based on the number of elderly persons and severely disabled adults residing in the service area for the public building and it is presumed that the project will meet the NPO of principally benefitting persons of low to moderate income. For the provision of accessibility to a County Courthouse, the beneficiary population would be determined on a county-wide basis. For the provision of accessibility to a City Hall, the beneficiary population would be determined on a city-wide basis.

The total number of beneficiaries will equal fifteen percent (15% as determined by the Texas Rehabilitation Commission) of the most recent Census population for the city or county. The number of LMI beneficiaries will equal fifty-one percent (51%) of the total number of (15% of the total service area population) estimated to be served by the accessibility project.

For example, a City Hall accessibility project in a city with a population of 2,000 persons would benefit 300 total persons and 153 low-to-moderate income persons (2,000 X 0.15 = 300 X 0.51 = 153).

Beneficiary Identification Methods

An activity in the Colonia Fund must address the NPO of principally benefitting low-to-moderate income persons. The application must provide documentation as to the income status of those persons (also called beneficiaries). Low to moderate income individuals are those whose income is 80% or less of the area median family income (AMFI). Clear documentation of an applicant's beneficiary identification method must be received with the application otherwise the application will be disqualified.

Surveys

Use of door-to-door surveys is an acceptable method for documenting beneficiary income levels. Refer to the agency website at www.TexasAgriculture.gov for a copy of the most recent **Survey Methodology Manual** and required survey forms. Surveys of 200 or more households must use random sampling techniques and all surveys must result in at least an 80% response rate. Surveys of less than 200 households may not use random sampling. When the beneficiaries of an activity are fewer than 60% of the residents of a Census Geographic Area, or the income profile of a community has changed substantially since the last Census, surveys are often a useful alternative (see example 3 in Appendix I: Using Census Data and Surveys). Adhere to these requirements to **avoid disqualification**.

Obtaining Census Maps

To obtain a Census map of a specific area, visit the U.S. Census Bureau web site (http://www.census.gov/geo/maps-data/maps/block/2010/).

For further information about using Census data to determine the LMI percentage of a project's beneficiaries, contact TDA staff and refer to Appendix I: Using Census Data and Surveys. The beneficiary documentation methods can be found on the TDA website under All Resources on the CDBG landing page.

Citizen Participation Plan Requirements

Each applicant must complete a citizen participation process that complies with the TxCDBG Citizen Participation Plan requirements as described in this guide prior to submitting an application.

A locality can only receive a TxCDBG grant if the locality certifies that it follows a detailed citizen participation plan that provides for and encourages citizen participation at all stages of the community development program.

TxCDBG applicants and funded localities are required to carry out citizen participation in accordance with the Citizen Participation Plan adopted for the TxCDBG Program. Each applicant certifies by signing a 424 Form that it has and will comply with the requirements of this Citizen Participation Plan including taking reasonable steps to ensure access for persons with Limited English Proficiency (LEP) by providing language assistance as appropriate.

Each applicant must maintain a citizen participation file that includes a copy of this Plan, the LEP plan, the applicant's complaint procedures, any technical assistance provided by the applicant, and public notices, minutes, and attendance lists for public hearings.

Complaint Procedures:
The applicant/recipient must have written citizen complaint procedures that provide a timely written response to complaints and grievances. Citizens must be made aware of the location, days, and hours when copies of the plan are available.

Technical Assistance:
When requested, the applicant/recipient shall provide technical assistance to groups representative of persons of low-to-moderate income in developing proposals for the use of TxCDBG funds. The level and type of assistance shall be determined by the applicant/recipient based upon the specific needs of the community's residents.

Public Hearing Provisions:

The applicant must provide citizens with reasonable advance notice and opportunity to comment on eligible and proposed activities in the CEDAP application.

For public hearings scheduled and conducted by a TxCDBG applicant or recipient, the following public hearing provisions must be observed:

1. Public notice of the hearings must be published in a local newspaper at least seventy-two (72) hours prior to the scheduled hearing. The public notice must include the date, time, location and topics to be considered at the public hearing. A published newspaper article may also be used to meet this requirement so long as it meets all content and timing requirements. Notices should also be prominently posted in public buildings and distributed to local Public Housing Authorities and other interested community groups.
2. The public hearing must be held at a time and location convenient to potential or actual beneficiaries and include accommodations for persons with disabilities. Furthermore, the applicant must make arrangements for individuals who require auxiliary aids or services if contacted at least two days prior to each hearing. The public hearing must be held no earlier than 5:00 p.m. on a weekday or at a convenient time on a Saturday or Sunday.
3. When a significant number of non-English speaking residents are expected to participate in a public hearing, an interpreter must be present to accommodate the needs of the non-English speaking residents.

Applicants must comply with the following citizen participation requirements for the preparation and submission of an application to the Texas Community Development Block Grant Program:

1. The public hearing must occur prior to the adoption of the local government resolution authorizing the submission of the application. To ensure reasonable advance notice, it is highly recommended that the public hearing occur on a date prior to the adoption of the local government resolution authorizing the submission of the application.
2. The locality must retain documentation of the hearing notice(s), attendance lists, minutes of the hearing(s), and any other records concerning the proposed use of funds for a period of one year. Such records must be available to the public in accordance with Chapter 552, Government Code.
3. The public hearing must meet the following TxCDBG notification requirements and include a discussion with citizens covering the following topics:
   - The development of housing and community development needs.
   - The amount of funding available.
   - All eligible activities under the Texas Community Development Block Grant Program.
   - The applicant's use of past TxCDBG contract funds, if applicable.
   - The estimated amount of funds proposed for activities that will meet the national objective of benefit to low-to-moderate income persons.
   - The plans of the locality to minimize displacement of persons and to assist persons actually displaced as a result of activities assisted with TxCDBG funds, if applicable.

Citizens must be encouraged to submit their views and proposals regarding community development and housing needs, with particular emphasis on persons of low-to-moderate income who are residents of slum or blighted areas. Local organizations that provide services or housing for low-to-moderate income persons, including the local Public Housing Authority, the local Health and Human Services office, the local Mental Health and Mental Retardation office, and other local service providers such as Faith-Based organizations, must receive written notification concerning the date, time, location and topics to be covered at the public hearing. Citizens must be made aware of the location where they may submit their views and proposals in case they are unable to attend the public hearing. While more than one application may be discussed at the public hearing, a hearing held for the previous program year's submission of the same application does not satisfy the requirements for any subsequent competition.

A community must provide reasonable notice of the availability of a proposed application in order to afford affected citizens an opportunity to examine the application's contents to determine the degree to which they may be affected, and to submit comments on the proposed application. This requirement may be met by publishing a summary of the

proposed application in one or more local newspapers of general circulation at least five (5) days prior to submitting the application to TDA, and by making copies of the proposed application available at libraries, government offices, and public places.

At least five (5) days prior to the submission of an application for TxCDBG funds, the applicant must publish a public notice in a local newspaper that includes the following information:

- The TxCDBG fund categories for which applications will be submitted.
- The amount of TxCDBG funds requested in each application.
- A short description of the proposed project activities in each application.
- The locations of the project activities included in each application.
- The location and hours when the application will be available for public review.

In the preparation of the final application, the community shall consider comments and views received related to the proposed application and may, if appropriate, modify the final application prior to submission of the application to TDA. The final application shall be made available to the public.

In the event the application is successful, applicants must also comply with the following citizen participation requirements:

- Must provide citizens with reasonable advance notice of and opportunity to comment on activities which are proposed to be added, deleted or substantially changed from the locality's application.
- Upon completion of the activities, the locality shall hold a public hearing and review its program performance, including the actual use of TxCDBG funds.
- The locality must retain documentation of the hearing notice(s), attendance lists, minutes of the hearing(s), and any other records concerning the actual use of funds for the greater of:
    1. Three years after close-out of HUD's grant to the State of Texas (please see TDA website)
    2. If notified by TDA in writing, the date that the final audit is accepted with all audit issues resolved to TDA's satisfaction (Please see date of TDA audit acceptance letter if applicable); or
    3. A date consistent with the period required by other applicable laws and regulations as described in 24 CFR 570.490 and 2 CFR 200.333.

Failure to comply with these requirements may result in disqualification of the application.

Local Certifications

Each applicant for TxCDBG funding must certify by signing the 424 Form that it has adhered to the Local Certifications included in this application guide in the preparation of any TxCDBG application. Adherence to these certifications must be ongoing in the event that the application is successful.

With respect to the expenditure of funds provided under a Texas Community Development Block Grant contract, each TxCDBG contractor is required to certify that:

1. It will minimize displacement of persons as a result of activities assisted with such funds.
2. The program will be conducted and administered in conformity with Title VI of the Civil Rights Act of 1964 (42 USC 2000d et seq.) and the Fair Housing Act (42 USC 3601 et seq.), and that it will affirmatively further fair housing, as specified by TDA.
3. It will provide opportunities for citizen participation, hearings and access to information with respect to its community development programs, and that it is following the TxCDBG Program Citizen Participation Plan.
4. It will not attempt to recover any capital costs of public improvements assisted in whole or in part with such funds by assessing any amount against properties owned and occupied by persons of low-to-moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements unless: (A) such funds are used to pay the proportion of such fee or assessment related to the capital costs of such public improvements that are financed from revenue sources other than such funds; or (B) for purposes of assessing any amount against properties owned and occupied by persons of low-to-

moderate income who are not persons of very low income, the contractor certifies that it lacks sufficient funds under this contract to comply with the requirements of clause (A).

5. It will comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and Federal implementing regulations at 49 CFR Part 24, and the requirements of section 570.606 including the following of a residential anti-displacement and relocation assistance plan, as specified by TDA, in the event that displacement of residential dwellings will occur in connection with a project assisted with TxCDBG funds.
6. It has adopted or will adopt and enforce a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations and enforce applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such nonviolent civil rights demonstrations within its jurisdiction.
7. To the best of the TxCDBG contractors' knowledge and belief, no Federal appropriated funds have been paid or will be paid, by or on behalf of the TxCDBG Contractor, 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 connection 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.
8. 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 any agency, a member of Congress, 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 TxCDBG Contractor shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.
9. The TxCDBG contractor must require that the language of this certification be included in the award documents for all sub-awards at all levels (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

Minority Participation/Local Opportunity

The TxCDBG program encourages localities to affirmatively take action to utilize small, minority (MBE) and women-owned (WBE) businesses whenever possible. Although funded localities are not directly responsible for meeting a specific minority business participation goal, TxCDBG reports to HUD on the levels of MBE and WBE hiring under all CDBG contracts. To increase participation of small, minority and women owned-businesses localities may use the Texas Facilities Commission Historically Underutilized Business (HUB) Directory. Also in accordance with Section 3 of the Housing and Urban Development Act of 1968, successful applicants using CDBG funding for housing or other public construction are required, to the greatest extent feasible, to provide training and employment opportunities to lower-income residents and contract opportunities to businesses in the project area.

Subdivision Platting Requirements in Economically Distressed Counties

Chapter 232, Subchapter B, Texas Local Government Code, establishes comprehensive platting requirements for subdivisions of four or more residential lots in economically distressed areas (unincorporated areas in affected counties located outside of the corporate limits of municipalities and outside of the extraterritorial jurisdiction of municipalities that are within 50 miles of the international border) in affected counties (counties that are eligible for the Texas Water Development Board Economically Distressed Areas Program).

Subchapter B covers counties that are within fifty miles of the international border and are eligible for the Texas Water Development Board Economically Distressed Areas Program.

Chapter 232, Subchapter C, Texas Local Government Code, establishes many of the same platting requirements for the subdivision of land located outside of a municipality or the extraterritorial jurisdiction of a municipality for counties that are eligible for the Texas Water Development Board Economically Distressed Areas Program that are not covered by the Subchapter B provisions.

Subchapter C covers counties that are further than fifty miles from the international border and are eligible for the Texas Water Development Board Economically Distressed Areas Program.

A sub-divider is required to have a plat of the subdivision prepared in compliance with the requirements of Subchapter B or Subchapter C including certifications by an engineer concerning when water and sewer facilities will be fully operable and that said facilities are in compliance with the Model Subdivision Rules. A plat is not valid unless the county commissioner's court approves it.

See also Appendix VI: Colonia Funds and Platting Subdivisions.

Fair Housing Activities

Any locality receiving funds under the TxCDBG Program must certify that it will affirmatively further fair housing choice. Each funded locality must conduct at least one fair housing activity during the contract period, even if the locality is currently undertaking fair housing activities. Activities that qualify as affirmatively furthering fair housing include, but are not limited to, the following:

- Cities may pass a fair housing ordinance and publicize the existence of such an ordinance.
- Counties may adopt written fair housing policies and procedures that are equivalent to a fair housing ordinance and publicize the existence of such policies.
- The development of a strategy to pass a fair housing ordinance to be evidenced by public hearings and input from interested parties.
- The establishment of a written local complaint and monitoring process and notification to the public of its existence.
- The initiation of a fair housing counseling referral service that provides housing choices outside historically minority and/or low-to-moderate income neighborhoods to be evidenced by adoption of written procedures and publication of the availability of such service.
- The completion of a community-wide housing analysis to determine impediments to fair housing and actions to eliminate these impediments.
- The designation of April, or some other month, as Fair Housing Month through resolution or proclamation along with other activities to support fair housing.

In addition, communities that receive CDBG funds, chief elected officials, and third party consultants may be required to have Fair Housing training. Training will be offered at both on-site workshops and state-wide webinars.

Conflict of Interest

Under the conflict of interest provisions at 24 CFR 570.489(h) included in the regulations governing state administration of CDBG non-entitlement funds (24 CFR 570, Subpart I), no persons who exercise or have exercised any function or responsibilities with respect to TxCDBG activities, or who are in a position to participate in a decision-making process, or gain inside information regarding TxCDBG activities, may obtain a financial interest or benefit from the activity, or have interest in any contract, subcontract, or agreement, or the proceeds thereof, either for themselves or those with whom they have family or business ties, during their tenure, or for one year thereafter.

These conflict of interest provisions apply to any person who is an employee, agent, consultant, officer, or elected official of the state, or of a unit of general local government, or of any designated public agencies, or sub-recipients receiving CDBG funds.

As an example, a conflict of interest would exist (family member receiving benefit from an activity) if a member of a mayor's family was selected to receive housing rehabilitation assistance through a city program financed with TxCDBG funds. Another example where a conflict of interest would exist (business ties) is a situation where a consultant, who is employed by an engineering firm, has been selected by a city to provide grant administration

services and the city is considering the selection of an engineer from that same firm to provide grant engineering services.

TDA may grant an exception to the conflict of interest provisions on a case-by-case basis if it determines that such exception will serve to further the purpose of the TxCDBG and the effective and efficient administration of the project. An exception may be considered only upon written request from the city or county that includes the following documentation:

- 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.
- An opinion of the attorney for the city or county that the interest for which the exception is sought would not violate state or local law.
- Whether the exception would provide a significant cost benefit or an essential degree of expertise to the project that would not be available otherwise.
- Whether an opportunity was provided for open competitive bidding or negotiation.
- 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.
- Whether the person affected has withdrawn from his/her functions or responsibilities, or the decision making process with respect to the specific assisted activity in question.
- Whether the interest or benefit was present before the affected person was in the position as an employee, agent, consultant, officer, or elected official of the city or county, or of any designated public agencies, or sub-recipients that are receiving CDBG funds.
- Whether undue hardship will result to the city or county or the persons affected when weighed against the public interest served by avoiding the prohibited conflict.
- Any other relevant considerations.

