

Texas Community Development Block Grant Program

2025 Rural Economic Development – Downtown Revitalization Program

Application Guide – Community Application

For assistance: CDBGApps@TexasAgriculture.gov

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Application Guide – Community Application

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 Texas 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, and rural health 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.

TxCDBG Application Process Update

TDA has recently implemented a two stage application process:

- Community Application: an initial application is submitted containing basic information required to determine a community's TxCDBG eligibility and to calculate scores for competitive grants. No project-specific commitments are required at this time.
- Project Application: Applicants whose Community Applications scored within funding range will be invited by TDA to submit a Project Application with complete project information.

Timeline of Application Process

Task/Step	Date to Complete
Community Application	
TDA releases Community Application	January 23, 2025
Community Application webinar	January 29, 2025 &
	February 19, 2025
Adopt local governing body resolution(s)	April 3, 2025
Complete and submit TDA-GO Community Application	April 3, 2025
Project Application – key dates	
TDA invites highest scoring communities to complete Project	Approx. May 1, 2025
Applications	
Conduct public hearing	May 30, 2025
Submit application in TDA-GO	September 30, 2025

Downtown Revitalization Program Goals and Requirements

The Downtown Revitalization Program provides funding for infrastructure improvements to promote pedestrian-centered economic activity. Funded projects will be located on public property within the designated downtown district or Main Street area and meet the criteria for elimination of designated slum & blight conditions or provide city-wide benefit to low-to-moderate income persons.

Community Application Due Date	April 3, 2025, 11:59 p.m. C.T.
Grant Amount	\$1,000,000
Minimum Match Amount	\$20,000
National Program Objective	Elimination of Slum and/or Blighted Conditions or,
	Benefit for Low- to Moderate-Income Persons
Application Method	Applications will be accepted online via the TDA-GO! grant management system. The system may be accessed by navigating to <u>https://tda-go.intelligrants.com/</u> .

Main Street Set-Aside

Communities with a designation as an official accredited Texas Historical Commission (THC) Main Street City shall be scored and ranked separately from communities that are not participating in THC's Main Street Program. Applicants participating in the Main Street Program must remain a participating city for the duration of the award/grant agreement.

Eligible Applicants

To be eligible to apply for and to receive funding under the TxCDBG Program, a community must meet all of the following criteria, in accordance with Title 24, Part 570 of the Code of Federal Regulations and Title 4, Part 1, Chapter 30, Subchapter A, Section 30.4 of the Texas Administrative Code (TAC), and TxCDBG program requirements:

TxCDBG Eligibility

- Qualify as a unit of general local government (UGLG). An UGLG is a city, county, town, township, village, or other general purpose political subdivision of the state, or as otherwise defined in 42 U.S.C. §5302. Special purpose political subdivisions are not eligible as TxCDBG applicants.
- 2) Qualify as a non-entitlement community. Only communities NOT identified as part of the federal CDBG entitlement program may apply for TxCDBG funding. Entitlement communities are listed in Appendix B Community Application Scoring Elements. Municipalities located within an entitlement county may elect to participate with either the county program or the state non-entitlement program, but not both, for each threeyear period; please contact the entitlement county to confirm eligibility for the current year.
- 3) Levy and collect a local property tax or local sales tax option in the current fiscal year.
- 4) Meet Progress Thresholds for existing TxCDBG grant agreements.

Applicants must demonstrate current compliance with progress threshold requirements for existing TxCDBG grant awards to be eligible for additional rounds of TxCDBG funding.

- Mid-Point Progress Threshold: Existing Grant Agreements beginning on or before the date identified in the chart below must have satisfied all Group B requirements prior to the Community Application due date.
- Final Progress Threshold: Existing Grant Agreements beginning on or before the date identified in the chart below must be completed and have submitted both the Project Completion Report (PCR) and the final payment request prior to the Community Application due date.
 - Where the Community Application due date falls between the date of an existing grant agreement's original end date and the date the Project Completion Report is due, TDA will initially accept a Community Application and will assess compliance with the Final Progress Threshold on the date the PCR become due.

Details regarding documentation for meeting these thresholds can be found in the TxCDBG Project Implementation Manual.

Fund Category	Mid- Point Progress Threshold applies if Grant Start Date is on or before:	Final Progress Threshold applies if Grant Start Date is on or before:
Community Development Fund (CDV)	12 months prior to due date (April 3, 2024)	24 months prior to due date (April 3, 2023)
Downtown Revitalization Program (CDM)	12 months prior to due date (April 3, 2024)	24 months prior to due date (April 3, 2023)
Colonia Fund (CFC and CEDAP, excluding CSH)	12 months prior to due date (April 3, 2024)	24 months prior to due date (April 3, 2023)
FAST Fund (CFA)	12 months prior to due date (April 3, 2024)	24 months prior to due date (April 3, 2023)
State Urgent Need Fund (CSU)	9 months prior to due date (July 3, 2024)	12 months prior to due date (April 3, 2024)
Pilot & Special Projects:Rural Economic Development	n/a	n/a
 FAST Rural Outreach & Wellness Program Colonia Fund Planning 		

Downtown Revitalization Program-Specific Eligibility

5) An eligible applicant for the Downtown Revitalization Program must be an incorporated municipality.

