



# **Texas Community Development Block Grant Program**

2017-2018 Colonia Fund: Planning (CFP)

Application Guide

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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.

## **Application Deadline and Submittal Requirements**

The application procedures for the 2017-2018 TxCDBG Colonia Fund: Planning (CFP) are included in this Application Guide. The 2017-2018 CFP Application is available at [www.TexasAgriculture.gov](http://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 CFP applications is 5:00 p.m. CT on September 18, 2017.

Applications will not be accepted after 5:00 p.m. CT 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.

## **Contact Information**

Mailing Address (for U.S. Postal Service): Texas Department of Agriculture Texas Community Development Block Grant Program Post Office Box 12847, Capitol Station Austin, Texas 78711	Physical Address (for Overnight Carriers): 1700 N. Congress Avenue, Room 1125C Austin, Texas 78701  Or Hand Deliver to staff on 2 <sup>nd</sup> Floor
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512-936-7875 or 512-936-7880 – Telephone

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 items listed on the Application Review Checklist.

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

Completed applications received by the deadline will 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/Update 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 one CFP application in the 2017-2018 application cycle. Applicants may not submit a single jurisdiction application and also be participating in a multi-jurisdiction application. For more information regarding single- and multi-jurisdiction applications, refer to the “Application Information” section of the most recently published TxCDBG Action Plan.

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 2017 TxCDBG Program Action Plan will govern the 2017-2018- CFP Fund application process. Copies of the Action Plan are available on the TDA website at [www.TexasAgriculture.gov](http://www.TexasAgriculture.gov). Of the yearly CDBG allocation to the Colonia Construction and Planning Fund, ninety-seven and a half percent (97.5%) of those funds are to award grants through the Colonia Construction Fund (CFC) and two and a half percent (2.5%) are to award grants through the Colonia Planning Fund (CFP). Subsequent to awarding funds, any portion of the CFC allocation that is unable to be awarded (i.e. fund an application in the minimum amount of \$75,000, etc.) 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.

When selecting CFP applications for funding, the comprehensive proposals will take priority over target area applications in the allocation of funding.

## **Eligible Applicants and Locations**

Funds for colonia planning activities are available to eligible applicants that are non-entitlement counties 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:

- the lack of potable water supply;
- the lack of adequate sewage systems;
- the 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).

Eligible applicants apply for funds for planning activities that fall within one of the following areas:

- **Colonia Comprehensive Planning** – planning activities that will generate a countywide general assessment and/or profile of a county's colonia areas. Applicants must demonstrate and document that primarily low to moderate income persons will benefit from the proposed project.
- **Colonia Area Planning** – planning activities that focus on a particular colonia identified from a Colonia Comprehensive Plan that do not duplicate any previously TxCDBG-funded planning activities in the colonia. Applicants must demonstrate and document that primarily low to moderate income persons will benefit from the proposed project.

In order to be eligible to submit an application for Colonia Area Planning, the county must have in place a completed Colonia Comprehensive Plan that prioritizes items for future action. The targeted colonias included in the Colonia Area Planning application must be identified in a previously completed Colonia Comprehensive Plan.

A county may opt to apply for funding to update its Colonia Comprehensive Plan completed with previously received assistance from TxCDBG if it can document fulfillment of the National Program Objective (NPO) to benefit primarily low to moderate income individuals and if its previous Colonia Comprehensive Planning contract had a start date not within the last 10 years prior to the current application deadline. Counties that have been awarded previous grants from the Colonia Fund for Colonia Comprehensive Planning activities may be eligible to apply to the Colonia Fund for Colonia Comprehensive Planning activities. To ensure an eligible application, please contact TDA staff to determine whether a previous Colonia Fund Comprehensive Plan grantee had a contract start date within or not within the last ten years as of September 18, 2017.

NOTE: If only a portion of a county's territory is located within 150 miles of the Texas-Mexico border, a Planning 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. CFP 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 8 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 Benefitting 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**

Planning projects for the Colonia Fund planning grants should be geared toward completing activities that prepare each colonia area for needed water, sewer, and housing improvements. This process should include the following: a compilation of information concerning the physical characteristics of an area; area mapping, if needed; a study of the area's demographic characteristics; studies of existing housing structures and related needs; studies of existing and needed water and wastewater facilities; the identification of any barriers to the provision of water and sewer service (such as, city ordinances or the lack of platting of the area); initiation of removal of any barriers, or methods to cope with barriers; and the development of plans and strategies that identify possible alternative solutions to the area's needs.

Eligible activities for Colonia Area Planning include:

- payment of the cost of planning community development (including water and sewage facilities) and housing activities;
- costs for the provision of information and technical assistance to residents of the area in which the activities are located and to appropriate nonprofit organizations and public agencies acting on behalf of the residents;
- costs for preliminary surveys and analyses of market needs, preliminary site engineering and architectural services, site options, applications, mortgage commitments, legal services, and obtaining construction loans;
- costs of planning that could lead to annexation by a city of a colonia that is in close proximity; and
- platting, if documentation that funds for water and/or sewer service in the area to be platted are available to be spent there and platting and recordation would be completed within the original two-year contract period, if awarded. It is recommended that platting be applied for as a special engineering service as part of a construction application.