Types of Applications

Single Jurisdiction Applications

A single eligible applicant (city or county) may submit two applications for funding if the project beneficiaries are limited to persons located within the applicant's jurisdiction. Under the Colonia Fund, applicants are generally limited to county governments, therefore some of the examples below are not applicable.

For an incorporated city, the beneficiaries would generally be limited to persons located within the city limits. An incorporated city may submit a single jurisdiction application that includes activities benefitting persons located within the extra-territorial jurisdiction (ETJ) of the city. However, the applicant must describe how the activity benefitting persons located in the ETJ is meeting the applicant’s community development and housing needs, including the needs of low-to-moderate income persons.

An incorporated city may not submit a single jurisdiction application that includes beneficiaries located both inside of the city and outside of the city's ETJ. In this case, the city and the county where the unincorporated area is located would be required to submit a multi-jurisdiction application.

For a county, the beneficiaries would generally be limited to persons located in unincorporated areas within the county (for target area projects) or countywide (possibly for projects such as a county community center, county park, or courthouse accessibility improvements).

However, a county may submit a single jurisdiction application on behalf of an incorporated city located within the county as long as the application adheres to the following guidelines and requirements:

- The activities proposed in the application benefit the incorporated city’s residents and the proposed activities provide improvements to a publicly-owned facility or privately-owned utility that is not owned or operated by the incorporated city on whose behalf the county has submitted the application. As an example, a county could submit an application on behalf of an incorporated city that does not own or operate the water system

that serves the city's residents, when the water system is owned and operated by an entity such as a public water supply corporation, and the proposed activities in the application are for water system improvements that benefit the city's residents. The city's residents are the beneficiaries of the application activities, but the improvements would become the property of the public water supply corporation.

- The persons benefitting from the application activities must be located within the city's corporate limits and/or within the city's ETJ.
- The incorporated city must adopt and submit a resolution (with the TxCDBG application) authorizing the county to submit the application on behalf of the city.
- The county will be the grantee and the party responsible for compliance with all program requirements.
- The county or the incorporated city that the county applied on behalf of cannot submit another single jurisdiction application or be a participating jurisdiction in a multi-jurisdiction application submitted under the same TxCDBG fund category.
- The incorporated city's demographic information will be used for the scoring of TxCDBG selection criteria.
- A county may submit a single jurisdiction application for a countywide housing rehabilitation activity that includes rehabilitation of housing units in unincorporated areas and incorporated cities located in the county when the following TxCDBG guidelines and requirements are met:
    - The proposed housing rehabilitation activities in the application benefit county residents in the unincorporated areas of the county and county residents in incorporated cities located in the county (i.e., the actual rehabilitated housing units under the countywide program must be located in county unincorporated areas and within each incorporated city included as a participant in the countywide housing rehabilitation program).
    - Each incorporated city participating in the countywide housing rehabilitation program must provide a resolution adopted by the governing body of the city authorizing the county to include the city in the county's housing rehabilitation program (resolution(s) must be submitted with the TxCDBG application).
    - The county will be the grantee and the party responsible for compliance with all program requirements.
    - The county unincorporated area demographic information and each participating incorporated city's demographic information will be used for the scoring of TxCDBG selection criteria.

Multi-Jurisdiction Applications

Two or more eligible applicants may submit a joint application for funding when the project beneficiaries are persons located within more than one unit of general local government. The requirements for multi-jurisdiction applications are:

- The locations of the beneficiaries and the locations of the proposed activities must be within the applicants' jurisdictions; and
- A proposed project that includes an activity located in more than one jurisdiction or that includes beneficiaries from more than one jurisdiction must be submitted as a multi-jurisdiction application. Exceptions to this requirement are the ETJ provision allowed by the TxCDBG for incorporated municipalities under single jurisdiction applications and the county exceptions described under single jurisdiction applications.

In order for a multi-jurisdiction application to be eligible for consideration for TxCDBG funding, a multi-jurisdiction application must mutually benefit residents of the applicant localities and cannot be submitted solely on the basis of administrative convenience, i.e., there must be a physical need for such a project (location, area to be served, etc.). An example of an eligible multi-jurisdiction application would be construction of a sanitary sewer treatment facility to serve households in two applicant cities. However, activities such as multi-county paving projects would not meet the "physical need" requirement, as they are generally developed based on administrative convenience to the applicant counties.

Additional criteria that must be met by multi-jurisdiction applicants are:

- The multi-jurisdiction applicants shall determine which one of the participating units of general local government will be authorized (the authorized applicant) to act in a representative capacity for all of the participating units.

- Under the Community Development Fund regional competitions, a multi-jurisdiction application that includes participating units of general local government from more than one state planning region will compete in the regional competition where the majority of the application activity beneficiaries are located and the authorized applicant must be located in the region where the application is submitted.
- Each participating jurisdiction shall submit a signed 424 Form and be responsible for compliance with the Local Certifications therein.
- Each participating jurisdiction shall submit a Community Needs Assessment that identifies the housing and community development needs and activities designed to meet those needs for each of the participating jurisdictions.
- The authorized applicant jurisdiction and each of the other participating jurisdictions must meet the citizen participation requirements.
- Each proposed activity must meet one of the NPOs. For this purpose, a similar activity carried out/located in two or more different jurisdictions, such as sewage collection lines/service connections for each of the participating jurisdictions, is considered two separate activities. A common activity, such as the sewage treatment plant that would serve each of the participating jurisdictions, is considered a single activity.
- The authorized applicant assumes overall responsibility for ensuring that the application activities will be carried out in accordance with statutory requirements. In order to accomplish this, the authorized applicant must enter into a legally binding cooperation agreement with each participant that includes the above criteria.
- All jurisdictions participating within the multi-jurisdiction application must be TxCDBG eligible. For example, if a city and county are submitting a multi-jurisdiction application and the city is currently ineligible due to past performance issues, the application is ineligible.

Federal Funding Accountability and Transparency Act (FFATA)

In September 2006, the President signed the Federal Funding Accountability and Transparency Act (FFATA) requiring the Office of Management and Budget (OMB) to develop a publicly available, free-of-charge, searchable website on federal funding. Federal funding includes grants, sub-grants, loans, awards, cooperative agreements, and other forms of financial assistance. On April 6, 2010, the OMB issued a memorandum outlining responsibilities for State agencies making sub-awards with Federal funds.

Beginning October 1, 2010, TDA is responsible for reporting data on each TxCDBG award, which will be entered into the usaspending.gov database. This data includes:

- The name of the entity receiving the award;
- The amount of the award;
- Information on the award, including transaction type, funding agency, Catalog of Federal Domestic Assistance (CFDA) number, program source, and a descriptive award title;
- Location of the entity receiving the award and the primary location of performance under the award, including the city, state, congressional district, and county; and
- The Data Universal Numbering System (DUNS) number for the entity receiving the award.

Additional information deemed relevant by the OMB must also be provided, and all information is due no more than thirty days after a grant is awarded. Applicants must register on the System for Award Management (SAM) and entities must have an active registration to receive CDBG funding. Information on SAM registration is available at https://www.sam.gov.

Scoring Criteria Colonia Construction — 430 Total Points Maximum Component

1. Community Distress – 35 Points (Maximum)

• Percentage of persons living in poverty	15 points
• Per Capita Income	10 points
• Percentage of housing units without complete plumbing	5 points
• Unemployment rate	5 points

2. Benefit To Low/Moderate-Income Persons – 30 Points (Maximum)

A formula is used to determine the percentage of TxCDBG funds benefiting low to moderate income persons. The percentage of low to moderate income persons benefitting from each construction, acquisition, and engineering activity is multiplied by the TxCDBG funds requested for each corresponding construction, acquisition, and engineering activity. Those calculations determine the amount of TxCDBG funds benefiting low to moderate income person for each of those activities. Then, the funds benefiting low to moderate income persons for each of those activities are added together and divided by the TxCDBG funds requested minus the TxCDBG funds requested for administration to determine the percentage of TxCDBG funds benefiting low to moderate income persons. Points are then awarded in accordance with the following scale:

• 100% to 90% of TxCDBG funds benefiting low to moderate income persons	30 points
• 89.99% to 80% of TxCDBG funds benefiting low to moderate income persons	25 points
• 79.99% to 70% of TxCDBG funds benefiting low to moderate income persons	20 points
• 69.99% to 60% of TxCDBG funds benefiting low to moderate income persons	15 points
• Below 60% of TxCDBG funds benefiting low to moderate income persons	5 points

3. Project Priorities – 195 Points (Maximum)

• Activities (service lines, service connections, and/or plumbing improvements) providing public access to EDAP-funded water or sewer systems	195 points
• First time public water service activities (including yard service lines)	145 points
• First time public sewer service activities (including yard service lines)	145 points
• Housing activities	140 points
• Drainage activities	135 points
• First time water and/or sewer service through a privately-owned for-profit utility	135 points
• Expansion or improvement of existing water and/or sewer service	120 points
• Installation of approved residential on-site wastewater disposal systems for failing systems	120 points
• Street paving	100 points
• All other eligible activities	20 points

For projects involving drilling a new water well, subtract ten (10) points if a test well has not been drilled that demonstrates water of sufficient quality and quantity would be available for the proposed project at the well site. Applicants that do not drill test wells prior to contract award enter the contract at their own risk and remain liable for wells that fail to produce results proposed in the application.

A weighted average is used to assign scores to applications that include activities in the different Project Priority scoring levels. Using as a base figure the TxCDBG funds requested minus the TxCDBG funds requested for engineering and administration, a percentage of the total TxCDBG construction dollars for each activity will then be multiplied by the appropriate Project Priorities point level. The sum of these calculations determines the composite Project Priorities score.

4. Project Design – 140 Points (Maximum)

Each application is scored by TDA staff using the following information submitted in the application to generate scores on the project design factor:

- For projects other than water and wastewater, whether the applicant has already met its basic water and wastewater needs.
- For OSSF projects, successful implementation of past OSSF projects and full expenditure of TxCDBG funds for OSSF activities.
- Comprehensive approach to address needs of one colonia
- Whether the project has provided for future funding necessary to sustain the project.
- The severity of need within the colonia area(s) and how the proposed project resolves the identified need. Additional consideration is given to water system improvements addressing the impacts from the current drought conditions in the State.
- Whether the applicant will use TxCDBG funds to provide water or sewer connections, yard service lines, and/or plumbing improvements associated with providing access for colonia residents to water or sewer systems funded by the TWDB EDAP.
- The applicant's past efforts (with emphasis on the applicant's most recent efforts) to address water, sewer, and housing needs in colonia areas through applications submitted under the TxCDBG Community Development Fund or through the use of CDBG entitlement funds.
- TxCDBG cost per low/moderate income beneficiary.
- Whether the applicant has provided any local matching funds for administrative, engineering, or construction activities.

- The ability of the applicant to utilize the grant funds in a timely manner.
- Whether the applicant has waived the payment of water or sewer service assessments, capital recovery fees, and any other access fees for the low and moderate income project beneficiaries.
- The availability of grant funds to the applicant for project financing from other sources.
- The applicant's past performance on previously awarded TxCDBG contracts.

Proximity of project site to entitlement cities or metropolitan statistical areas.

5. Matching Funds – 20 Points (Maximum)

Applicant(s) population is equal to or less than 1,500 according to the most recent Census:

- Match equal to or greater than 5% of grant request — 20 points
- Match at least 2%, but less than 5% of grant request — 10 points
- Match less than 2% of grant request — 0 points

Applicant(s) population is equal to or less than 3,000 but over 1,500 according to the most recent Census:

- Match equal to or greater than 10% of grant request — 20 points
- Match at least 2.5%, but less than 10% of grant request — 10 points
- Match less than 2.5% of grant request — 0 points

Applicant(s) population is equal to or less than 5,000 but over 3,000 according to the most recent Census:

- Match equal to or greater than 15% of grant request — 20 points
- Match at least 3.5%, but less than 15% of grant request — 10 points
- Match less than 3.5% of grant request — 0 points

Applicant(s) population is over 5,000 according to the most recent Census:

- Match equal to or greater than 20% of grant request — 20 points
- Match at least 5%, but less than 20% of grant request — 10 points
- Match less than 5% of grant request — 0 points

The population category under which county applications are scored is dependent upon the project type and the beneficiary population served. If the project is for activities in the unincorporated area of the county with a target area of beneficiaries, the population category is based on the unincorporated residents for the entire county. For county applications addressing water and sewer improvements in unincorporated areas, the population category is based on the actual number of beneficiaries to be served by the project activities.

The population category under which multi-jurisdiction applications are scored is based on the combined populations of the applicants according to the most recent Census.

Applications that include a housing rehabilitation for low and moderate income persons as a part of a multi-activity application do not have to provide any matching funds for the housing activity. This exception is for housing activities only. TDA does not consider sewer or water service lines and connections or on-site wastewater disposal systems as housing activities.

Demolition/clearance and code enforcement, when done in the same target area in conjunction with a housing rehabilitation activity, is counted as part of the housing activity. When demolition/clearance and code enforcement are proposed activities, but are not part of a housing rehabilitation activity, then the demolition/clearance and code enforcement are not considered as housing activities. Any additional activities, other than related housing activities,

are scored based on the percentage of match provided for the additional activities.

Past Performance – 10 Points (Maximum)

An applicant may receive up to ten (10) points based on the applicant's past performance on previously awarded TxCDBG contracts. The applicant's score will be primarily based on assessment of the applicant's performance on the applicant's two (2) most recent TxCDBG contracts that have reached the end of the original contract period stipulated in the contract. TDA will also assess the applicant's performance on existing TxCDBG contracts that have not reached the end of the contract period. Applicants that have never received a TxCDBG grant award will automatically receive these points. TDA will assess the applicant's performance on TxCDBG contracts up to the application due date. The applicant's performance after the due date will not be evaluated in this assessment. The evaluation of an applicant's past performance will include, but is not necessarily limited to the following:

- Timely submission of close-out reports
    a. Points will be deducted for applicants that did not submit a close-out report within 60 days from the end date of the contract
- Timeliness of environmental clearance with the following deduction categories:
    a. Zero points will be deducted for applicants that completed the environmental review within 30 days of the environmental clearance milestone (210 days after the contract start date)
    b. Deduction for applicants that completed the environmental review within 60 days of the environmental clearance milestone (240 days after the contract start date)
    c. Deduction for applicants that completed the environmental review within 90 days of the environmental clearance milestone (270 days after the contract start date)
    d. Deduction for applicants that did not complete the environmental review within 90 days of the environmental clearance milestone (271 days after the contract start date)
- Timeliness of completing projects (i.e., extension of contracts)
    a. Points will be deducted for applicants that received an extension on a previous contract

False Information on Applications

The following actions may be taken, on a case-by-case basis, where TDA finds that an applicant provided false information in its application for TxCDBG funding.

If the applicant provides false information in a TxCDBG Fund application that has the effect of increasing the applicant's competitive advantage, or false beneficiary information that increases the number or percentage of potential beneficiaries, TDA TxCDBG staff shall make a recommendation for action to the Director of the State TxCDBG Program.