Eligible Project Activities

The 2025 TxCDBG Community Application does not require identification of a specific project or activity. The following information is provided in order for communities to understand the type of projects that may be considered for communities if/when invited by TDA to submit a Project Application.

The project selected during preparation of a Project Application may include one or more of the following activities under one of two categories:

Eligible Activities – Elimination of Slum & Blighted Conditions

Activity Description	Activity Code
Sidewalk Rehabilitation, including associated lighting improvements, ramps,	03L
or curb and gutter	
Pedestrian Lighting Improvements (standard pole lights)	03L
Pedestrian Walkway Improvements (other than traditional sidewalks) *	03L
Street Reconstruction	03K
Street Drainage Improvements, including curb and gutter to address	03K
documented lack of drainage	
Demolition of blighted structures	04
 Excludes historic or residential structures 	
• Requires identified CDBG-eligible use for cleared location, to be	
completed within five years of demolition	
Permanently Installed Streetscape	n/a
• Includes benches, trash cans, planters, murals, landscaping,	
signage, and decorative/string lights and similar incidental items to	
improve pedestrian comfort	
Must be associated with primary construction activity and located on	
public property	
Limited to matching funds	

*With TDA approval, TDA reserves the right to negotiate final design during project development.

Eligible Activities – Benefit to Low- to Moderate Income Communities

Activity Description	Activity Code
All activities eligible under the Elimination of Slum & Blighted Conditions	
category	
Water / Sewer Improvements in support of the Downtown District	03J
Public Parking Improvements	03G
 Limited to \$250,000 	
Outdoor Public Event Space Improvements, including plazas and farmers'	03F
market grounds, designed to promote economic activity	
Public Park Improvements	03F
 Includes green spaces and playgrounds 	
 Minimum project size of one city lot 	
 Limited to \$250,000 	
Public Restroom Improvements	03J
Public Wi-Fi Improvements	03Z
Must be available throughout Downtown area	
Must not charge a fee for access by users	

Associated Activities

Grant Administration Services

• Limited to \$60,000 or 10% of the total grant funds requested, whichever is less.

Engineering Services

- Associated with eligible construction activities
- Limited to \$85,000 or 12% of the total grant funds requested, whichever is less.

Main Street Set-aside: Applications selected for funding must identify a project consistent with the existing Texas Historical Commission (THC) Main Street Program workplan submitted for Main Street America annual accreditation, including any revisions accepted by THC. The project must satisfy the appropriate National Program Objective.

Ineligible Project Activities

The applicant may not use grant or matching funds for the following:

Specific ineligible activities under the TxCDBG Program include:

Activity Description

Construction of buildings and facilities used for the general conduct of government (e.g., city halls and courthouses). The only exception is for improvements made to these buildings solely to provide complete access for elderly persons and persons with severe disabilities; Financing of political activities;

Purchase of construction equipment:

Income payments, such as housing allowances;

Activities in a floodway may be ineligible; see Implementation Manual, Chapter 3 for specific guidance;

New housing construction; and

Operation and maintenance expenses of public facilities, improvements and services, including activities identified through the environmental review as maintenance activities.

Downtown Revitalization Program-Specific ineligible activities include:

Activity Description

Demolition of a historic building and/or housing units;

Demolition of blighted structures with no new use identified for the property;

Building improvements, rehabilitation, new construction or façade improvements; Improvements on private property

Drainage structure improvements, other than street drains or storm sewers;

Agreements to grant, loan, or otherwise transfer TxCDBG monies to a business;

Machinery, equipment or working capital;

Excess/speculative improvements, extra connections or excessive looping;

Operation and maintenance activities, such as re-striping or sealcoating;

Refinancing or to repay the applicant, a local related economic development entity, a benefiting business or its owners and related parties for expenditures;

Otherwise eligible activities that will generate program income;

Otherwise eligible activities that will significantly benefit residential structures; or

Otherwise eligible activities that will provide benefit beyond the identified project area.

Eligible Project Area

Downtown District

The Applicant must submit a Community Application that identifies a Downtown District. The Downtown District must be designed to promote pedestrian-centered economic activity and be supported by local documentation, such as a zoning map or local district designation.