**NOTE:** Do not apply for Planning funds to study the building of a water or wastewater system, or any other public facility, when construction funds have recently been awarded or are currently being requested for the same system/facility.

Eligible activities for countywide Colonia Comprehensive Planning include:

- verification of the number of dwellings, number of lots, number of occupied lots, and the number of persons residing in each county colonia;
- mapping the locations of each colonia in a county;
- collecting demographic and economic information on colonia residents;
- assessing the physical environment in each colonia, including land use and conditions, soil types, and flood prone areas;
- creating an inventory of the existing infrastructure (water, sewer, streets, drainage) in each colonia and the infrastructure needs in each colonia including projected infrastructure costs;
- assessing the condition of the existing housing stock in each colonia and projected housing costs;
- creating a ranking system for colonias that will enable counties to prioritize colonia improvements rationally and systematically plan and implement short-range and long-range strategies to address colonia needs
- establishing goals and objectives;
- establishing a five-year capital improvement program;
- assessing the effect of the Model Subdivision rules established pursuant to §16.343 of the Water Code and enforcement actions throughout the county; and
- costs of planning that could lead to annexation by a city of a colonia that is in close proximity.

The following is a list of eligible planning activities, as specified in 24 CFR Section 570.205, which should be used as a guide when developing an application.

- Planning activities that consist of all costs of data gathering, studies, analysis, and preparation of plans and implementing actions, including, but not limited to:
  - comprehensive plans;
  - community development plans;
  - functional plans, in areas such as:
    - housing, including the development of a consolidated plan;
    - land use and urban environmental design;
    - economic development;
    - open space and recreation;
    - energy use and conservation;
    - floodplain and wetlands management in accordance with the requirements of Executive Orders 11988 and 11990;
    - transportation;
    - utilities; and
    - historic preservation.
- Other eligible activities include plans and studies such as:
  - small area and neighborhood plans;
  - capital improvements programs; individual project plans *excluding* engineering and design cost related to a specific activity that are eligible as part of the cost of such activity under Sections 570.201-570.204;
  - the reasonable costs of general environmental and historic preservation studies. However, costs necessary to comply with 24 CFR Part 58, including project specific environmental assessments and clearances for activities eligible for assistance under this Part are eligible as part of the cost of such activities under Sections 570.201 - 570.204. Costs for such specific assessments and clearances may also be incurred under this paragraph but would then be considered planning costs for the purposes of Section 570.200(g);
  - strategies and action programs to implement plans, including development of codes, ordinances and regulations;
  - support of clearinghouse functions, such as those specified in Executive Order 12372; and
  - analysis of impediments to fair housing choice.
- Policy-planning-management-capacity building activities are eligible that enable the recipient to:
  - determine its needs;
  - set long-term goals and short-term objectives, including those related to urban environmental design;
  - devise programs and activities to meet these goals and objectives;
  - evaluate the progress of such programs and activities in accomplishing these goals and objectives; and

- carry out management, coordination and monitoring of activities necessary for effective planning implementation, but excluding the costs necessary to implement such plans.

## **Ineligible Activities**

In general, any type of activity not described or referred to in Section 105(a) of the Housing and Community Development Act of 1974, as amended, is ineligible for consideration for TxCDBG funding.

Specific activities that are ineligible under the TxCDBG Program include:

- construction of buildings and facilities used for the general conduct of government (e.g., city halls and courthouses). The only exception is improvement(s) made to these buildings solely to provide complete access for elderly persons and persons with severe disabilities;
- the financing of political activities;
- purchase of construction equipment;
- income payments, such as housing allowances;
- new housing construction;
  - last resort replacement housing when individuals are displaced by TxCDBG-funded activities; or
  - reconstruction of housing on the same site that is owned and occupied by low and moderate income persons where the need for reconstruction was not determinable until after TxCDBG-funded housing rehabilitation began on the structure.
- operation and general maintenance of public works or facilities; and
- administrative activities, engineering/architectural design, or the costs of audits are not eligible under the Colonia Planning.

## **Required Activities**

### Certifications, Presentations, Reports and Publications

Each application automatically budgets \$750 (see the Benefit to Low and Moderate Income Persons) for the “Certifications, Presentations, Reports and Publications” planning element. This planning element requires a grantee’s executive board to pass a resolution (as a requirement for final reimbursement) after a report is presented of the final results/findings of the planning grant that was awarded to the grantee. The resolution must indicate:

1. the participation of local officials that met for no less than one (1) hour (as set for in the contract) to prepare and review planning documents for contract compliance;
2. that the goals and objectives developed for each planning element were presented, discussed and reviewed by local officials;
3. that the inventory, analyses, and plans (and details associated with them) required in the contract were presented to, and discussed/reviewed by, local officials;
4. the capital needs listed and ranked within the reports were presented to, and discussed/reviewed by, local officials;
5. that opportunities were provided for citizen participation in the planning process;
6. that a local review established that the planning documents were suitable as policy guides for the locality;
7. that the planning documents are accepted by the county as substantiation for payment requisition to the TDA, and for Contractor’s payment to its consultant(s); and
8. the purposes for which the locality intends to use its planning documents produced under the contract.