Actions that the Director may make include, but are not limited to:

1. Disqualification of the application and holding the locality ineligible to apply for TxCDBG funding for a period of at least one year not to exceed two program years.
2. Even if an award has been made, the locality may be liable for funds expended if adjustment to the scores would have resulted in a change in rankings for the purpose of funding.
3. Holding the locality ineligible to apply for TxCDBG funding for a period of two program years or until any issue of restitution is resolved, whichever is longer.

Appeals Process

Refer to Title 4 Part 1 § 30.6 of the Texas Administrative Code (TAC).

Application Instructions

The following instructions will assist and offer guidance to the applicant in completing the differing forms of the application for submittal.

Application Forms

The following is a complete list of forms contained within the application:

- Cover Sheet
- Most recent Audit (2016 or after)
- Active SAM registration
- Application Checklist
- Form 424
- Project Approval Information
- Community Needs Assessment
- Project Summary
- Cranston-Gonzalez National Affordable Housing Act
- Table 1 – Beneficiary Summary (to be completed for each activity/target area)
- Table 2 – Budget Justification of Retail Costs
- National Program Objectives
- Colonia Identification
- Waiting Lists and Guidelines
- Attachments

Instructions for Completing the Application

The following instructions will assist and offer guidance to the applicant in completing the forms of the application for submittal.

Cover Sheet

Enter the applicant's name in the space provided. The applicant's name will then appear in the footer of every page in the application. Using the drop-down box, select the applicant's County. Region-specific information such as COG region and County Code will automatically appear where appropriate throughout the application once the County has been selected.

Annual Audit

Applicants must comply with the audit requirements in the Texas Local Government Code for the most current fiscal year ending 2016. The applicant is required to submit their most recent annual audit or audit opinion letter with their application to demonstrate financial capacity. The audit must be an organizational-wide audit and cannot be limited to certain parts of the organization. The audit must be conducted by a qualified person or firm, and the auditor must express an opinion on the financial records of the organization. The auditor's opinion letter is preferred to the whole audit (note – not the management letter). Annual audits for fiscal years ending on or before December 31, 2015 will not be accepted. Failure to submit the most current audit **with the application** by the application deadline will result in automatic disqualification. An audit conducted by an employee of the Applicant will not be accepted if a Single Audit is due or delinquent.

Application Checklist

Carefully read the list of required attachments and application forms located on page 42 of this guide, checking off each completed item. This minimizes the likelihood of serious deficiencies or disqualification.

424 Form

The numbered sections below coincide with the numbered fields on the 424 Form. All information is required unless otherwise noted. The applicant must provide an email address and the information can be entered under the address box of the bottom of the 424 Form in box 18a.

1. ***Type of Submission***- Under the Application column, select either Construction or Non-Construction. The majority of TxCDBG applications, except for Planning-only applications, include some construction activities.

2. ***Date Submitted***– To use the calendar provided, click on the drop-down arrow on the right side of the box.

3. ***Date Received by State*** – Leave this field blank.

4. ***Date Received by Federal Agency*** – Leave this field blank.

5. ***Applicant Information***- Provide the applicant's Legal Name (e.g., City of ABC, ABC County) and the Organizational Unit (can be the same as the Legal Name).**Mailing address, telephone number, fax number, and email address are required for both the applicant and the application preparer.** The applicant's physical address and county are also required.

6. ***Employer Identification Number***– Also known as the Federal Tax ID, this 14-digit number is required to facilitate disbursement of funds.

6a. ***DUNS Number*** – All applicants must have a Data Universal Numbering System number to apply for Federal funds. The DUNS number is a nine-character identification number provided by Dun and Bradstreet. There is no charge to obtain a DUNS number. For additional information, visit the Dun and Bradstreet website at www.dnb.com. Failure to provide the applicant's DUNS number at the application stage may result in delayed award disbursement. The DUNS number is also required to be registered with the System for Award Management.

7. ***Type of Applicant***– Select County or City.

8. ***Type of Application***– Check the appropriate box.

9. ***Name of Federal/State Agency*** – Provided by TDA

10. ***Catalog of Federal Domestic Assistance Number*** – Provided by TDA

11. ***Project Type*** – Use the drop-down menu to select the project type that best describes the proposed project. Please double check for accuracy, as TDA will use this information for creation of an Action Item and contracts if the application is successful. If the options in the drop-down menu do not accurately describe the proposed project, you may type the appropriate project type in this field rather than selecting from those provided.

11a.***Type of Application*** – Provided by TDA

12. ***Target Area(s) Affected by the Project***– Briefly identify the target areas of the city or county affected by the project. Acceptable descriptions would be: "The ABC Community in southeast XYZ County", "The ABC Community and LMN Community in XYZ County", "The ABC Water Supply Corporation Service Area", "The A, B, C, and D Colonias of XYZ County", and "Jollyville neighborhood in the northwest portion of ABC Town".

13. ***Applicant's Fiscal Year*** – Indicate the beginning and end dates of the applicant's fiscal year.

14. ***Congressional Districts***– Provide the congressional districts of the entity applying for funding, as well as for the proposed project site(s).This information is available through the "Who Represents Me" feature at the Texas State Legislature's web site: www.fyi.legis.state.tx.us.

15. ***Estimated Funding***– Complete each field as follows:

    A. TxCDBG Request: Amount requested from TDA through this application;

    B. Federal: Amount committed from federal resources such as RUS or USDA-RD;

    C. State: Amount committed from state resources such as TWDB;

    D. Applicant: Amount of match committed by the applicant;

    E. Local: Amount committed from local resources such as a WSC, WCID, MUD, or any other local entity other than the applicant;

F. Other: Amount committed from resources other than those listed above; and

G. Total: This will calculate automatically.

If the applicant intends to use TxCDBG to leverage funds from another source, indicate the full scope of the project (including portions funded by other sources) in the Project Summary.

16. ***Is application subject to review by State Executive Order 12372 Process?*** – For TxCDBG applications, the answer to this question is "No." Texas Review and Comment System (TRACS) no longer exists for review.
17. ***Is the Applicant delinquent on any Federal debt?*** - If the answer is "Yes," include an explanation concerning the nature, amount, and date when payment of the debt became delinquent.
18. ***Certification***– Before signing the 424 Form, the authorized signatory should read the text in this field carefully and review the Local Certifications and Citizen Participation Plan sections of this guide. Complete all sub-fields prior to signature.

Project Approval Information

This form asks for a variety of information about a proposed project. Please be sure to verify your responses, as TDA staff may rely on this information to make important decisions regarding the project's approval status. Some items on this form include follow-up questions that will only appear if necessary. If a question does not apply to the proposed project, select "N/A". Failure to respond to any item on the Project Approval Information form will result in a deficiency notice.

Community Needs Information

List of All Identified Community Needs

Provide a list of all the applicant's identified community development and housing needs, not just those addressed in the application. List the needs in order of importance, using the boxes marked "+" and "x" to add or delete space for additional items. Provide a short description of the project associated with the need. Applicant may also include additional needs with specific projects identified and prioritized that could be considered if additional funding is available.

Community Needs Assessment Questionnaire

Provide the information requested for each item, including information concerning the applicant's past and future efforts to provide affordable housing opportunities in the applicant's jurisdiction and the applicant's past efforts to provide infrastructure improvements through the issuance of general obligation or revenue bonds. A response is required for each item; "None" and "N/A" are acceptable.

Fair Housing Activities

Any locality receiving TxCDBG monies must certify that it will affirmatively further fair housing. Using the drop-down box, identify the activities presently undertaken to affirmatively further fair housing and which new activities will be undertaken if an award is made by TDA. Applicants should be aware that, in the event of funding, these fair housing efforts will be monitored. Other activities may be eligible, and the applicant should contact TDA to determine eligibility.

Citizen Participation Determined The Needs In This Application

Indicate each method(s) used to determine the needs addressed in this application, including the date(s) of each method/assessment. Use the "+" button to add each method/assessment. If the exact date is not known, choose the first day of the appropriate month and year. If a city's application includes activities benefiting persons located within the city's ETJ, the applicant must describe how the activity benefiting persons located in the ETJ is meeting the applicant's community development and housing needs, including the needs of low to moderate income persons.

Description of the Need(s) Addressed in This Application

Provide a description of the problem the proposed project will address. TDA will use the information from this section to draft a contract in the event that the application is successful.

Example: The Green Creek Water Supply Corporation's water system in the Green Creek Colonia does not meet the Texas Commission on Environmental Quality (TCEQ) regulations at 30 TAC 290.44(d). This system is unable to meet the TCEQ volume and water pressure requirements.

Project Summary

This section is to be answered for each target area identified within the application and it consists of four questions intended to summarize the most basic aspects of the proposed project(s) (use the clearly marked buttons at the top of the page to add or delete additional forms for multiple target areas). Responses will be used to draft a contract if the application is awarded. Ensure the information provided in this section is accurate and in agreement with all other parts of the application. To answer the questions on this form, follow the instructions below:

1. **"Summarize the problem(s) to be addressed within the application by target area."**

   Guidance: state the nature of the problem by expanding on the Description of Needs from the previous section, as well as specific locations and the state of existing facilities.

   EXAMPLE - "Residents of the Quixote colonia do not currently have access to a clean, reliable source of potable water. Most haul water from the Panza community, roughly forty miles to the south. The proposed project will alleviate this need by assisting low- and moderate-income residents of the area to connect to the water infrastructure currently being constructed."

   "The Brazos Hills colonia area is not served by any sewer system infrastructure. The community relies primarily on household septic tanks, most of which are aged, deteriorated, leaking, and generally unsafe. This project will allow the colonia's low- to moderate-income households connect to a more reliable sanitary sewer system."

2. **"Identify the location of each activity/target area."**

   Guidance: first, enter the name of the project area and then identify from the dropdown menu the activity that is to occur in that target area. Lastly, identify the location of the activity/project using cross streets, **or** provide a brief description/narrative of the location of the activity/target area. Use the "+" box on the right side of the page for additional lines to provide street locations, if necessary (or the "x" box to delete unnecessary ones).

   NOTE: Both the target area and the location of the activity must be identified here, e.g. Brazos Colonia (target area); County Road 54 from Sunset Ridge to Howard Lane (location of activity).

3. **"Identify the action(s) to resolve the problem(s) and their anticipated outcomes. Include specific materials and quantities, as well as any anticipated Acquisition."**

   Guidance: describe what action is required to address the problem, including the type and amount of material required for construction activities. For projects that will take place in more than one target area, be sure to describe the conditions and proposed work at each site. Describe in detail acquisition needed for the activity. The response should resemble a standard TxCDBG Performance Statement (see Appendix V: Form and Documents Samples for an example).

   EXAMPLE- "Contractor shall provide first-time sewer service connections to 200 households in the western portion of the Navarro colonia area. Construction shall include the installation of 200 service yard lines, tap fees and decommission of existing septic tanks. Construction shall further consist of the mitigation of existing septic system in accordance with Texas Administrative Code, Title 30, Subchapter D, §285.36(b) of the On-Site Sewerage Facilities regulations. TxCDBG funds may not be utilized to pay for the cost of yard lines, plumbing inspections, or septic tanks on properties that do not qualify as low-to-moderate income households. Service lines shall connect to collection system associated with new Wastewater Treatment Plant constructed through the Texas Water Development Board (TWDB). Construction shall take place throughout the western half of the Navarro area bound by S. Bond Avenue on the east, Flores Street on the south, Highway 66 on the west and Garcia Street on the north."

4. **"Disclose the source(s) and use(s) of non-TxCDBG funds."**

   Guidance: Disclose the source, use and amount of any non-TxCDBG funds committed to the proposed project. This includes all cash, material, land, and in-kind match.

Provisions at Subpart A of 24 CFR Part 4 require TxCDBG applicants to disclose the information requested in each part of this section:

- Assistance from other government sources in connection with the TxCDBG project;
- The sources of funds contributed to the project; and
- The uses for which the funds are to be utilized.

Each reportable source of funds must indicate:

- The name and address, city, state, and zip code of the individual or entity providing the assistance. If applicable, include at least one organizational level below the agency name. For example, U.S. Department of Transportation, U.S. Coast Guard; Department of Safety, Highway Patrol;
- the program name, and any relevant identifying numbers or other means of identification for the assistance; and
- the type of assistance (e.g., applicant contribution, loan, grant, loan insurance).

TDA will make all applicant disclosure reports available to the public for five years in the case of applications for competitive assistance, and for generally three years in the case of other applications. Update reports will be available along with the disclosure reports, but in no case for a period less than three years. All reports, both initial reports and update reports, will be made available in accordance with the Texas Public Information Act (Chapter 552, Texas Government Code). Failure to provide any required information may delay the processing of the application and may result in sanctions and penalties, including imposition of the administrative and civil penalties specified under 24 CFR Section 4.38.

Additional Project Information

Answer the two questions on this page to identify: 1) any persons with a reportable financial interest to disclose; 2) any construction, engineering and/or administrative activities to be completed by Force Account as grant and/or match.

Applicants must provide information on anyone with financial interest in the proposed project exceeding $50,000 or 10 percent of the requested amount (whichever is lower). This includes developers, contractors, or consultants involved in the application for TxCDBG assistance or in the planning, development, or implementation of the project or activity. A “financial interest" is any financial involvement in the project or activity, including (but not limited to) situations in which an individual or entity has an equity interest in the project or activity, shares in any profit on resale or any distribution of surplus cash or other assets of the project or activity, or receives compensation for any goods or services provided in connection with the project or activity. Residence in housing for which assistance is sought is not considered a covered financial interest.

The applicant disclosure report must specify all expected sources of funds from TxCDBG and from any other source that is or will be available for the proposed project or activity. Non-TxCDBG sources typically include the applicant's local contribution, other government assistance referred, equity, and contributions from foundations and private individuals. The report must also specify all expected use(s) of the funds. All sources and uses of funds must be included if they can be reasonably expected to be available for the proposed project.

Additional disclosures apply to update reports. During the period in which a TxCDBG application is pending, the applicant must make the following additional disclosures:

1. Any information that should have been disclosed in connection with the application but was inadvertently omitted.
2. Any information that would have been subject to disclosure in connection with the application but that arose at a later time, including information concerning an interested party that now meets the applicable disclosure threshold.
3. Any changes in previously disclosed Other Government Assistance that exceeds the previously disclosed amount.

4. For changes in previously disclosed financial interests, any change in the amount of the financial interest of a person that exceeds the amount of the previously disclosed interests by $50,000 or by 10 percent of such interests (whichever is lower).
5. For changes to previously disclosed sources of funds, any change in a source of funds that exceeds the lower of:
    a. The amount previously disclosed for that source of funds by $250,000 or by 10 percent of the amount previously disclosed for that source, whichever is lower; or
    b. The amount previously disclosed for all sources of funds by $250,000 or by 10 percent of the amount previously disclosed for all sources of funds, whichever is lower.
6. For changes to previously disclosed uses of funds, any change in a use of funds that exceeds the lower of:
    a. The amount previously disclosed for that use of funds by $250,000 or by 10 percent of the amount previously disclosed for that use, whichever is lower; or
    b. The amount previously disclosed for all uses of funds by $250,000 or by 10 percent of the amount previously disclosed for all uses of funds, whichever is lower.