A Downtown District does not include single-family dwellings, and can typically be described as either:

- The city's historic area of commerce or economic center of the community; or
- The area around the courthouse or city square, if the improvements will primarily serve non-governmental buildings.

TDA will make the final determination of whether an area is considered a "Downtown District" for purposes of this program.

Slum & Blighted Area

In addition, for communities that do not qualify as primarily low- to moderate-income communities, the applicant must designate the area targeted for the National Program Objective of Elimination of Slum & Blighted Conditions. This designation will occur during the Project Application phase of the application process.

Application Acceptance

TDA staff will review each submitted Community Application. Completed applications received by the published deadline may be subject to disqualification including, but not limited to, any of the following reasons:

- The Applicant is not a unit of general local government and a municipality;
- The Applicant is identified as a CDBG Entitlement Program participant;
- The Applicant does not meet the Applicant Threshold Requirements;
- The Community Application does not comply with the requirement to provide a passed/adopted local government resolution authorizing submission of the Community Application;
- The Community Application does not comply with the requirement to fully complete all required forms in the TDA-GO system;
- The Community Application contains false information; or
- 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.

In addition, Community Applications for the Downtown Revitalization Program may be subject to disqualification for the following reason:

• The Community Application does not comply with the requirement to document the Downtown District.

Complete and eligible Community Applications will be scored by TDA staff, and cumulative scores will be posted to the TDA website for public review.

Steps in Community Application Process

Step 1: Create application in TDA-GO

TxCDBG Community Applications will only be accepted online through the TDA-GO grant management system. TDA-GO can be accessed by navigating to <u>https://tda-go.intelligrants.com/</u>

For assistance creating a new account for an individual person and/or community, refer to <u>How to</u> <u>Register New Users and Organizations</u> in the TxCDBG Project Implementation Manual.

To initiate a grant application in TDA-GO:

- 1. Login to TDA-GO and navigate to the **Initiate New Application** panel of the dashboard.
- Under Initiate New Application, click on CDBG Downtown Revitalization Program 2025.
 NOTE: Only the Authorized Official or local staff Project Director for the applicant community can initiate new applications. TDA staff can also assist with new applications.
- 3. A brief description and agreement language will appear, review and click "Agree" to continue.
- 4. The **Document Landing Page** will appear along with four menu sections: Forms, Tools, Status Options, and Related Documents.
 - a. In the **Tools** menu, select **Add/Edit people** to review internal staff assigned to the application or to invite third party users. To request additional individuals to be added to the application, submit a <u>TxCDBG Support Ticket</u> and TDA staff will assist you.
 - b. In the **Forms** menu, review each page of the Community Application:
 - i. Applicant Contact Information
 - ii. Community Application
 - iii. CDM Downtown Revitalization Program

Step 2: Develop community needs list

TDA expects each Community Application to identify a list of 10-15 community needs relevant to the community's participation in the TxCDBG program. If the community is selected for funding, this list will inform the selection of a project for funding, as well as any future amendment requests.

Community needs identified in the TxCDBG Community Application should reflect the priorities of the local government, developed through consultation with local officials and staff as well as existing planning documents developed by the community.

For the 2025 TxCDBG Community Application process, a community needs list must outline each of these factors for each need listed:

- Community Need a broad community need statement that describes the problem.
- Action to Address Need a brief description of the type of work that would address the associated community need.
- Activity Category select from the dropdown list of activity codes is used to classify the various community needs.

For the Downtown Revitalization Program, the most common Community Needs include:

Community Need	Action to Address Need	Activity Category
Sidewalks are deteriorated and unsafe	Replace sidewalks in multiple locations	03L
Businesses in the downtown area are not accessible due to differences in door frame heights and lack of curb cuts	Install ADA-compliant ramps and level sidewalks	03L
Downtown area is unlit at night	Install streetlights on north-south roads in the downtown area	
Streets in the downtown area are deteriorated	Reconstruct roads in the downtown area	03K

Poor drainage leads to flooding and	Install curb and gutter to direct stormwater away	03K
deteriorating infrastructure	from buildings and infrastructure	

For assistance in determining the appropriate Activity Category, contact CDBGApps@texasagriculture.gov

Step 3: Adopt the necessary local governing body resolution committing to the grant application

TxCDBG Community Applications require a resolution from the local governing body (e.g., City Council) authorizing the submission of a Community Application and confirming the community's commitments related to the program. In addition, the Downtown Revitalization Program requires a resolution designating the slum & blighted area, for communities that do not qualify as primarily low- to moderate-income communities. Failure to comply with these resolution requirements will result in disqualification of the application.