Examples of acceptable activities to the above requirements could include:

- a description of the distribution of digital and hardcopy versions of documents done in the facilitation of a local review;
- the requirement for a specific type of mapping software to be used;
- requirement for separate inventory and plan maps for each element specifying as much;
- the requirements for credit for financing and disclaimer statements; and/or
- advertising the planning documents as available for review 12 days before the final hearing/presentation.



## **Application and Contract Maximums**

For Colonia Area Planning projects, the maximum contract amount is \$100,000. Applicants must justify any amount requested in the application and the amount requested is subject to review. A matrix to determine the suggested fee for requested Colonia Area Planning activities is located in Appendix III: Colonia Planning Matrix. An applicant must not propose to prepare a study and/or plan that duplicates previous work.

Each Colonia Area Planning proposal applicant will be able to price their project with the matrix after determining their project area population and their requested planning activities. Any applicant who proposes special projects not listed on the matrix must include separate documentation to explain the project and to justify the funds requested. **TxCDBG staff will make the determination as to the acceptability/eligibility of all such special planning activities.** Please note that all planning projects are reimbursement type contracts. Payments are made upon completion of the planning activities.

For initial Colonia Comprehensive Planning projects, the maximum contract amount is \$100,000. Applicants must justify any amount requested in the application and the amount requested is subject to review and negotiation. However, a sliding scale may be used to establish smaller maximum grant amounts based on an amended performance statement or the eligible county's total unincorporated population.

For updates of Colonia Comprehensive Planning projects, the maximum award amount is \$30,000 provided a reasonable cost justification is provided in the application, the original plan is over ten (10) years old (based on the date of the previous contract's full and final payment date), and the applicant continues to be eligible (non-entitlement).

**Planning projects (either initial or updates) must provide documentation that the project benefits a population that is primarily LMI (at least 51%).**

## **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.

### **Planning-only Activities**

When planning is the only area benefit 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.

## **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 living with AIDS
  - 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 mental retardation.
    - 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 ( $25 \times 0.51 = 12.75 = 13$ ) Nursing Home residents can also be considered LMI by using the minimum TxCDBG activity qualifying low/mod benefit percentage (51%).

When activities are limited to one or a combination of the groups of persons in the accepted categories listed for limited clientele activities, it may be presumed that the activity benefits 51 percent low -to-moderate income persons. The number of LMI beneficiaries will equal 51 percent of the total number of persons estimated to be served by the activity.

## **Beneficiary Identification Methods**

An activity that addresses the NPO of principally benefitting low-to-moderate income persons 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.

## **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](http://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. 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/>).

Direct links to sources for Census maps and other beneficiary identification tools on the agency website at <http://www.texasagriculture.gov/GrantsServices/RuralEconomicDevelopment/RuralCommunityDevelopmentBlockGrant%28CDBG%29/CDBGResources/BeneficiaryDocumentation.aspx>. Because these sources have been known to change as new data becomes available, this page should be checked prior to submitting an application. Beneficiary documentation that deviates from what is provided on the page will not be accepted. If you are unsure about the documentation you plan to submit, contact TxCDBG staff for technical assistance. Be sure to allow enough time for review of your documentation and for changes to be made if needed.

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:

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 after 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.
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 benefitting 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 the department, 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 the department. 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 grant recipient 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 regulation 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 grant recipient's 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 TxCDBG 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 TxCDBG contract, grant, loan, or cooperative agreement, the TxCDBG Contractor shall complete and submit Standard Form-LLL, "Disclosure Form To Report Lobbying", in accordance with its instructions.
9. The TxCDBG recipient 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 Texas Community Development Block Grant 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.

## **Fair Housing Activities**

Any locality receiving funds under the Texas Community Development Block Grant Program must certify that it will affirmatively further fair housing. 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 will 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 one application 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 to TDA, 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 Area Planning Component	340 Total Points Maximum
<b>1. Community Distress -- 35 Points (Maximum)</b>	
• 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
<b>2. Benefit To Low/Moderate-Income Persons -- 30 Points (Maximum)</b>	
Points are then awarded based on the low to moderate income percentage for all of the colonia areas where planning activities are located according to 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
<b>3. Matching Funds -- 20 Points (Maximum)</b>	
Applicant(s) population 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 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 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 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 based on the actual number of beneficiaries to be served by the colonia planning activities.