For Question 2 Complete the request to use Force Account worksheet. Provide information on all personnel, material and equipment to be used including hours, rates and additional documentation as applicable.

By signing the 424 form, the authorized signatory certifies:

- That the persons performing force account work are W-2 form registered employees, (and not 1099 form contractors) of the Grant Recipient, a city/county, a public utility district, or a utility company; and
- If temporary workers are hired, that they will be W-2 form registered employees (and not 1099 form contractors), and that the employer's policies for temporary employees will be followed.

Cranston-Gonzalez National Affordable Housing Act

As required by HUD to comply with Section 916 of the Cranston-National Affordable Housing Act of 1990, answer the questions pertaining to the colonia(s) that will receive a benefit from the proposed activities/projects.

Model Subdivision Rules Assessment

As required by Section 16.343 of the Texas Water Code, answer the questions pertaining to the applicant developing the application.

Table 1 – Beneficiary Data

Provide the following information for each proposed activity. For activities that share the same location, beneficiaries, and National Program Objective, use the "+" box on the right side of the page to add activity line items (or the "x" box to delete an unnecessary line item). Data for activities in a different location, serving different beneficiaries, or addressing a different NPO must appear on a separate Table 1 form. To add a new Table 1 form, click the "Add Another Table 1" button at the top of the page, or click "Remove this Table 1" to remove an unnecessary page. Refer to Appendix III: Sample Table 1 & Table 2 for an example of a properly completed Table 1 form.

Enter the following information for each target area:

- Colonia Name – enter the name of the applicable colonia. **NOTE**: when entering the name of the colonia/project area, ensure exact consistency in the naming of the colonia/project area **throughout** the application (spelling and capitalization, etc.). For example, "Green Acres" should not appear as "green acres subdivision" elsewhere.

- Date of Existence as a Colonia – provide the date that the area was determined to be a colonia. **NOTE**: remember that only a colonia that existed prior to November 28, 1990, is eligible to benefit from an activity/project.

- Construction Completion Method(s) – identify how each proposed activity will be accomplished:
    - select "contract" for activities that will be accomplished by the bid/contract process.
    - select "force account" for force account labor (performed by the applicant's own employees); or
    - select "combination" for a combination of both (Contract) and (Force Account);

- Activity Description – choose the appropriate activity from the dropdown menu. After selecting an activity, the appropriate HUD activity number will appear in the next field. Refer to Appendix IV: TxCDBG Activity Code Reference Table for a brief description of each activity and its corresponding activity code. Most projects involve at least three activities, and at least one construction item and General Administration are mandatory. For most public works/facilities projects, engineering/architectural services should be included even if not paid with TxCDBG funds.
    - When completing the form for the General Administration activity, the Gender, Ethnicity, and Census Geographic Area information is not required. For the General Administration line item, use the TxCDBG Construction and/or Other Construction columns to indicate the portions of the Administration costs to be paid by TxCDBG funds and/or Other funds respectively. Engineering and acquisition costs are not applicable to General Administration and should be left blank for both TxCDBG and Other funds. In some cases, more than three activities apply even if the application is for a single purpose. One example is housing projects that include rehabilitation, clearance, and relocation activities.
- Total Benes (Total Activity Beneficiaries) – enter the total number of beneficiaries of the activity. For projects with multiple activities, each separate activity requires a separate beneficiary count. Once this information is entered for all activities (if applicable), enter the sum total of all the beneficiaries at the bottom of the column. This is true when activities take place in different sectors of a jurisdiction, but may also be true when the activities are proposed in the same general vicinity.
    - For example, if a proposed project includes street paving and sewer line improvements in the same part of a community, a survey conducted for the project should produce a separate sub-tabulation for each activity. If the activity locations overlap completely and serve the same population, the beneficiary totals will be identical. If the activity locations overlap partially or not at all, the totals will differ because each activity serves a different population.
- LMI Benes (Activity LMI Beneficiaries) – enter the number of persons identified out of the Total Beneficiaries whose income falls below 80% of the area median family income. Once this information is entered for all activities, enter the sum total of all the LMI beneficiaries at the bottom of the column.
- LMI % (Activity LMI %) – this is the percentage of an activity's beneficiaries that are LMI, and will automatically calculate. For projects addressing the low-to-moderate income NPO, the TxCDBG program requires that this amount be at least 51% for each construction activity.
- TxCDBG Construction – indicate the amount of TxCDBG funds requested for each construction activity. Be sure to correlate this figure for all construction activities on Table 2 – Budget Justification.
    - Use this column for General Administration (choose General Administration as the activity and then budget the amount in the TxCDBG Construction column). The amount requested for General Administration must not exceed 16% of the combined TxCDBG amounts requested for construction and acquisition/relocation activities. The locality is responsible for any cost incurred for General Administration (Program Administration, Compliance, Audit, etc.) that exceeds the TxCDBG-funded amount
- TxCDBG Engineering – indicate the amount of TxCDBG funds requested to pay engineering costs associated with the activity. This amount should also appear on Table 2 – Budget Justification. When TxCDBG Engineering costs exceed 25% of the TxCDBG Construction/Acquisition budget, the cost is considered unreasonable and an explanation of high costs will be required.
- TxCDBG Acquisition – indicate the amount of TxCDBG funds requested to pay acquisition costs associated with the activity. This amount should also appear on Table 2 – Budget Justification.
- Other Construction – indicate the amount of local or other matching funds committed to pay for the construction costs associated with the activity.
- Other Engineering – indicate the amount of local or other matching funds committed to pay for the engineering costs associated with the activity.

- Other Acquisition – indicate the amount of local or other matching funds committed to pay the acquisition costs associated with the activity.
- The source(s) of all other funds must be disclosed in the Project Summary section of the application when the "other" amount is greater than zero. TDA requires a commitment documenting each outside source of funding. Refer to Appendix II: Matching Funds for additional details.
- Activity Total – this is the total cost of completing each activity, including funds from TxCDBG and all other sources, and will automatically calculate. The total for all activities should match the total project cost on the 424 form.
- Census Geographic Area Data – for reporting purposes, HUD requires that TDA collect information regarding the location of each project activity. The county code/FIPS (Federal Information Processing Standard) code will automatically populate when you choose the applicant's county from the drop down menu on the cover page. Next, enter all of the applicable census tracts (6-digit) and block group where the activity's beneficiaries reside.

Beneficiary Identification Information

- Are any of the beneficiaries receiving a direct benefit (e.g. First-time Service)? Answers to the following section are only required if answering "Yes".
    - Gender Data – enter in the total number of male and female beneficiaries that will be served in the target area. The number in the Total Benes column (Gender Data) should match the Total Beneficiary – Activity Totals column in the section above.
    - Race/Ethnicity Data – Provide the race, and ethnicity data of the beneficiaries that will be served in the target area. Beneficiaries for the (CDBG) consider persons of Hispanic or Latino origin as an ethnic group. Therefore, persons of Hispanic or Latino origin must also be included under one or more of the single race or multi-race categories. The number of persons shown in the single race or multi-race categories, not including the persons shown as Hispanic or Latino origin, should equal the total number of project beneficiaries when added together. The number in the Total Activity Beneficiaries column must match the Activities column in the section above.
- Beneficiary Identification Methods – indicate which of the three acceptable methods was used by selecting the appropriate box, and then provide the appropriate information that is requested under the selected identification method. The three acceptable ways to determine how many beneficiaries an activity will serve are the following:
    - HUD Census-based Data (LMISD);
    - TxCDBG-approved Survey; and
    - TxCDBG-approved Limited Clientele Information.

Table 2 – Budget Justification of Retail Costs

For projects involving more than one activity, this form should reflect each separate activity and its applicable costs. Do not include cost categories such as contingency funds, profit, overhead, and bonding as separate costs. They should be built into the estimated construction costs. Costs related to housing rehabilitation activities, other than water or sewer connections on private property related to the installation of first-time water or sewer service, do not have to be reflected on this form.

Localities may not levy special assessments, fees or service connection/tap-on costs on low-to-moderate income persons to recover the TxCDBG-financed portion of a public improvement. However, they may do so to recover the portion financed with other funding sources provided TxCDBG funds pay these costs for the LMI beneficiaries.
Under certain conditions, TxCDBG funds may pay special assessments and fees for low-to-moderate income persons even if the public improvements are funded by another source. Payment of special assessments/fees constitutes TxCDBG assistance to the public improvement. Therefore, TxCDBG funds may pay for the assessments/fees on behalf of LMI persons provided that:

- the installation of the public improvements was carried out in compliance with requirements applicable to activities assisted under TxCDBG, including labor standards, environmental review requirements, and citizen participation;
- the installation of the public improvement meets a TxCDBG national program objective; and,
- TxCDBG funds do not pay for the assessment/fees on behalf of non low-to-moderate income persons.

Force account labor costs, whether to be paid with TxCDBG funds or included as local match, must be based on the estimated TxCDBG contract-related construction hours to be worked by force account workers and the hourly wages to be paid, not on labor costs estimated through the bid/contract method. These costs must be described in the Project Summary section of the application.

The value of materials/supplies to be provided by the applicant, and already owned by the applicant, must be based on the purchase price of the materials and supplies at the time of purchase and cannot be based on the current purchase price of such materials/supplies.

Equipment costs for equipment owned by the locality, whether to be paid with TxCDBG funds or included as local match, must be based on a use allowance (such as those used by FEMA) or depreciation (based on acquisition cost, and only if the equipment is not already fully depreciated). Calculate all costs based on hours the equipment is in use on the project.

Please enter the following:

- Activity Description – refer to the listed activities on Table 1. Activities shown on this form must correspond to those shown on Table 1. Use the dropdown menu for a full list of activity descriptions and their corresponding HUD activity numbers. Use the "+" box on the right side of the page for additional line items (or the "x" to remove unnecessary ones).
- Materials/Facilities/Services – in this column, list the materials/facilities/services associated with each activity.
- $/Unit, Unit, and Quantity – for projects that will be completed using force account labor, use the materials/facilities/services column to calculate the value of the force account, such as the estimated contract-related construction hours multiplied by hourly wage rates with the total amount indicated in the Construction column, or attach a separate Force Account Schedule. See Appendix V: Form and Documents Samples for an example of a properly completed Table 2 – Budget Justification for Retail Costs involving Force Account labor. There are two acceptable methods for determining actual construction costs:
    1. Break down the construction costs into labor and materials components for each activity (use this method for activities involving force account labor); or
    2. Use unit price ($/Unit) and the number of units (Quantity) for each activity. The units used (e.g., linear feet (lf), square feet (sf), etc.) must be priced to include all proposed improvements related to and necessary for the major construction activity.
- Construction – enter the price of a material associated with a construction activity. This is the quantity in the "$/Unit" column multiplied by the number in the "Qty" column.
- Acquisition – enter any cost involved with a proposed activity involving acquisition of real property (easements, rights-of-way, etc.). The projected acquisition costs must be broken out by the activity for which the acquisition is needed. Acquisition costs associated with construction activities, such as easements for a water system improvement project, should be shown in the "Acquisition" column. Please keep in mind that TDA requires compliance with the Uniform Real Property Acquisition and Relocation Policies Act of 1970. **Do not add a separate Acquisition activity line item unless the project involves acquisition of real property, in which case the "Construction" column should be blank for the Acquisition activity.**

- Total – the totals for each line item and column will calculate automatically. Each activity cost and the associated total activity costs must be consistent with those shown on Table 1. General Administration and Engineering costs are not shown on Table 2.
- Signature of Registered Engineer/Architect Responsible For Budget Justification (and Seal) – for public facilities projects, a professional engineer or architect licensed to practice in the State of Texas must complete this form. The engineer or architect's signature and registration seal must be on the form. Please also provide the date the form is completed and the engineer or architect's telephone number. If the professional seal is a pressure (non-ink) seal, please ensure that a penciled-over image of the seal is visible on the duplicate copy.

National Program Objectives

Indicate which National Program Objective (NPO) the proposed project addresses. Additional data may be required depending on which NPO you select:

- Activities benefitting low-to-moderate income persons;
    - LMI Area Benefit;
    - LMI Housing Activity;
    - LMI Limited Clientele; or
    - LMI Jobs
- Prevention / Elimination of Slums or Blight; or
- Urgent Need.

Provide a Justification of Beneficiary Identification Method that was used to identify the beneficiaries of the proposed projects. Provide specific references to programs and income limits or the condition on which the limited clientele eligibility was based. The number of limited clientele beneficiaries must be substantiated through clientele lists or certified by the director of the facility or program. Additional questions will appear if the Prevention/Elimination of Slums or Blight NPO is selected:

- Area Basis / Spot Basic – by selecting the appropriate box, indicate if the proposed activity will address slums or blight on an area or a spot basis.
- Conditions – describe the conditions that are present in the area to designate and qualify the areas as a slum or blighted area.
- Boundaries – Describe the boundaries of the slum/blight area. Do not use this field to document the Census tract/block group data.
- Percentage Deteriorated Buildings/Qualified Properties – Enter the percentage of deteriorated buildings/properties in the area at the time it was designated a slum/blight area.
- Public Improvement/Type Condition – If the activity qualifies for CDBG assistance on the basis that public improvements throughout the area are in a general state of deterioration, enter a description of each type of improvement in the area and its condition at the time the area was designated as slum/blight.
- Slum/Blight Designation Year – Enter the year the area was designated as a slum/blight area. If the period during which such designations are valid has lapsed, the applicant entity must re-evaluate and re-designate the area.

NOTE: Funds to address the Urgent Need NPO are awarded separately on an invitation-only basis. For more information regarding NPOs, refer to the National Program Objectives section of this guide.

Anticipated Objectives and Outcomes

Indicate the anticipated objectives and outcomes from the proposed activities by completing the following for each activity:

- Activity – using the dropdown menu, select the appropriate activity. If the options in the drop-down menu do not accurately describe the proposed activity, you may type the appropriate project type in this field rather than selecting from those provided from the drop-down list. Also, use the boxes marked "+" and "x" on the right side of the page to add or delete space for additional activities.
- Anticipated Objective – select one anticipated objective for each activity:
    - Create a suitable living environment.
    - Provide decent affordable housing

    - Create economic opportunities.
- Anticipated Outcome – select one outcome for each activity in the application (excluding engineering and administration):
    - Availability / Accessibility
    - Affordability
    - Sustainability

NOTE: Only one set of objectives and outcomes is required for each activity. If multiple objectives and outcomes are provided for each activity, the responses listed first for each activity will be used for reporting purposes by TxCDBG staff.

Anticipated Outcome Units
Of the following, select the box next to the most appropriate description of the proposed activities:

- Infrastructure/Public Facilities Improvement Project
- Services
- Planning Activity

Once the additional questions appear, select the Activity from the dropdown menu. Use the "+" box on the right side of the page to add additional activities, if applicable (or the "x" box to delete unnecessary ones). For each activity, provide the following:

- Identify the number of persons for each of the following:
    - Anticipated to have new access to this type of public facility or infrastructure improvement;
    - Anticipated to have improved access to this type of public facility or infrastructure improvement; or
    - Anticipated to be served by public facility or infrastructure that is no longer substandard.

NOTE: The total for each activity and outcome must not exceed the total number of beneficiaries identified in the application.

Additional Activity Information
Select only those that apply.