#### 4. Project Design -- 255 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:

- The severity of need within the colonia area(s), how clearly the proposed planning effort will remove barriers to the provision of public facilities to the colonia area(s) and result in the development of an implementable strategy to resolve the identified needs;
- The planning activities proposed in the application;
- Whether each proposed planning activity will be conducted on a colonia-wide basis;
- The extent to which any previous planning efforts for colonia area(s) have been accomplished;
- The TxCDBG cost per low/moderate-income beneficiary;
- The availability of grant funds to the applicant for project financing from other sources; and
- The applicant's past performance on previously awarded TxCDBG contracts.

For the Project Design selection factor, a Colonia Planning Component application must receive a minimum score of at least 70 percent of the maximum number of points allowable under this factor to be considered for funding.

COLONIA COMPREHENSIVE PLANNING COMPONENT	200 Total Points Maximum
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#### 1. Community Distress -- 25 Points (Maximum)

- Percentage of persons living in poverty 10 points 10 points
- Per Capita Income 5 points 5 points
- Percentage of housing units without complete plumbing 5 points 5 points
- Unemployment Rate 5 points 5 points

#### 2. Project Design -- 175 Points (Maximum)

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

- The severity of need for the comprehensive colonia planning effort and how effectively the proposed comprehensive planning effort will result in a useful assessment of colonia populations, locations, infrastructure conditions, housing conditions, and the development of short-term and long term strategies to resolve the identified needs;
- The extent to which any previous planning efforts for colonia area(s) have been accomplished;
- Whether the applicant has provided any local matching funds for the planning or preliminary engineering activities;
- The applicant's past performance on previously awarded TxCDBG contracts; and
- Award history. An applicant that has previously received a TxCDBG comprehensive planning award would receive lower priority for funding.

For the Project Design selection factor, a Colonia Planning Component application must receive a minimum score of at least 70 percent of the maximum number of points allowable under this factor to be considered for funding.

### **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 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 Chapter 30, Subchapter A, Section 30.6 of the Texas Administrative Code (TAC).

## **Application Instructions**

### **Application Forms**

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

- Cover Sheet
- Most recent Audit (2016 or after)
- Active SAM registration
- Application Checklist
- Form 424
- Project Approval Information
- Community Needs Assessment
- Description of Planning Activities
- Justification of Target Area
- Beneficiary Data
- Beneficiary Data Summary (to be completed for each activity/target area)
- Benefit to Low and Moderate Income Persons
- National Program Objectives
- Community Base Questionnaire
- Colonia Planning Fund Questionnaire
- Colonia Identification
- Attachments / Application Checklist

### **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 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 the most current audit **with the application** by the application deadline will result in automatic disqualification. A self-audit will not be accepted if a Single Audit is due or delinquent.

## 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](http://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](http://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 collects a variety of information about the applicant and the proposed project/activity. Be sure to verify the 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 Assessment**

### ***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.

### ***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 table, in the application, 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.

### ***The Needs Addressed In This Application Were Determined By***

Indicate the method(s) used to determine the needs addressed in this application, including the date(s) of 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. Please double-check for accuracy and do not use all capital letters.

Example: The Green Creek Water Supply Corporation's water system in the northern portion of the City of Green Creek does not meet the Texas Commission on Environmental Quality (TCEQ) regulations 290.44(D) as required by law. This system is unable to meet the TCEQ volume and water pressure requirements.

## **Description of Planning Activities**

For Proposed Activity, use the dropdown menu and select the appropriate activity. If the available options in the dropdown menu do not accurately describe the proposed activity, you may type the appropriate activity/project type in this field rather than selecting from those provided. For Local Problem, explain very briefly the local problem the Proposed Activity will address. Also, in the field provided, describe each proposed activity and show what performances are proposed under that activity. Also describe how the proposed activity will: 1) solve the problems, 2) provide for needs, and 3) suggest an implementable strategy. Then describe for each activity what resources your city or county will draw upon to finance the strategy.

## **Justification for Target Area**

This section must be completed for all applications in which the planning activities are to be limited to a target area of less than the entire jurisdiction of the applicant or entire area of a colonia. Provide the reasons for proposing to do planning for a target area by addressing all of the questions. Check the "N/A" box if appropriate.

### ***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 Beneficiary Data form. To add a new Beneficiary Data form, click the "Add Another Form" button at the top of the page (or "Remove this Form" to remove an unnecessary page). Refer to Appendix V: Form and Document Samples for an example of a properly completed Beneficiary Data form.

Enter the following information for each target area:

- Colonia Name – enter the name of the applicable colonia (if planning for a target area). **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, if applicable. **NOTE:** remember that only a colonia that existed prior to November 28, 1990, is eligible to benefit from an activity/project.