- *One-for-One Replacement* – requires that a grantee replace occupied and vacant units that are demolished or converted.
- *Revolving Loan Fund* – established to make loans whereby principal repayments of loans are re-paid into the fund and re-lent to other borrowers.
- *Brownfield Activity* – any activity designed to treat a piece of industrial or commercial property that is abandoned or underused and often environmentally contaminated, especially one considered as a potential site for redevelopment.
- *Special Assessment* – means the recovery of the capital costs of a public improvement, such as streets, water or sewer lines, curbs, and gutters, through a fee or charge levied or filed as a lien against a parcel of real estate as a direct result of benefit derived from the installation of a public improvement, or one-time charge made as a condition of access to public improvement.
- *Favored Activity* – certain activities specifically related to economic development.
- *Colonia* – Any identifiable unincorporated community that is determined to be a colonia on the basis of objective criteria, including lack of potable water supply, lack of adequate sewage systems, and lack of decent, safe, and sanitary housing; and was in existence as a colonia prior to the date of enactment of the Cranston-Gonzalez National Affordable Housing Act (November 28, 1990).
- *Presidentially Declared Disaster Area* – any area that is listed as an active disaster area on the Federal Emergency Management Agency website (www.fema.gov).
- *Historic Preservation Area* – any area that has been identified in accordance with the standards for the treatment of historic properties as set by the Secretary of the Interior.
- *Displacement* – a displaced person is any lower income family or individual that moves from real property, or moves his or her personal property from real property, permanently and involuntarily, as a direct result of the

conversion of an occupied or vacant occupiable low/moderate income dwelling unit, or the demolition of any dwelling unit, in connection with an assisted activity.

- *Float Funded* – process by which a state's CDBG funds are already under contract to grant recipient, yet the state awards the same funds to another grant recipient providing that the state is repaid before the initial grant recipient needs the funds to meet their obligation(s) for their CDBG funded activities.

Colonia Identification

Complete this form for **each** colonia identified in the application that will benefit from the proposed activities/projects (click on the clearly marked bars at the top of the page to add or delete additional forms for multiple colonias). If a question is inapplicable, the question must be answered "N/A". Blank spaces are not considered to be a response.

Attachments

The application must be submitted with the following attachments, if applicable, in the order specified.

Resolutions

The application *must* be submitted with a resolution from the local governing body (i.e. County Commissioners Court or City Council) authorizing the submission of that application. The governing body must adopt/pass the resolution before the application submission and after the application public hearing. Failure to comply with these resolution requirements may result in disqualification of the application.

The language of the resolution must, at a minimum:

1. Authorize the submission of an application for funding under the Texas Community Development Block Grant Program.
2. Designate the Colonia Fund as the fund category under which the application is to be considered.
3. Designate the activities addressed in the application.
4. Designate the dollar amount being requested.
5. Designate a person (e.g., County Judge, County Commissioner, or Mayor) who will be authorized to execute documents in conjunction with the application, and any resulting grant contract.
6. Commit to the provision of resources by source and use (if applicable) in support of the proposed project activities, including the specific source (e.g., General Fund, Water/Sewer Fund, General Obligation Bonds) and use of those resources.
7. Commit to compliance with all federal, state, and program requirements, including environmental review, labor standards, procurement, acquisition of property, civil rights, and administrative requirements.

In a multi-jurisdiction application, a cooperative agreement must also be included and signed by all participating local governments, and must state which participant will serve as the lead administrative entity if the project is funded. Additionally, each locality participating in a multi-jurisdiction application must submit a resolution adhering to the guidelines above.

For a sample resolution, see Appendix V: Form and Document Samples.

Documentation of Match

The following guidelines serve to clarify the type of match acceptable under the Texas Community Development Block Grant Program. Acceptable types of match can be any of the following:

1. Cash only;
2. In-kind services/equipment use;
3. Materials or supplies;
4. Land; or
5. Any combination of the above.

Match must be fully documented in the application. For more information on the acceptability of each of the different types of match, refer to Appendix II: Matching Funds.

While other resources are strongly encouraged, the commitments for these matching funds must be fully documented as to source, type, use, and minimum dollar amount before they can be considered in the scoring of an application.

Local government resource commitments must be made in the form of a Resolution from the City Council or County Commissioners Court. This resolution should indicate, at a minimum, the type of resource (e.g., land, labor, materials, money, etc.) and the source, a minimum dollar value to be provided, and for what purpose(s) this resource will be used. Please note here that local match can only be counted for expenditures that would not occur if the proposed application is not funded, with the exception of local funds expended for consultant engineering and administrative services.

Resource commitments provided by other local entities (e.g., public housing authority, special utility districts, private financial institutions or other similar sources leveraging loan funds with a local housing rehabilitation program or other TxCDBG-eligible activity) must be documented in a letter signed by a person authorized by that entity to make such a commitment. This letter should identify the type of resource, a minimum dollar value, and for what purpose this resource will be used. Applicants who are unsure about the eligibility of a commitment from other local entities should contact TDA staff.

Commitments for other State or Federal funds (e.g., Texas Water Development Board, USDA) must be supported by a grant/loan offer, contract award letter, etc., signed by a person authorized to make such a commitment for that agency for an activity directly related to activities included in the TxCDBG funding request. This evidence must include identification of the resource, a minimum dollar value, and the purpose for which this resource will be used. These resources cannot have been expended before the application is submitted.

All resources committed in an application and considered in the scoring of that application must be provided in the event that the project is selected for funding. If these resources are not made available, the locality may be subject to the sanctions described in the *"False Information"* section of this guide.

Additionally, the use of other funds (e.g., federal, state, or local) in conjunction with TxCDBG funds generally triggers a series of compliance requirements that might not be applicable if those funds were to be used independently. These requirements include but are not limited to environmental review, labor standards, real property acquisition (including easements), prohibition of special assessments, and financial management procedures.

Published Notices of Public Hearing and Application Activities

Prior to the preparation and submission of an application for TxCDBG funds, each applicant must hold at least one public hearing and publish a notice that describes the application activities and the availability of the application(s) for public review.

The public hearing gives citizens information about the Texas Community Development Block Grant Program and eligible program activities, as well as opportunities to participate in the development of the applicant's community development and housing needs and the development of TxCDBG applications.
The public notice gives citizens information on proposed uses for the funds and an opportunity to review and comment on the application(s) prior to submission.

Other requirements that must be followed include:

- Public notices should be prominently posted in public buildings and distributed to local Public Housing Authorities and other interested community service providers.
- Ensure nondiscrimination by taking reasonable steps to ensure meaningful access for persons with Limited English Proficiency (LEP) by providing language assistance as appropriate.
- Persons with disabilities must be able to attend the hearing and an applicant must make arrangements for individuals who require auxiliary aids or services, if contacted at least two days prior to the hearing.
- Local organizations that provide services or housing for low-to-moderate income persons, including the local Public Housing Authority, Health and Human Services office, Faith-based organizations, and Mental Health

and Mental Retardation office, must receive written notification concerning the date, time, location and topics to be covered at the public hearing.

The written notification sent to local service providers for the public hearing must include the date, time, location and topics of discussion at the public hearing (a copy of the notice will suffice if it includes all required information). Send this notification to service providers serving the jurisdiction's residents – if a local office is located in the community, then that office should receive the notification. If a local office is not located in the community, send the notification to the local or regional office location that serves the jurisdiction's residents.

The following items are required as evidence of adherence with public hearing and public notice requirements:

1. A copy of the actual published public hearing notice (full page of the newspaper with publication title and date or publisher's affidavit and a copy of the notice) for the required public hearing. The notice must conform to the requirements of the Citizen Participation Plan, including specifics such as the date, time, location of the hearing and the topics to be discussed.
2. A copy of the actual published notice of the application(s) activities and availability of the application(s) for public review. This may be either a full newspaper page with the publication title and date or publisher's affidavit and a copy of the notice. The notice must conform to the requirements of the Citizen Participation Plan including the timing of the published notice and the information included in the notice.
3. A listing of the local service providers that received written notification of the public hearing. Copies of the written notifications must be kept by the applicant and will be reviewed by TDA staff during site visits. Again, the written notification must conform to the requirements of the Citizen Participation Plan including specifying the date, time, and location of the hearing and the topics of discussion.

TDA recommends verifying that the public notices are published on the correct days, as well as allowing sufficient time for publication and public hearing issues to be resolved rather than completing these steps just prior to submitting the application.

For sample public notices, see Appendix V: Form and Document Samples.

Project Maps including Census Maps

Each application for TxCDBG funding must be accompanied by a project map, or maps, that clearly show the following information.

The maps must show:

- the boundaries of the county;
- the locations of the target area colonia(s) within the county; and
- the locations of all proposed project activities within the target colonia areas.

If the colonia area benefiting from an application activity is an area that has been annexed by an incorporated city, maps must be provided that show:

- the city's corporate city limits;
- the boundary of the area annexed by the incorporated city after September 1, 1999; and
- the locations of all proposed project activities including any activities located outside of the city's corporate city limits (e.g., sewer/water lines, lift stations, street pavement, water storage tanks, water wells, wastewater treatment plants etc.).

Applicants using Census data to document project beneficiaries must provide maps that clearly show:

- all of the Census geographic areas (e.g., census tracts, block numbering areas, block groups) within the applicant's jurisdiction where census data is used to document project beneficiaries and locations of the project activities on the same census maps; and
- the census tract numbers, block numbering area numbers, and block group numbers must be legible on these census maps.

If project beneficiaries are determined on the basis of area benefit, the project area or service area boundaries must also be delineated on the map. Maps must be reproducible. Care should be taken in copying maps so that project activities that may have been designated by a colored mark are still identifiable.

In addition, the applicant must submit a FEMA Flood Map with the project location identified. Maps are available at https://msc.fema.gov

Applicants are advised to note any property owners that may be in and/or adjacent to the benefit area to ensure that no potential conflict of interest exists. (See the *"Conflict of Interest"* section of this Guide) Identification of property owners is not required to be noted or submitted with the application, but failure to identify potential conflicts of interest may be subject to the sanctions described in the *"False Information on Applications"* section of this guide.

Waiting List and Selection Guidelines for Housing Activities (Rehab or OSSF) (If Applicable)
Applicants with projects that include the provision of first-time on-site sewage facilities, replacement of on-site sewage facilities, or scattered first-time water or sewer service yard lines (that are not associated with the installation of a main trunk line) must provide a waiting list of homeowners (including address) that have indicated a need and willingness to participate in the program. At a minimum, this waiting list must include the address and LMI status of the potential beneficiaries.

Additionally, the applicant must also submit a **draft** of the selection guidelines that will govern the selection process of the households that will receive benefit. Samples of housing rehabilitation and OSSF guidelines can be found in the CDBG Project Implementation Manual on the TDA website. If the applicant has already received TDA approval for the same activity and target area include a copy of the approval letter with the guidelines.

Documentation of Beneficiaries
Clear documentation of an applicant's beneficiary identification method **must** be received with the application. Applicants must include with their application either a completed survey of the target area; for previously completed surveys the TxCDBG Approval Letter and the Survey Tabulation Form or supporting documentation of the HUD based Census Low-to-Moderate-Income Summary Data (LMISD) spreadsheet for the census geographic area. Applications that do not include this information have not documented the National Program Objective of principally benefitting low to moderate income individuals and will be disqualified.

Evidence of Active SAM Registration
The applicant shall include a screen-shot from the System for Award Management (SAM) website at https://sam.gov verifying the entity's registration is active. Without evidence of an active SAM registration, the application is ineligible to receive CDBG funds and will be disqualified.

Annual Audit
Applicants must comply with the audit requirements in the Texas Local Government Code for the most recent fiscal year ending 2016. The applicant is required to submit its most recent annual audit or audit opinion letter with its application to demonstrate financial capacity. The audit must be an organizational-wide audit and cannot be limited to certain parts of the organization. The auditor's opinion letter is preferred to the whole audit (note – not the management letter). Annual audits for fiscal years ending on or before December 31, 2015 will not be accepted. Failure to submit an audit for the most current fiscal year **with the application** by the application deadline will result in automatic disqualification.

Pre-agreement Option
TxCDBG may reimburse funded applicants for Administrative and Engineering costs (except for application preparation costs) incurred prior to the TxCDBG Contract Start Date based on the Pre-Agreement Stratagem. The applicant may also request approval for pre-agreement construction costs with additional justification. If an applicant wishes to proceed under the Pre-Agreement Stratagem, the applicant must submit a written request with the application or anytime thereafter prior to award. If any contract-related professional service costs are paid with local funds, these costs may be applied toward the applicant's local match contribution if the application is funded.

For a sample Pre-Agreement Request Letter, see Appendix V: Form and Document Samples.

Applicant Name:_____

Application Review Checklist for Colonia Fund-Construction

The following items **must** be included in the application. If the application is found to be substantially incomplete it will be denied without further consideration. Applications that have deficiencies will be given 10 business days to satisfy those deficiencies. Applicant or Application Preparer must initial for each item included in the application or indicate that the item is not applicable. Print this page separately and insert directly behind the Application Coversheet.

COLONIA FUND-CONSTRUCTION **Application Contents**	**Initial if complete NA if not applicable**
Original Application – Part 1	
Cover Sheet	
Most recent Annual Audit's or CPA Opinion Letter	
Completed 424 Form with original signature	
Project Approval Information with all question answered	
Community Needs Assessment	
Project Summary by Target area and locations identified & Source and Use of non-TxCDBG funds Disclosure	
Cranston-Gonzalez National Affordable Housing Act	
Model Subdivision Rules Assessment	
Table 1	
Table 2	
National Program Objectives	
Colonia Identification	
Attachments – Part 2	
Resolution passed by the applicant	
Match documentation - Letter(s) of Commitment	
Public notices	
Copy of actual published public hearing notice or Publisher's Affidavit and copy of notice	
Copy of actual published notice of application activities and availability of the application for public review or Publisher's Affidavit and copy of notice	
Listing of the local service providers that were sent the written notification of the public hearing	
Project Map documenting the Benefit area including Census maps and FEMA Flood Map	
Waiting List and Selection Guidelines for Housing Activities (Rehab or OSSF) (if applicable)	
Documentation supporting Low-to-Moderate Income beneficiaries (Survey or ACS data) (See Appendix I)	
Evidence of Active SAM Registration	
Pre-Agreement Request letter (if applicable)	
Electronic Copy– Part 3	
Only the PDF document of the application is needed. CD-Rom or email to cdbgapps@TexasAgriculture.gov	

Appendix I: Using Census Data and Surveys

To count project beneficiaries and document LMI percentage based on data from the Census, use the Low-to-Moderate-Income Summary Data (LMISD) spreadsheets from the TDA web site. This Excel file contains population and income data for the State of Texas down to the Block Group level.

TxCDBG will only allow the use of the LMISD data to qualify an activity and to document the activity beneficiaries under the following conditions:

1. The project activity will benefit all of the persons within a census geographic area or a significant number of the persons (at least 60% of the persons) within a census geographic area. The census geographic area could be a county, place, census tract, or block group.
2. If only LMISD data is used to document the beneficiaries of an application activity, the low- and moderate-income benefit percentage must be at least 51% (not 50.99%) for a single census geographic area or for combinations of two or more census geographic areas.
3. The LMISD data may be used in combination with beneficiaries identified using other methods (as appropriate) to document the beneficiaries of an application activity. Again, the activity must benefit at least 51% low and moderate income persons.