- Proposed Activity – Using the dropdown arrow, choose the appropriate planning 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. If applicable, use the “+” box on the right side of the page to add activity line items (or the “x” box to remove an unnecessary line item).
- Total 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.
- 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 % – this is the percentage of an activity’s beneficiaries that are LMI (low-to-moderate income persons), and will automatically calculate. NOTE: For projects addressing the low-to-moderate income National Program Objective, the TxCDBG program requires that this amount be at least 51% for each activity.
- Census Geographic Area Data – For reporting purposes, HUD requires that TDA collect information regarding the location of each project activity. The county code/FIPS 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.
- This Activity Benefits a Target Colonia Area / This Activity Benefits All Colonia Areas in the County – identify whether the proposed activity will benefit a targeted colonia area, or all the colonia areas within a county, by selecting the appropriate box.
- 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 2010 Census-based Data;
  - TxCDBG-approved Survey; and
  - TxCDBG-approved Limited Clientele Information.

### ***Beneficiary Data Summary***

This table will capture the sum totals of all the beneficiaries and housing units from all the target area tables, if applicable. Manually enter the sum total of all beneficiaries in Total Benes and the sum total of all identified LMI person into Total LMI Benes. The Total LMI% will automatically calculate.

For the Total number of housing units identified using, enter in the sum total of all the identified housing units beside the appropriate method.

### **Benefit to Low and Moderate Income Persons**

Awards from the Colonia Fund must not exceed \$100,000 for the Colonia Target Area Planning or for the Colonia Comprehensive Planning. If applicable, an applicant may apply for a \$30,000 award to update a previously completed comprehensive plan if it can document fulfillment of the National Program Objective (NPO) to benefit primarily low to moderate income individuals and if its previous Colonia Comprehensive Planning contract had a start date not within the last 10 years prior to current application deadline.

To complete this form:

- Planning Element – use the dropdown menu to select the appropriate option. If applicable, use the “+” box on the right side of the page to add another line item (or the “x” box to remove an unnecessary line item).
- Completion Method – select:
  - “1” if the planning element will be completed by contract;
  - “2” if the planning element will be completed by force account; or
  - “3” if the planning element will be completed by a combination of both.



- Ttl Benes – enter the total number of beneficiaries that will benefit from the element/activity. Once entered for all activities (if applicable), enter the sum total at the bottom on the column.
- LMI Benes – enter the number of the total beneficiaries that are identified as being low to moderate income. Once entered for all activities (if multiple), enter the sum total at the bottom on the column.
- TxCDBG Funds – enter the total amount of funds requested from TDA for the Planning Element activity. **NOTE:** \$750 is pre-budgeted for the planning activity Certifications, Presentations, Reports and Publications. See the Required Activities section for further details.
- Other Funds – enter the total amount of funding that will originate from other sources for the Planning Element activity.
- List the source(s) of all “Other Funds” - If using other funds in conjuncture with TxCDBG Colonia Fund: Planning to complete an activity, identify the source(s) of those funds.

### ***Applicant Disclosure/Update***

Provisions at Subpart C 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 financial interests of persons in the TxCDBG project;
- The sources of funds contributed to the project; and
- The uses for which the funds are to be utilized.

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 of the following 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:

- Part 1: Applicant Recipient Information – indicate whether this is an initial or update report.
- Part 2: Other Government Assistance Provided / Requested – report any other government assistance involved in the proposed TxCDBG project or activity, including funds anticipated but not yet secured. "Other government assistance" is defined as any loan, grant, guarantee, insurance, payment, rebate, subsidy, credit, tax benefit or any other form of direct or indirect assistance from the Federal government, a State (other than the TxCDBG assistance requested in the application), or a unit of general local government, or any agency or instrumentality thereof, that is available, or is expected to be made available with respect to the project or activities for which TxCDBG assistance is sought. For purposes of this definition, other government assistance is expected if it is reasonable to anticipate that the assistance will be forthcoming based on an assessment of all the circumstances. Applicant disclosures must include all other government assistance involved with the TxCDBG assistance, as well as any other government assistance made available before the request, but with a continuing presence at the time of the TxCDBG application submission. Applicants do not need to report matching funds they contribute themselves. If the applicant has No Other Government Assistance to Disclose, place a mark in the appropriate box. Otherwise:
  - Provide the name of the government agency providing the assistance. If applicable, include at least one organizational level below the agency name. For example, U.S. Department of Commerce, Economic Development Administration; Texas Department of Housing and Community Affairs, HOME.
  - Enter the address, city, state, and zip code of the government agency making the assistance available.
  - Enter the program name and any relevant identifying numbers, or other means of identification, for the other government assistance.
  - State the type of other government assistance (e.g., applicant contribution, loan, grant, loan insurance).
  - Enter the dollar amount of the other government assistance that is or is expected to be made available with respect to the project of activities for which TxCDBG assistance is sought (applicants) or has been provided (recipients).