If an application activity does not benefit an entire census geographic area, or a significant number of the persons within a census geographic area, then the applicant must use another method to document the beneficiaries. The applicant should then consider conducting a local TxCDBG survey to document the beneficiaries and the low- and moderate-income benefit percentage for the activity. A local survey is usually the best way to document the beneficiaries of direct benefit activities.

Navigating the LMISD Spreadsheets

The following are the three separate spreadsheets that compose the LMISD data (along with the information that each contains):

1. ALL BLOCK GROUPS STATEWIDE – data for every block group in the state
    a. "geoname" – identifies each block group by census tract and county
    b. "countyname" – identifies the county
    c. "tract" – identifies the census tract
    d. "blkgrp" – identifies the block group
    e. "lowmod" – number of LMI persons within the block group
    f. "lowmoduniv" – total number of persons within the block group
    g. "lowmod_pct" – percentage of LMI persons in the block group
2. LOCAL UNITS OF GOV (NON-ENT) – data for every non-entitlement entity in the state
    a. "group" – identifies type of entity (COUNTIES, COUSUB/MCD, PLACES)
    b. "geoname" – identifies the entity
    c. "place" – provides a place's identifying census number, if applicable
    d. "county" – provides a county's identifying census number, if applicable
    e. "cousub" – provides a county subdivisions/CDP identifying census number, if applicable
    f. "lowmod" – number of LMI persons within the block group
    g. "lowmoduniv" – total number of persons within the block group
    h. "lowmod_pct" – percentage of LMI persons in the block group
3. LOCAL UNITS OF GOV (ENT) – data for every entitlement entity in the state
    a. "cdbgname" – identifies the entitlement entity
    b. "county" – provides a county's identifying census number, if applicable
    c. "countyname" – identifies the county in which the entity is located
    d. "tract" – identifies the census tract
    e. "blkgrp" – identifies the block group
    f. "lowmod" – number of LMI persons within the block group
    g. "lowmoduniv" – total number of persons within the block group

h. "lowmod_pct" – percentage of LMI persons in the block group

The "ALL BLOCK GROUPS STATEWIDE" data may be used to qualify a project that benefits a target area(s) or used to recreate entity-wide LMI data that is broken out by block group (to use in substituting with income surveys or other allowable data) for a project that is entity-wide.

Due to the fact that "split block groups" are no longer available and applicant's (namely cities) are no longer able to identify which part of a block group's population actually resides within an entity's jurisdiction and which ones do not, applicants must recreate these "split block groups" using 2010 Census Data (by using the "Urban/Rural – 090" geographic type) to identify the actual population of a block group that is within their jurisdiction. Once that number is obtained, an applicant must simply apply the original LMI percentage of that block group to the adjusted number to calculate LMI persons for that particular block group. Whether an applicant is obtaining beneficiary numbers for a target area or recreating entity-wide data, the method above will apply to each (if applicable).

The "LOCAL UNITS OF GOV (NON-ENT)" data may be used to qualify a project that has a benefit area that is entity-wide. This data may not be used in combination with any other data or method of identifying beneficiaries (for example, income surveys), with the exception of institutional data (prison, nursing home, etc.) that may be substituted in, as appropriate.

The "LOCAL UNITS OF GOV (ENT)" data is simply provided for the use of eligible county applicants that have an entitlement entity within its jurisdiction. If a county applies for a project with a county-wide benefit, the populations of any and all entitlement entities within the county's jurisdiction must be subtracted and not considered when calculating the beneficiary data.

Example 1: The City of Athens wants to apply for a project that includes the installation of water distribution lines and fire hydrants in 2 block group (BG) areas. Using the LMISD spreadsheet to recreate the block group data, the City finds the following information:

- BG 5 has 100 residents, but an examination of the project maps indicates the project will only serve 35. The LMI percentage for BG 5 is 51%.
- BG 6 also has 100 residents, but the project is only expected to serve 20.

Can the City of Athens use Census data to qualify this project? No, because the project *will not benefit a significant number of BG 5 or BG 6 residents*. Both block groups would qualify if more than 60% of the residents of each were expected to receive benefits. In this case, City A must perform a survey of the benefiting areas.

Example 2: Tom Green County wants to apply for a county-wide benefit project that includes reconstructing streets throughout the entire county. The county has three incorporated area (that also includes an entitlement city) that it must subtract from its beneficiary data:

Group	geoname	Place	County	Cousub	lowmod	lowmodu	lowmod_pct
COUNTIES	Tom Green County, Texas		451		41,710	102,505	40.69%
	San Angelo (from entitlement data)				38,855	93,710	41.46%
PLACES	Grape Creek CDP, Texas	30629			1,060	2,885	36.74%
PLACES	Christoval CDP, Texas	14872			210	445	47.19%
				Total of Cities:	40,125	97,040	
				County's Unincorporated Population:	**1,585**	**5,465**	**29.00%**

The LMI percentage of the entire unincorporated area is 29.00% (1,585 low- to moderate-income persons and 5,465 total beneficiaries). Tom Green County cannot qualify the project using Census data because the project does not benefit at least 51% low- and moderate-income persons.

Example 3: The City of Trenton wants to apply for a direct benefit project that includes the installation of water distribution lines and fire hydrants in 2 block group (BG) areas. The project will benefit a significant number of BG 2 residents (70%) and a small section of BG 3 (about 5%).

After recreating the "split block groups", the City finds that the population of BG 2 is 70% low- and moderate-income (455 low- and moderate-income persons and 650 total residents) according to 2010 Census data. BG 3 is found to be 45% low- and moderate-income (324 low and moderate income persons and 720 total residents) according to Census data.

Can the City of Trenton use Census data to qualify this project? Yes and no. TxCDBG would allow the use of Census data for BG 2 but not for BG 3. The City would be advised to use census data for BG 2 and to survey the beneficiaries located in BG 3.

The City surveys BG 3 beneficiaries and the survey identifies 35 total and 28 low to moderate income beneficiaries. The number of beneficiaries in BG 2 (about 70% of BG 2 residents) is 450 total and 315 low and moderate income. Therefore, there are 485 total activity beneficiaries, 343 of whom are of low- to moderate-income.

Applicants using LMISD data to document activity beneficiaries must submit the following information with the application:

- A copy of the data from the LMISD spreadsheet(s) for the applicant and/or the TxCDBG-completed cover sheet, which includes low-and moderate-income benefit percentages for each census geographic area.
- A copy of the methodology and the supporting documentation (SF 1 information if applicable) used to determine the total number and number of low- and moderate-income beneficiaries for a census geographic area where only a portion of the census geographic area is receiving benefit from an application activity.
- For target area activities that do not benefit the entire city or county, a census map that contains the numbers for each census geographic area, the boundaries of each census geographic area, and the locations of the project activities within each census geographic area receiving project benefit.
- The Census information and maps are available from various state agencies and from various websites. When trying to obtain information or maps, first check with your local Council of Governments, as most have these materials for their respective regions. You may also contact TxCDBG staff for information concerning the availability of Census information. Census maps are available on the Census Bureau website at http://www.census.gov/geo/maps-data/maps/block/2010/).

Appendix II: Matching Funds

TxCDBG will not accept matching funds from the United States Department of Agriculture Rural Development Programs for TxCDBG applications unless the applicant has submitted the preliminary application for the Rural Development grant or loan matching funds to Rural Development prior to the TxCDBG application deadline. Applicants planning to use Rural Development funds as match for TxCDBG funds cannot submit a TxCDBG application for the Community Development Fund or Colonia Construction Fund unless the applicant has submitted the application for Rural Development funds prior to the TxCDBG application deadline.

TxCDBG will not accept matching funds from the Texas Water Development Board Programs for TxCDBG applications unless the applicant has submitted the preliminary application or the required questionnaire for the Texas Water Development Board grant or loan matching funds to the Texas Water Development Board prior to the TxCDBG application deadline. Applicants planning to use Texas Water Development Board funds as match for TxCDBG funds cannot submit a TxCDBG application for the Community Development Fund, or Colonia Construction Fund unless the applicant has submitted the application or completed the required questionnaire for Texas Water Development Board funds prior to the TxCDBG application deadline.

Funds expended prior to the application deadline will not count as matching funds.

An applicant may procure professional services prior to the submission of the application to assist in the preparation of the application and/or to provide engineering/architectural or administration services needed for contract management purposes if the application is funded. However, costs for application preparation are not eligible for reimbursement with TxCDBG funds.

TDA strongly recommends that applicants follow the professional services procurement guidelines included in the most recent TxCDBG Implementation Manual to contract for such services. Following those guidelines will ensure a competitive process and compliance with all applicable state and federal requirements.

Match funds are valid only if committed for activities proposed for funding with TxCDBG funds and the match will be used in the same target areas as the TxCDBG funds, or the match will be used for activities that are directly related to supporting the activities proposed for TxCDBG funding.

Example #1- An applicant proposes a water line replacement project in two different target areas. TxCDBG funds will finance the improvements in one target area and the applicant's match will be used to finance the improvements in the other target area. The applicant had already budgeted local funds for the water improvements in the applicant financed target area and did not claim any of the persons located in this target area as project beneficiaries. This match would not be considered because it is not committed to the TxCDBG financed target area beneficiaries, nor is it committed to the proposed TxCDBG-funded water improvements.

Example #2 - An applicant proposes water line replacement and street paving activities in the same target area and proposes that TxCDBG funds finance the water improvements and the applicant's match will finance the street paving improvements. Even though the match is committed to the same target area, this match would not be considered because the match is not committed to the TxCDBG-funded water activity. The applicant could complete the street paving improvements without TxCDBG funds.

Example #3 - An applicant proposes water line replacement and street paving activities in the same target area and proposes that TxCDBG funds finance 80% of water improvements costs and 50% of the street paving costs. The applicant's match will finance the remaining 20% and 50% of these activities. The applicant's match is allowed because it is committed to the same target area and activities proposed for TxCDBG funding.

Example #4 - An applicant proposes a sewer system improvements project that includes acquisition of easements and a site for a lift station. TxCDBG funds will finance 100% of the sewer system construction improvements and the applicant's match will finance 100% of the acquisition, engineering, and administrative costs related to the delivery of

the construction improvements. This match is considered allowable because the acquisition, engineering and administrative costs are directly related to the TxCDBG funded sewer construction activity.

Example #5 –An applicant proposes to provide first-time water service in a project area where 90% of the households are low-to moderate-income households. Only applicant's (or other entity's) funds in support of rehabilitation activities benefiting low- to moderate- income households are considered matching funds. Any applicant's (or other entity's) funds used to provide first-time water service to the 10% non-low-to moderate-income households are NOT acceptable as matching since they do not support an eligible TxCDBG activity.

Match is acceptable only if the applicant has used an acceptable and reasonable method to document the value of the match.

Except for cash match, the applicant must provide an attachment/schedule to Table 2, Budget Justification, which shows how the value of each type of match was determined. The following documentation is acceptable:

Cash
Acceptable documentation for cash match is described in *"Letter(s) of Commitment"* section (e.g., local government resolution, letters of commitment from other local entities, state/federal agency contract award letter, etc.).

Force Account Labor (in-kind service)
The value of force account labor match must be based on the estimated TxCDBG contract-related construction hours to be worked by force account workers and the hourly wages to be paid and cannot be based on labor costs estimated through the bid/contract method.

The applicant must provide an attachment/schedule that shows how the value of the match was determined (number of estimated contract-related construction hours multiplied by the hourly wage rates paid for each worker). Documentation regarding this information should be included.

Administration/Engineering (in-kind service)
The value of in-kind administration and engineering match must be based on the estimated TxCDBG contract-related hours to be worked by administrative/engineering staff and the hourly wages or salary to be paid and cannot be based on a percentage of the project cost method or on an estimated cost of the service(s) if an administrative/engineering consultant(s) were hired.

The applicant must provide an attachment/schedule that shows how the value of the match was determined. The schedule should include the estimated contract-related staff-work hours multiplied by the hourly wages or salary to be paid and the estimated value of other TxCDBG-eligible administration/engineering costs (e.g., materials, supplies, bonding, postage, audits, plans/specifications, construction mapping, etc.). If you are unsure about the eligibility of any administrative or engineering costs, please contact TDA staff for a determination.

Equipment Use (in-kind)
The value of in-kind equipment use match for equipment owned by the locality must be based on a use allowance or depreciation (both cannot be used for the same piece of equipment) and cannot be based on the estimated rental cost of such equipment if already owned by the locality.

To document the value of estimated in-kind equipment use match based on a use allowance, the applicant may use equipment hourly rates and mileage rates established by the Federal Emergency Management Agency (available from TxCDBG under separate cover).

Depreciation value may be used only if the equipment is not already fully depreciated and the schedule is based on acquisition cost. The applicant must provide an attachment/schedule that shows how the value of the match was determined.

If determining value by use allowance, the schedule must include a list of the equipment (including the capacity or size of the equipment), the hourly use rate or mileage rate, and the number of estimated hours or miles that each piece of equipment will be used on project related activities.

If determining value based on depreciation, the schedule must include a list of the equipment, the depreciation schedule, and the acquisition cost of each piece of equipment.

Materials and Supplies

The value of materials/supplies to be provided by the applicant, and already owned by the applicant, must be based on the purchase price of the materials/supplies at the time of purchase and cannot be based on the current purchase price of such materials and supplies.

The applicant must provide an attachment/schedule that shows how the value of the match was determined. The schedule must include a list of the materials/supplies to be provided by the applicant, the number of units and the unit price acquisition cost of each material/supply.

Land

The value of land donations of public or private property must be based on an independent appraisal report establishing the fair market value or on the purchase price of the property at the time of purchase.

Either way, the value claimed must be based on the amount of property actually needed for the project (e.g., the applicant cannot claim the value for a 200-acre tract of land if only one acre is needed for the project).

The applicant must provide the appraisal report or deed of purchase establishing the value of the property needed for the project.

Appendix III: Sample Table 1 & Table 2

TABLE 1 Add a separate Target Area for each activity or colonia target area.

Identify ALL activities and beneficiaries for the entire application below. Refer to the Application Guide for instructions. Add Another Target Area

Target Area Name: Eagle Sands Colonia — Remove this Target Area

Activity Description	Act #	Ttl Benes	LMI Benes	LMI%	TxCDBG Const.	TxCDBG Eng.	TxCDBG Acq.	Other Const.	Other Eng.	Other Acq.	Activity Total	+
Water Improvements	03J	23	23	100	123,000	30,000	0	0	0	0	153,000	x
Rehab: Single-Unit Water Service	14A	23	23	100	500	1,200	0	0	0	0	1,700	x
TARGET AREA SUBTOTALS:		23	23	100.00%	123,500	31,200	0	0	0	0	154,700	

Target Area Name: Sandia Colonia — Remove this Target Area

Activity Description	Act #	Ttl Benes	LMI Benes	LMI%	TxCDBG Const.	TxCDBG Eng.	TxCDBG Acq.	Other Const.	Other Eng.	Other Acq.	Activity Total	+
Rehab: Single-Unit Sewer Service	14A	5	5	100	10,000	0	0	0	0	0	10,000	x
Sewer Improvements	03J	29	25	86.21	150,000	32,000	0	0	0	0	182,000	x
TARGET AREA SUBTOTALS:		29	25	86.21%	160,000	32,000	0	0	0	0	192,000	
APPLICATION TOTALS:		52	52	100.00%	283,500	63,200	0	0	0	0	346,700	

County Code	Census Tract (6 digit)	1	2	3	4	5	6	7	8	9	10	+
321	9702.01	☒	☒									x

Beneficiary Identification Information

Are any of the beneficiaries receiving a direct benefit? (e.g. First-time Service)? ☐ Yes ☒ No

☐ A TxCDBG survey was used to identify the beneficiaries for this activity.