- Part 3: Interested Parties – 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. If the applicant has No Persons with a Reportable Financial Interest to Disclose, select the appropriate box and proceed to Part 4. Enter the full names and addresses of all persons referred to in paragraph 1 or 2 of this part. If the person is an entity, the listing must include the full name of each officer, director, and principal stockholder. Enter the type of participation in the project or activity for each person listed (e.g., contractor, consultant, planner, investor). Enter the financial interest in the project or activity for each person listed both as a dollar amount and as a percentage of the amount of TxCDBG funds involved.
- Part 4: Report on Expected Sources and Uses of Funds – 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 to in Part 2, 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. If any of the source/use information required by this report has been provided elsewhere in the application, refer to the application form and location rather than repeating the responses here. For the source of funds, indicate that the information can be found on the Cover Sheet, 424 Form, Beneficiary to Low and Moderate Income Persons form, the Local Resolution, and Letters of Commitment, if applicable. Otherwise, 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).

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.

## **National Program Objectives**

CFP projects qualify for CDBG funding under the NPO classified as “Activities Benefitting Low-to-Moderate Income Persons.” Indicate which of the following NPO categories the proposed project addresses. Additional data may be required depending on which category you select.

- \* LMI Area Benefit;
- \* LMI Housing Activity;
- \* LMI Limited Clientele; or
- \* LMI Jobs

Regardless of which NPO category was selected, 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.

## ***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, choose 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.

## ***Anticipated Outcome Units***

“Planning Activity?” will be pre-filled by TDA. No action is necessary.

## ***Additional Activity Information***

“Colonia” will be pre-filled by TDA. No Action is necessary.

## **Community Base Questionnaire**

Complete all questions pertaining to the applicant. If inapplicable, the question must be answered “N/A”. Blank spaces are not considered to be a response.

## **Colonia Planning Fund Questionnaire**

Complete all questions pertaining to the applicant. If inapplicable, the question must be answered “N/A”. Blank spaces are not considered to be a response.

## Colonia Identification

For specific colonias identified in the Colonia Area Planning application, complete this form for **each** colonia that will benefit from the proposed activities/projects. 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.

### *Resolution*

The application must be submitted with a resolution from the local governing body (i.e. County Commissioners Court) 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. This 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) who will be authorized to execute documents in conjunction with the application.
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 cooperation 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 as outlined 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 one public hearing and publish a notice that describes the application eligible 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, eligible program activities, opportunity to participate in the development of the applicant's community development and housing needs, and opportunity to participate in the development of TxCDBG applications.

The public notice concerning the activities and activity locations that are included in TxCDBG applications 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 service organizations that provide services or housing for low to moderate income persons, including but not limited to the local Public Housing Authority, the local Health and Human Services office, and the local Mental Health and Mental Retardation office, must receive written notification concerning the date, time, location and topics to be covered at the public hearing. Local service providers may also include non-profits and other community based organizations and should also receive written notification of the public hearing.

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

To show that proper notice of the public hearing and application activities was given to citizens, each applicant, including participating jurisdictions in a multi-jurisdiction application, must submit with the TxCDBG application:

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 with 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 (full page of the newspaper with publication title and date or publisher's affidavit and a copy of the notice). The notice must conform with 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 were sent the written notification of the public hearing. Copies of the written notifications must be kept by the applicant and will be reviewed by TxCDBG staff during site visits. Again, the written notification must conform with the requirements of the Citizen Participation Plan including specifying the date, time, location of the hearing and the topics to be discussed.

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 community or communities within the county; and
- the locations of all proposed project activities within the target 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 HUD-2010 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.

NOTE: 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.

### ***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.

### ***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. The screen shot should include the Expiration Date. If the registration has expired, then it is an Inactive Account and has not met this requirement. It may take time to register or re-activate, so start early.

### ***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. 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: Forms and Document Samples

### ***Application Review Checklist***

See next page for the Application checklist and instructions.

**Applicant:**\_\_\_\_\_

## Application Review Checklist for Colonia Fund: Planning

The following items **must** be included in the application. If any item is not included, the application will be deemed incomplete and disqualified. Applications requiring clarification of any submitted item will be given 10 business days to satisfy those deficiencies. Failure to respond and correct necessary clarifications by the prescribed deadline will result in a finding that the application is incomplete and ineligible for funding and the application will be withdrawn from consideration. 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.**

<b>COLONIA FUND: PLANNING</b> <b>Application Contents</b>	<b>Applicant Use</b>  <b>Initial if</b> <b>complete</b> <b>NA if not</b> <b>applicable</b>
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### *Original Application – Part 1*

Cover Sheet	
Most recent (2016 or later) Annual Audit's or CPA Opinion Letter	
Completed 424 Form with original signature	
Active SAM Registration	
Application Checklist	
Project Approval Information with all questions answered	
Community Needs Assessment	
Description of Planning Activities Table 1	
Justification for Target Area	
Benefit to Low- and Moderate-Income Persons Table 2	
National Program Objectives	
Community Base Questionnaire	
Colonia Planning Fund Questionnaire	
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 including Census Maps	
Documentation of beneficiaries including Survey Documentation if applicable	
Evidence of Active SAM Registration	
Pre-Agreement Request letter (if applicable)	



## **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 (USDA-RD) Programs for TxCDBG applications unless the applicant has submitted the preliminary application for the USDA-RD grant or loan matching funds to USDA-RD prior to the TxCDBG application deadline. Applicants planning to use USDA-RD 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 USDA-RD 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 Project 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.

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: Colonia Planning Matrix**

The amounts shown below are maximums. Applicants must justify the requested amount as the basis of negotiation. Proposed planning should benefit entire colonia area(s). If less than an entire colonia area will benefit (i.e. target area planning), the applicant must complete the Justification of Target Area in sufficient detail to justify the request. The “typical” types of activities shown here are a starting point for negotiation with TDA regarding expanded efforts within each “typical” type of activity, inasmuch as the county should have received the basic inventory and analysis and plan for each colonia in its previously prepared comprehensive plan. TxCDBG will not pay for duplication of previous effort shown in the comprehensive plan. **NOTE:** “Certificates, Presentations, Reports and Publications” is a required cost; \$750 will be budgeted within an applicant’s total award amount.

# of Beneficiaries	1 to 250	251 to 500	501 to 1000	1001 to 1500	1501 to 2000	2001 to 3000	3001 to 4000	4001 to 6500	6501 to 9000	9001 to 10000	10001 to 20000	20001 to 30000	30001 or more
Mapping	\$2,000	\$2,500	\$3,000	\$3,500	\$4,250	\$5,500	\$7,250	\$9,000	\$12,250	\$12,250	\$12,250	\$12,250	\$12,250
Housing-Related	\$5,000	\$7,500	\$10,500	\$17,500	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Streets/Roads-Related	\$1,500	\$1,750	\$2,000	\$2,500	\$2,750	\$3,000	\$3,500	\$5,600	\$6,000	\$7,000	\$7,500	\$7,800	\$8,000
Water-Related	\$5,000	\$5,500	\$6,000	\$6,500	\$7,500	\$8,500	\$9,000	\$10,500	\$12,000	\$14,500	\$14,500	\$14,500	\$14,500
Wastewater-Related	\$5,000	\$5,500	\$6,000	\$6,500	\$7,500	\$8,500	\$9,000	\$10,500	\$12,000	\$14,500	\$14,500	\$14,500	\$14,500
Drainage-Related	\$5,000	\$5,500	\$6,000	\$6,500	\$7,500	\$8,500	\$9,000	\$10,500	\$12,000	\$14,500	\$14,500	\$14,500	\$14,500
Aerial Topographic Mapping with two-foot contours (showing each housing unit)	\$4,500	\$5,000	\$6,000	\$7,000	\$8,500	\$11,000	\$14,500	\$18,000	\$24,500	\$24,500	\$24,500	\$24,500	\$24,500

### **Special Activities**

See eligible activities previously discussed in the application guide and summarized below:

- Payment of the cost of planning community development (including water and sewage facilities) and housing activities;
- Costs of providing information and technical assistance to residents of the area in which the activities are located and to appropriate nonprofit organizations and public agencies acting on behalf of the residents; and
- Costs for preliminary surveys and analyses of market needs, preliminary site engineering and architectural services, site options, applications, mortgage commitments, legal services, and obtaining construction loans.

Special activities are all other eligible colonia planning activities included in Section 916 of the Cranston-Gonzalez National Affordable Housing Act of 1990. TxCDBG reserves the right to negotiate this element in the event a grant is awarded. Documentation of costs must be submitted.

Do not apply for planning funds to study the building of a water or wastewater system, or any other public facility, when construction funds have recently been awarded or are currently being requested to build that facility.

## **Appendix IV: 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 encouraged and funded 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.

**Do not apply for planning funds for platting unless a letter guaranteeing construction improvements is provided with the application.** Under this situation, a CFP contract for platting activities would not need the maximum two year period that most CFP contracts require. Platting is also an eligible activity under the Economically Distressed Areas Program (EDAP), when available.

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 applicant’s 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 V: Form and Document Samples**

### **Sample Resolution**

A RESOLUTION OF THE COUNTY COMMISSIONER'S COURT OF THE COUNTY OF \_\_\_\_\_, TEXAS, AUTHORIZING THE SUBMISSION OF A TEXAS COMMUNITY DEVELOPMENT PROGRAM (TxCDBG) APPLICATION TO THE TEXAS DEPARTMENT OF AGRICULTURE FOR THE (COLONIA PLANNING FUND); AND AUTHORIZING (THE COUNTY JUDGE) TO ACT AS THE COUNTY'S EXECUTIVE OFFICER AND AUTHORIZED REPRESENTATIVE IN ALL MATTERS PERTAINING TO THE COUNTY'S PARTICIPATION IN THE TxCDBG PROGRAM.