☒ LMISD information was used to identify the beneficiaries for this activity. ☐ City-wide Benefit ☐ County-wide Benefit ☒ Other Census Designated Unit

Provide the number of beneficiaries identified through each of the following methods for this activity:

TxCDBG Survey: 0 LMISD Data: 52 Area Benefit: 0 Housing Activity: 0 Limited Clientele: 0

TABLE 2 - BUDGET JUSTIFICATION OF RETAIL COSTS +

Activity Description	HUD Act #	Materials/Facilities/Services	$/Unit	Unit	Quantity	Construction	Acquisition	Total	
Sewer Improvements	03J	Mobilization	$5,000.00	EA	1	$5,000	$0	$5,000	X
Sewer Improvements	03J	6" PVC and fittings	$10.00	LF	500	$5,000	$0	$5,000	X
Sewer Improvements	03J	8" PVC and fittings	$20.00	LF	1,500	$30,000	$0	$30,000	X
Sewer Improvements	03J	6" and 8" Gate Valves	$1,000.00	EA	15	$15,000	$0	$15,000	X
Sewer Improvements	03J	Erosion Control	$5,000.00		1	$5,000	$0	$5,000	X
						$60,000	**$0**	**$60,000**	

Seal

Signature of Registered Engineer/Architect Responsible For Budget Justification:

Sep 16, 2016 — **Date:**

+1 (512) 321-4567 — **Phone Number**

Appendix IV: TxCDBG Activity Code Reference Table

Code	Description
01	**Acquisition of Real Property** Acquisition of real property that will be developed for a public purpose. Use code 01 for the CDBG-funded purchase of real property on which, for example, a public facility or housing will be constructed. When CDBG funds are used to: • acquire a public facility that will be rehabilitated with CDBG funds and continue to be used as a public facility, assign the appropriate 03* code. • acquire housing that will be rehabilitated, use code 14G.
02	**Disposition of Real Property** Costs related to the sale, lease, or donation of real property acquired with CDBG funds or under urban renewal. These include the costs of temporarily maintaining property pending disposition and costs incidental to disposition of the property.
03A	**Senior Centers** Acquisition, construction, or rehabilitation of facilities (except permanent housing) for seniors. 03A may be used for a facility serving both the elderly and the handicapped, provided it is not intended primarily to serve persons with handicaps. If it is, use 03B instead. For the construction of permanent housing for the elderly, use code 12; for the rehabilitation of such housing, use the appropriate 14* code.
03D	**Youth Centers** Acquisition, construction, or rehabilitation of facilities intended primarily for young people age 13 to 19. These include playground and recreational facilities that are part of a youth center. For the acquisition, construction or rehabilitation of facilities intended primarily for children age 12 and under, use 03M; for facilities for abused and neglected children, use 03Q.
03E	**Neighborhood Facilities** Acquisition, construction, or rehabilitation of facilities that are principally designed to serve a neighborhood and that will be used for social services or multiple purposes (including recreational). Such facilities may include libraries and public schools.
03F	**Parks, Recreational Facilities** Development of open space areas or facilities intended primarily for recreational use.
03G	**Parking Facilities** Acquisition, construction, or rehabilitation of parking lots and parking garages. Also use 03G if the primary purpose of rehabilitating a public facility or carrying out a street improvement activity is to improve parking. If parking improvements are only part of a larger street improvement activity, use 03K.
03I	**Flood Drainage Improvements** Acquisition, construction, or rehabilitation of flood drainage facilities, such as retention ponds or catch basins. Do not use 03I for construction/rehabilitation of storm sewers, street drains, or storm drains. Use 03J for storm sewers and 03K for street and storm drains.
03J	**Water/Sewer Improvements** Installation or replacement of water lines, sanitary sewers, storm sewers, and fire hydrants. Costs of street repairs (usually repaving) made necessary by water/sewer improvement activities are included under 03J.

	For water/sewer improvements that are part of: • more extensive street improvements, use 03K (assign 03K, for example, to an activity that involves paving six blocks of Main Street and installing 100 feet of new water lines in one of those blocks). • a housing rehabilitation activity, use the appropriate 14* matrix code. For construction or rehabilitation of flood drainage facilities, use 03I.
03K	**Street Improvements** Installation or repair of streets, street drains, storm drains, curbs and gutters, tunnels, bridges, and traffic lights/signs. Also use 03K: • for improvements that include landscaping, street lighting, and/or street signs (commonly referred to as "streetscaping"). • if sidewalk improvements (see code 03L) are part of more extensive street improvements.
03L	**Sidewalks** Improvements to sidewalks. Also use 03L for sidewalk improvements that include the installation of trash receptacles, lighting, benches, and trees.
03M	**Child Care Centers** Acquisition, construction, or rehabilitation of facilities intended primarily for children age 12 and under. Examples are daycare centers and Head Start preschool centers. For the construction or rehabilitation of facilities for abused and neglected children, use 03Q.For the construction or rehabilitation of facilities for teenagers, use 03D.
03O	**Fire Stations/Equipment** Acquisition, construction, or rehabilitation of fire stations and/or the purchase of fire trucks and emergency rescue equipment.
03P	**Health Facilities** Acquisition, construction, or rehabilitation of physical or mental health facilities. Examples of such facilities include neighborhood clinics, hospitals, nursing homes, and convalescent homes. Health facilities for a specific client group should use the matrix code for that client group. For example, use 03Q for the construction or rehabilitation of health facilities for abused and neglected children.
03	**Other Public Facilities and Improvements** Do not use this code unless an activity does not fall under a more specific 03* code. Also, do not use one activity for multiple facilities and then assign it an 03 because the types of facilities are different. One legitimate use of 03 is for activities that assist persons with disabilities by removing architectural barriers from or providing ADA improvements to government buildings (activities that otherwise would not be eligible for CDBG funding).
04	**Clearance and Demolition** Clearance or demolition of buildings/improvements, or the movement of buildings to other sites.
05D	**Youth Services** Services for young people age 13 to 19 that include, for example, recreational services limited to teenagers and teen counseling programs. Also use 05D for counseling programs that target teens but

	include counseling for the family as well. For services for children age 12 and under, use 05L; for services for abused and neglected children, use 05N.
05L	**Child Care Services** Services that will benefit children (generally under age 13), including parenting skills classes. For services exclusively for abused and neglected children, use 05N.
05M	**Health Services** Services addressing the physical health needs of residents of the community. For mental health services, use 05O.
05R	**Homeownership Assistance (not direct)** Homeowner downpayment assistance provided as a public service. If housing counseling is provided to those applying for downpayment assistance, the counseling is considered part of the 05R activity. Assistance provided under 05R must meet the low/mod housing national objective. Therefore, unless the assistance is provided by an 105(a)(15) entity in a CRSA, it is subject to the public service cap and only low/mod households may be assisted. If the assistance is provided by a 105(a)(15) in a CRSA, the housing units for which CDBG funds are obligated in a program year may be aggregated and treated as a single structure for purposes of meeting the housing national objective (that is, only 51% of the units must be occupied by LMI households). For more extensive types of homeownership assistance provided under authority of the National Affordable Housing Act, use code 13.
05U	**Housing Counseling** Housing counseling for renters, homeowners, and/or potential new homebuyers that is provided as an independent public service (i.e., not as part of another eligible housing activity).
05	**Other Public Services** Do not use this code for public services activities unless an activity does not fall under a more specific 05* code. Examples of legitimate uses of this code are referrals to social services, neighborhood cleanup, graffiti removal, and food distribution (community kitchen, food bank, and food pantry services).
06	**Interim Assistance** Only for activities undertaken either to: • Make limited improvements (e.g., repair of streets, sidewalks, or public buildings) intended solely to arrest further deterioration of physically deteriorated areas prior to making permanent improvements. • Alleviate emergency conditions threatening public health and safety, such as removal of tree limbs or other debris after a major storm.
08	**Relocation** Relocation payments and other assistance for permanently or temporarily displaced individuals, families, businesses, non-profit organizations, and farms.
14A	**Rehab: Single-Unit Residential** Rehabilitation of privately owned, single-unit homes.
14A	**Rehab: Single-Unit Residential Water Services** First-time yardlines/service connections.

14A	**Rehab: Single-Unit Residential Sewer Services** First-time yardlines/service connections and on-site sewage facilities.
14B	**Rehab: Multi-Unit Residential** Rehabilitation of privately owned buildings with two or more permanent residential units. For the rehabilitation of units that will provide temporary shelter or transitional housing for the homeless, use 03C.
14C	**Rehab: Public Housing Modernization** Rehabilitation of housing units owned/operated by a public housing authority (PHA).
14D	**Rehab: Other Publicly Owned Residential Buildings** Rehabilitation of permanent housing owned by a public entity other than a PHA. For the rehabilitation of other publicly owned buildings that will provide temporary shelter or transitional housing for the homeless, use 03C.
14H	**Rehab: Administration** All delivery costs (including staff, other direct costs, and service costs) directly related to carrying out housing rehabilitation activities. Examples include appraisal, architectural, engineering, and other professional services; preparation of work specifications and work write-ups; loan processing; survey, site, and utility plans; application processing; and other fees. Do not use 14H for the costs of actual rehabilitation and do not use it for costs unrelated to running a rehab program (e.g., tenant/landlord counseling). For housing rehabilitation administration activities carried out as part of general program administration (and thus not required to meet a national objective), use code 21.
15	**Code Enforcement** Salaries and overhead costs associated with property inspections and follow-up actions (such as legal proceedings) directly related to the enforcement (not correction) of state and local codes. For the correction of code violations, use the appropriate rehabilitation code.
16A	**Residential Historic Preservation** Rehabilitation of historic buildings for residential use.
16B	**Non-Residential Historic Preservation** Rehabilitation of historic buildings for non-residential use. Examples include the renovation of an historic building for use as a neighborhood facility, as a museum, or by an historic preservation society.
18A	**Economic Development: Direct Financial Assistance to For-Profits** Financial assistance to for-profit businesses to (for example) acquire property, clear structures, build, expand or rehabilitate a building, purchase equipment, or provide operating capital. Forms of assistance include loans, loan guarantees, and grants. With one exception, a separate 18A activity must be set up for each business assisted. The exception is an activity carried out under 570.483(b)(4)(vi), for which job aggregation is allowed.
19C	**CDBG Non-Profit Organization Capacity Building** Activities specifically designed to increase the capacity of non-profit organizations to carry out eligible community revitalization or economic development activities. Such activities may include

	providing technical assistance and specialized training to staff.
20	**Planning** Program planning activities, including the development of comprehensive plans (e.g., a consolidated plan), community development plans, energy strategies, capacity building, environmental studies, area neighborhood plans, and functional plans.
21A	**General Program Administration** Overall program administration, including (but not limited to) salaries, wages, and related costs of grantee staff or others engaged in program management, monitoring, and evaluation. Also use 21A to report the use of CDBG funds to administer Federally designated Empowerment Zones or Enterprise Communities. For CDBG funding of HOME admin costs, use 21H; for CDBG funding of HOME CHDO operating expenses, use 21I.

For a more comprehensive list of activity codes, go to:
(http://archives.hud.gov/offices/cpd/systems/idis/library/refmanual/ref_man_b.pdf)

Appendix V: Form and Document Samples

Sample Resolution

RESOLUTION

A RESOLUTION OF THE COMMISSIONERS COURT OF (XYZ) COUNTY, TEXAS, AUTHORIZING THE SUBMISSION OF A TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM APPLICATION TO THE TEXAS DEPARTMENT OF AGRICULTURE FOR THE (FUND NAME); AND AUTHORIZING (THE COUNTY JUDGE) TO ACT AS THE COUNTY'SEXECUTIVE OFFICER AND AUTHORIZED REPRESENTATIVE IN ALL MATTERS PERTAINING TO THE COUNTY'S PARTICIPATION IN THE TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM.

WHEREAS, the Commissioners Court of (XYZ) County desires to develop a viable community, including decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low-to-moderate income; and

WHEREAS, certain conditions exist which represent a threat to the public health and safety; and

WHEREAS, it is necessary and in the best interests of (XYZ) County to apply for funding under the Texas Community Development Block Grant Program;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONER'S COURT OF (XYZ) COUNTY, TEXAS:

1. That a Texas Community Development Block Grant Program application for the (FUND NAME) is hereby authorized to be filed on behalf of the County with the Texas Department of Agriculture.

2. That the County's application be placed in competition for funding under the (FUND NAME).

3. That the application be for ($500,000.00) of grant funds to provide (first-time water service).

4. That the Commissioners Court directs and designates (the County Judge) as the County's Chief Executive Officer and Authorized Representative to act in all matters in connection with this application and the County's participation in the Texas Community Development Block Grant Program.

5. That all funds will be used in accordance with all applicable federal, state, local and programmatic requirements including but not limited to procurement, environmental review, labor standards, real property acquisition, and civil rights requirements.

6. That it further be stated that (XYZ) County is committing ($25,000.00) from its (General Fund) as a cash contribution toward the administration activities of this (first-time water service) project.

Passed and approved this ____ day of _____, 20__.

_____
John Doe, County Judge
(XYZ) County, Texas

_____
Mary Smith, County Clerk
(XYZ) County, Texas

Sample Public Hearing Notice and Application Activities Notice

SAMPLE PUBLIC HEARING NOTICE:

Published on (DATE):

PUBLIC HEARING NOTICE

(XYZ) COUNTY
TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

(XYZ) County will hold a public hearing at 7:00 p.m. on DATE, at (XYZ) County Courthouse regarding the submission of an application to the Texas Department of Agriculture for a Texas Community Development Block Grant Program (TxCDBG) grant. The purpose of this meeting is to allow citizens an opportunity to discuss the citizen participation plan, the development of local housing and community development needs, the amount of TxCDBG funding available, all eligible TxCDBG activities, and the use of past TxCDBG funds. The County encourages citizens to participate in the development of this TxCDBG application and to make their views known at this public hearing. Citizens unable to attend this meeting may submit their views and proposals to (John Doe), County Judge at the County Courthouse. Persons with disabilities that wish to attend this meeting should contact the County Courthouse to arrange for assistance. Individuals who require auxiliary aids or services for this meeting should contact the County Courthouse at least two days before the meeting so that appropriate arrangements can be made. Para más información en español, comuníquese con [local contact name] al XXX-XXX-XXXX.

SAMPLE APPLICATION ACTIVITIES NOTICES:

Published on (DATE):

PUBLIC NOTICE

(XYZ) COUNTY
TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

(XYZ) County is giving notice of the county's intent to submit Texas Community Development Block Grant Program grant applications for a (Colonia Fund: Construction) grant request of ($275,000) for (the installation of a sewer system) in the (community of XX). The application is available for review at the (XYZ) County Courthouse during regular business hours. Para obtener una copia en espanol, comuníquese con [local contact name] al XXX-XXX-XXXX.