WHEREAS, the Commissioner's Court of (XYZ) County desires to develop a viable community, including decent housing and a suitable living environment, principally for persons of low and moderate income; and WHEREAS, certain conditions exist in colonia areas that represent a threat to public health and safety; and

WHEREAS, it is necessary and in the best interests of (XYZ) County to avail itself of the 2017-2018 TxCDBG Colonia Fund for planning activities;

NOW THEREFORE BE IT RESOLVED BY THE COMMISSIONERS COURT OF (XYZ) COUNTY, TEXAS;

1. That the County of (XYZ) undertake a program to prepare the following planning efforts:

- \_\_\_\_\_
- \_\_\_\_\_

2. That the requested amount of TxCDBG funds is a maximum of \$ \_\_\_\_\_

3. That a Texas Community Development Block Grant Program application for the Colonia Fund for Planning Activities is hereby authorized to be filed on behalf of the County with the Texas Department of Agriculture and any other appropriate agencies as defined in the regulations.

4. That the Commissioner's Court directs and designates the (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 regarding the Colonia Fund.

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 (\$X,XXX.XX) from its (General Fund) as a cash contribution toward the administration activities of this (colonia planning) project.

Passed and approved this \_\_\_\_\_ day of \_\_\_\_\_, 201XX

\_\_\_\_\_  
County Judge, County of \_\_\_\_\_

## Sample Beneficiary Form

**Beneficiary Data** Complete a separate form for each activity or colonia target area.

Add Another Form

Remove this Form

Identify the target area for this project. Only one form is needed if the same target area, beneficiaries, and national objective apply. If any of these are different, add a new form. Refer to the Application Guide for instructions.

Colonia Name: XYZ Colonia

Date of Existence as a Colonia: 1/1/1999

Proposed Activity	Total Beneficiaries	LMI Beneficiaries	LMI %	
Mapping	150	125	83.33%	+
ACTIVITY TOTALS:	1,500	125	8.33%	X

GENDER DATA			RACE / ETHNICITY DATA			
Total Males	Total Females	Total Benes	Race	# Non-Hispanic	# Hispanic	Total Beneficiaries
75	75	150	White	50	100	150
TOTALS:				50	100	150

REQUIRED - Census Geographic Area Data										County Code	
Identify all census tracts and block group(s) in which the project will take place. This information is required for all projects regardless of National Program Objective or Beneficiary Identification Method.										123	+
Census Tract (6-digit)	01	02	03	04	05	06	07	08	09	10	
1234.56	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X

☒ This activity benefits a target colonia area.

☐ This activity benefits all colonia areas in the County.

### Beneficiary Identification Method(s)

☒ An approved TxDBG survey was used to identify the beneficiaries for this activity.

How many families that were surveyed will be assisted by this activity? 65 How many housing units that were surveyed will be assisted by this activity?

When was the survey started? 9/16/2014 When was the survey completed? 9/24/2014

Provide a detailed explanation of the reason a survey was used to identify the beneficiaries for this activity as opposed to using the 2010 Census information. A response such as "...to reach the required low-and-moderate income percentage" is not acceptable.

Census data was not sufficient to identify the LMI of the targeted area.

☐ Census information was used to identify the beneficiaries for this activity.

☐ The required Census or Texas State Data Center map has been provided if required.

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

TxDBG Survey: 150 2010 Census: 0 Area Benefit: 0 Housing Activity: 0 Limited Clientele: 0

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

TxDBG Survey: 65 2010 Census: 2 Housing Activity: 0 Limited Clientele: 0

### **Sample Public Hearing Notice**

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Published on (April 1, 20XX):

PUBLIC NOTICE  
(XYZ) COUNTY  
TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

(XYZ) County will hold a public hearing at (time) \_\_.m. on (date), at (XYZ) County Courthouse in regard to 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.

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### **Sample Application Activities Notices**

Published at least five (5) days prior to submitting the application(s).

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PUBLIC NOTICE  
XYZ COUNTY  
TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

XYZ County is giving notice of the county's intent to submit a Colonia Fund Planning Activities application for a grant from the TxCDBG Program. The grant application request is \$\_\_\_\_\_ for planning activities benefitting persons located in the A and B Colonias. The application is available for review at the XYZ County Courthouse during regular business hours. Para obtener una copia en español, comuníquese con [local contact name] al XXX-XXX-XXXX.

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***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 2017-2018 Colonia Fund Planning 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 and TxCDBG policies, including procurement procedures for professional services and applicable vendors, a completed Environmental Review Exemption Certification, all other requirements necessary prior to planning activities being accomplished by TxCDBG, and any applicable contract Special Conditions will be completed.
2. The Department shall not reimburse any costs under this agreement until a 2017 or 2018 Colonia Planning Fund contract is fully executed with the county. Department shall not be liable for costs incurred prior to <<Application deadline date>>, or for any activities not included in Exhibit A, Performance Statement, and Exhibit B, Budget, of the executed contract associated with the 2017-2018 grant.

Sincerely,  
Mayor, City of XYZ