Sample TxCDBG Performance Statement

EXHIBIT A

PERFORMANCE STATEMENT

All activities funded with TxCDBG funds must meet one of the CDBG program's National Objectives: benefit low- and moderate-income (LMI) persons, aid in the prevention or elimination of slums or blight, or meet community development needs having a particular urgency.

Contractor shall carry out the following activities in the target area identified in the Application. The Contractor shall ensure that the amount of funds expended for each activity described does not exceed the amount specified for such activity in the Budget.

CURRENT NEED

The city's sewer lines located in the eastern section of the city are deteriorated and excessive inflow and infiltration overwhelm the system during severe storms.

The Contractor certifies that the activity (ies) carried out under this contract will meet the National Objective of benefitting LMI persons with at least 51% of the beneficiaries qualifying as LMI.

Sewer Improvements

Contractor shall replace approximately three thousand eight hundred eight linear feet (3,808 l.f.) of eight-inch (8"), ten-inch (10"), and twelve-inch (12") PVC sanitary sewer pipe, thirteen (13) manholes, demolition of existing manholes, boring, service connections, street repair and all necessary appurtenances. Construction shall take place in the following locations:

STREET	FROM	TO
Trent Street	Erica Road	Joe Ave
Diana Blvd	Chad Lane	Aubrey Circle

These activities shall benefit six hundred thirty-seven (637) persons, of which four hundred sixty-eight (468) or seventy-three percent (73%) are of low-to-moderate income.

Engineering

Contractor shall ensure that the amount of Department funds expended for all eligible project-related engineering services, including preliminary and final design plans and specifications, all interim and final inspections, and all special services does not exceed the amount specified for engineering in the Budget.

General Administration

Contractor shall ensure that the amount of Department funds expended for all eligible project-related administration activities, including the required annual program compliance and fiscal audit does not exceed the amount specified for administration in the Budget.

Sample Pre-Agreement Request

<<date>>

Suzanne Barnard
Director, Texas CDBG Program
P.O. Box 12847
Austin, Texas 78711

Re: Pre-Agreement Cost Approval for Administration and Engineering

Dear Ms. Barnard:

This is to notify the Texas Department of Agriculture, Texas Community Development Block Grant (TxCDBG) Program that the city of XYZ intends to proceed with its [FUND NAME] application project per the pre-agreement costs stratagem. As a condition of this pre-agreement to acknowledge and agree to the following:

1. All applicable state and federal laws, including procurement procedures for professional services and applicable vendors; all applicable TxCDBG policies and procedures, including a completed Environmental Assessment necessary for the Release of Funds (for construction activities) by TxCDBG, acquisition requirements, approval of plans and specifications as regulated by the Texas Commission on Environmental Quality (TCEQ), Davis-Bacon wage requirements, and any applicable contract Special Conditions.
2. The Department shall not reimburse any costs under this agreement until a 2016 [FUND NAME] contract is fully executed with the city. Department shall not be liable for costs incurred prior to [DATE] or for any activities not included in Exhibit A, Performance Statement, and Exhibit B, Budget, of the executed contract associated with the 2016 grant.

Sincerely,

Mayor, City of XYZ

Appendix VI: Colonia Funds and Platting Subdivisions

With the advent of the Colonia Fund, an opportunity arose to assist low- to moderate-income residents of colonias that are not legally platted and recorded subdivisions. Several projects were funded and some subdivisions were officially recorded, while others will remain indefinitely at the preliminary plat stage in the absence of an entity to act as a developer (i.e., without guarantee of funding to afford necessary, prerequisite improvements).

In several instances, applicants proposed numerous vacant lots among or adjacent to occupied lots for platting. Including vacant lots can create the impression of impropriety, if not actual misuse of project funds, as it is difficult to tie the work associated with these lots to beneficiaries. Often, target areas proposed for platting assistance were within the extraterritorial jurisdictions of cities that are not willing to issue plat approval for lack of foreseeable financing for infrastructure improvements.

TxCDBG encourages and funds platting projects because of enhanced funding availability for physical improvements with the resultant recording of a final plat. It is not the intention of TxCDBG to encourage inconclusive engineering and legal exercises with questionable long-term benefit. TxCDBG encourages localities to determine financing sources and implementation steps necessary for concluding the subdivision process in previously determined target areas.

Although exceptions might be possible, the area to be platted shall be confined to the immediate area (occupied lots) surrounding the occupied resident households. All activities must be confined to the qualifying beneficiaries identified in the application. Grant funds shall not be reimbursed unless a certification is provided by the county that the completed project is in compliance with all applicable laws, particularly the requirements of Chapter 232, Subchapters B and C, Local Government Code. If any law or regulation is violated, the county applicant becomes liable for reimbursement of any grant funds paid for a legally improper activity.

To apply for platting using Colonia Funds for planning, a letter guaranteeing construction improvements must be provided with the application. Presumably, under this situation a Colonia Fund - Planning contract for platting activities would not need the maximum two year period that most Colonia Fund - Planning contracts require. Platting is also an eligible activity under the Economically Distressed Areas Program (EDAP).

Other items to examine are an inventory of water and/or wastewater needs, an analysis of needs, and a plan showing improvements by phases. Ideally, this would be proposed to be accomplished while fully considering why these services are planned. That is, people and the housing that they live in should be considered as well as the influencing features outside and inside the colonia. Some study of land uses, drainage patterns, streets and roads is necessary to understand the colonia and how providing basic services is impacted.

A county may apply for platting as “Special Engineering Services” under a construction project application and must justify the cost requested for the platting activities. The applicant’s proposal must be for construction-related activities and infrastructure facilities that are needed to allow plat recordation. The funding requested for platting as “Special Engineering Services” will be drawn from the Colonia Fund allotment reserved for planning activities and the applicants request will take priority over any other planning proposal in an application received for the 2015-2016 Colonia Fund. Any application that includes a request for funds for platting that results in a grant to an applicant must result in a recordation of the plat (within the grant’s contract period) or the applicant/grantee will be liable for reimbursement of the entire grant award where TxCDBG funded platting activities resulted in no recordation of the plat.

A county may apply for platting to record a subdivision as a legal subdivision using Colonia Planning funds for a colonia where all infrastructure facilities are available already if the county identifies the impediments to recordation and proposes a performance statement to accomplish the platting process and recordation during a two-year TxCDBG contract period. Any application that includes a request for funds for platting that results in a grant to an applicant must result in a recordation of the plat (within the grant's original or extended contract period). If extended, the applicant/grantee would have a 24-month threshold violation, but would be liable for reimbursement of the entire grant award where TxCDBG funded platting activities resulted in no recordation of the subdivision.

In 1995, colonia-prevention laws were strengthened in Texas, providing enhanced requirements for platting, selling and connecting utilities to residential land outside city limits in any county within 50 miles of the Texas-Mexico border. The laws also require that when a new residential subdivision is created, the sub-divider must either install water and sewer service facilities prior to approval of the subdivision plat, or provide a financial guarantee (such as a bond or a letter of credit) to cover the utilities' cost if the installation is not completed by a promised date stated on the plat.

Violators of Texas platting laws are subject to civil penalties of up to $15,000 for each lot conveyed.

Appendix VII: Instructions and Forms for Choosing a Pre-Qualified Grant Administrator

Applicants for the 2017-2018 CFC grants are responsible for identifying the person or firm that will provide administrative services for the project, if funded. In an effort to simplify the procurement process for communities, TDA has solicited Applications to Prequalify Grant Administrators from vendors interested in grant writing and administering CFC projects for the 2017-2018 contract years. TDA reviewed the proposals based on satisfaction of the minimum qualifications and developed a pre-approved list of vendors included in Appendix VIII.

Although this process is primarily intended for procurement of administrative services needed to implement a project if funded, the community may choose to include grant writing services in the solicitation as well.

Procurement of a Grant Administrator – Phase 1 (completed)

Step 1a – Application to Prequalify Grant Administrators

TDA prepared an Application to Prequalify Grant Administrators, in order to collect qualifications. The opportunity was advertised across the state and open to any qualified respondents.

Step 2a – Application submittal from Grant Administrators

Grant Administrators submitted their qualifications directly to TDA using the application form.

Step 3a – Approved Vendor List of Prequalified Grant Administrators

TDA reviewed the submittals for responsiveness and prepared an Approved Vendor List of prequalified Grant Administrators. Preapproval of a grant administrator indicates that the application was complete and timely, and does not include an evaluation of the quality of services offered by the administrator.

Procurement of a Grant Administrator – Phase 2 (tasks to be completed by Applicant)

Applicants for CFC grant funding may only use administrative service providers that are included on the Approved Vendor List for the fund cycle **and** have been selected using the following procedures:

Step 1 – Identify Evaluation Team and Review Approved Vendor Applications

The CFC applicant community must identify an Evaluation Team to complete Phase 2. The committee must include at least one local official, such as a member of the elected governing body. The Evaluation Team members shall have no potential conflicts of interest with any of the individuals, firms, or agencies under review (e.g., family relationships, close friendships, business dealings).

The Evaluation Team should review the qualifications provided to TDA for each approved vendor.

Part 1 responses for each Application to Prequalify Grant Administrators identified on the Approved Vendor List can be found at:
http://www.texasagriculture.gov/GrantsServices/RuralEconomicDevelopment/RuralCommunityDevelopmentBlockGrant(CDBG)/PrequalifiedProfessionalServices.aspx

Communities may request a copy of Part 2 responses for any Approved Vendor by sending an email listing the requested vendors to CDBGapps@TexasAgriculture.gov. Part 2 includes responses to the following:

1. Describe the character, integrity and reputation of the respondent and key personnel, including whether the respondent is in good standing with TDA, and former and current clients.
2. Has the respondent ever had a contract terminated or denied renewal for noncompliance with policies or regulations of any state or federally funded program within the past five years?
3. Has the respondent or any of its principals ever been debarred, suspended or otherwise excluded from or ineligible for participation in federally-assisted programs?

Step 2 – Select Firms to consider further

Based on the available qualifications the Evaluation Team must select at least three individuals/firms from the Approved Vendor List to consider further. The committee may choose to consider as many approved vendors as it wishes.

The TDA website identifies each approved vendor that has self-identified as a minority-owned business (MBE), woman-owned business (WBE), Small business enterprise (SBE), or Section 3 business (S3). One or more of the approved vendors selected for further consideration must qualify under at least one of these categories.

Step 3 – Complete **Phase 2 Solicitation – Request for Project-Specific Proposal**

Enter information in each field of Form P-506 to request a project-specific proposal, including services to be provided and costs.

- Number of CFC Projects in this Solicitation – Specify whether each vendor should submit a proposal for one CFC grant project, or two projects. The CFC applicant may choose to issue one solicitation for two separate grant projects, or may issue separate solicitations seeking different qualifications, especially for specialized projects.
- Description of Anticipated Project(s) – Provide any information available to describe the potential grant project. This description should help vendors understand the community's priorities, but is not binding for the final grant application. Examples include:
  - Housing rehabilitation project in multiple colonia areas;
  - Water and/or sewer improvements in Precinct One;
  - Infrastructure in one or more colonia areas; and
  - Unknown pending public hearing.
- Anticipated Scope of Work – check all that apply. For additional information, please see: http://texasagriculture.gov/Portals/0/Publications/RED/CDBG/RFQ%20prequalify%20admin%20Final%203.30.17.pdf

- Evaluation Criteria – Develop written weighted criteria that will be used to evaluate proposals. Cost must be included in the evaluation and selection criteria**.** Determine how important each element will be in evaluating grant administrator proposals and mark an "x" or other value criteria in the appropriate column. If the Evaluation Team chooses to use scores, the maximum score for each criteria must be identified on Form P-506. List any other criteria the Evaluation Team will consider as well.

Send Form P-506 to each vendor identified in Step 2 of Phase 2. Contact information is provided on the Application to Prequalify Grant Administrators form for each firm. Allow the vendors a

reasonable period of time to prepare a proposal. TDA considers five to ten days to be reasonable for most projects, but the community must determine what is reasonable for the anticipated project.

Step 4 – Receive and review the proposals

Vendors interested in competing for an administrative services contract will respond to the Phase 2 Solicitation. Vendors may use the optional form provided by TDA (Form P-507) or may provide information in their own format. In either case, the proposal must outline the services being offered and the proposed cost of those services.

The Evaluation Team must review all proposals, evaluate the proposals according to the criteria established in Step 3, and determine most responsive and responsible respondent whose proposal is most advantageous to the program, with price and other factors considered. The Evaluation Team makes a recommendation to the CFC applicant's governing body (Commissioners Court).

The Applicant may conduct negotiations with those respondents who are deemed responsive and responsible and fall within a competitive price range. After negotiations, these respondents may be given the opportunity to submit a best and final offer.

Step 5 – Select a Grant Administrator using local procedures to award the contract

The Applicant's governing body awards the contract(s) for administrative services to the selected vendor.

Because each CFC application/project is submitted and implemented separately, each administrative services contract should reflect a single CFC project. This means that an Applicant submitting two CFC applications will award two separate administrative services contracts.

Appendix D of the TxCDBG Implementation Manual includes a sample contract that may be used for administrative services.

- If the applicant chooses to execute the contract(s) immediately, include language stating that payment for project implementation services are contingent on receipt of grant funds (see sample Administrative contract in Appendix D).
- The applicant may also choose not to execute the contract(s) for project implementation services prior to funding, however, the award of the contract must be reflected in the minutes of the governing body.

Note: The local governing body has the final authority to award contracts and is encouraged to follow the committee's recommendation, but may select another respondent if the minutes of the local governing body meeting include justification for the selection.

Step 6 –Work with the Grant Administrator to prepare the Application.

Only after formal award of the administrative services contract may the Grant Administrator be involved in preparing the CFC grant application.

If an administrator has been involved with discussions or decisions regarding the 2017-2018 CFC grant application prior to the procurement process for administrative services, that firm may NOT be selected as the Grant Administrator.

Appendix VIII: List of Pre-Approved Vendors

Firm Name	Contact Information	Small Business	Woman Owned	Minority Owned	Section 3
Provision Specialized Resources, LLC	Alice Ashley aliceashley@provisionsr.com	X	X		
Esser & Company Consulting LLC	Carl Esser carl.esser@hotmail.com				
GrantWorks, Inc.	Eric Hartzell eric@grantworks.net	X			
Langford Community Management Services	Judy Langford Judy@lcmsinc.com	X	X		
Middle Rio Grande Development Council	Nick Gallegos nick.gallegos@mrgdc.org				
MPACT Strategic Consulting LLC	Kristina Loera kloera@mpact-consulting.com	X		X	
Municipal Consulting Agency	Valree Thompson valreethompson@hotmail.com		X		
Public Management, Inc.	Patrick Wiltshire Pwiltshire@publicmgt.com				
Raymond K. Vann & Associates, LLC	Ray Vann rvann@rkvtexas.com	X			
Resources Mobility Associates	Francisco Briones franciscobriones38@yahoo.com	X		X	
Traylor & Associates	Mark Taylor Mark@grtraylor.com	X			

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http://texasagriculture.gov/GrantsServices/RuralEconomicDevelopment/RuralCommunityDevelopmentBlockGrant(CDBG)/PrequalifiedProfessionalServices.aspx