Resolution: Community Commitment

The required resolution format is found in Appendix A – update the fillable information fields prior to publication. This resolution will:

- 1. Authorize the submission of a Community Application for funding under the Texas Community Development Block Grant Program;
- 2. Identify the fund category under which the application is to be considered;
- 3. Designate the dollar amount of matching funds committed;
- 4. Commit to, if selected for funding, developing a project that meets programmatic eligibility requirements as identified in the Community Application; and
- 5. Commit to compliance with all federal, state, and program requirements, including environmental review, labor standards, procurement, acquisition of property, civil rights, and administrative requirements.

Step 4: Complete and submit the Community Application in TDA-GO

Complete the application in the TDA-GO system. Additional step-by-step instructions can be found in Appendix C Community Application TDA-GO Instructions.

The completed application must be submitted in TDA-GO. Under **Status Options**, select **Submit Application** to complete this final step.

Scoring Criteria

The table below describes the criteria used by TDA for scoring Community Applications. Locate the name of your community on each source document listed below to review the scoring data:

Scoring Element	Maximum	Source
	Points	
Median Household Income	10	American Community Survey 5-year
		estimate – See Appendix B
Benefit to Low- to-Moderate Income (LMI)	10	Low- to Moderate-Income statistical
Population		data (LMISD) – See Appendix B
Match Ratio	20	Applicant's resolution

Previous Funding	30	TxCDBG grant history report – See Appendix B
Past Performance	20	TxCDBG grant management records
 Timeliness of environmental clearance 		
Maximum utilization of grant funds awarded		
 Timeliness of completing projects 		
 Timely submission of closeout reports 		
Total Points – Downtown Revitalization	90	
Main Street Participation	10	Applicant's local records
Total Points – Main Street Set-aside	100	

The following table provides more detailed guidance on how the scores are calculated using the data provided:

Median Household Income (10 Points): Awarded if the Applicant's median household income is lower than the annual state household income using the most recent American Community Survey (ACS) 5-year estimate as follows:

- 1. Applicant's Median Household Income (MHI) divided by Texas MHI = MHI %
- 2. Subtract applicant's MHI % from 1 to calculate the applicant's MHI Factor
- 3. MHI Factor multiplied by 10 = Points Received

Applicants whose Median Household Income is above the statewide median household income shall receive zero (0) points.

Benefit to Low- to-Moderate Income (LMI) Population (10 Points):

Awarded based on the applicant's citywide LMI population using the most recently available Low to Moderate Income Summary Data (LMISD) PLACE data as follows:

Points Received = LMI % multiplied by 10

For example: The City of Scoresville's LMISD PLACE data indicates its LMI percentage is 67.17%. = 0.6717 * 10 = 6.7170 Points Received

Match Ratio (20 Points): A minimum 2% cash match is required. Awarded for the commitment of additional matching funds relative to the amount of CDBG funds requested as follows:

Match equals at least 5% of TxCDBG Request (\$50,000)	20 Points
Match equals at least 4% of TxCDBG Request (\$40,000)	15 Points
Match equals at least 3% of TxCDBG Request (\$30,000)	10 Points
Match minimum requirement of 2% of TxCDBG Request (\$20,000)	0 Points

Additional match may be cash and/or in-kind. The Applicant must provide a resolution from the city council authorizing the match expenditure. The resolution must include the commitment amount and the proposed use of the funds. If other eligible sources of funding are injected into the project, a commitment letter from the sources must also be submitted.

Previous Funding (15 Points):

Awarded based on TxCDBG records of awards issued for the Downtown Revitalization Program (DRP), including the Main Street Set-Aside/Program.

Applicant has received 0 DRP awards in the previous six (6) fund cycles	30 Points
Applicant has received 1 DRP award in the previous six (6) fund cycles	20 Points
Applicant has received 2 DRP awards in the previous six (6) fund cycles	10 Points
Applicant has received 3 or more DRP awards in the previous six (6) fund	0 Points
cycles	

Main Street Application Scoring Criteria (10 Points):

Only applicants participating in Texas Historical Commission's (THC) Main Street Program will be scored on the following criteria.

Applicant's continuous participation in the Texas Main Street Program	1 point for every calendar year of continuous participation in the Main Street program
Deinte will not be broken into helf neinte for incremente less then one year. If a situ lesy so the Main	
Points will not be broken into half points for increments less than one year. If a city leaves the Main	

Street Program and then returns at a later date, "continuous participation" will be calculated from the year the applicant returned to the program. Applicants will receive the maximum amount of points if they have participated in the program for 10 continuous years.

Past Performance on previously awarded contracts (Awarded 9/1/2020 – 8/31/2024)

Methodology: Each applicant is initially awarded full points in each Past Performance score factor. Points are deducted based upon performance of an applicant on a previously awarded contract. The final Past Performance score will be the average of points for each contract awarded between 9/1/2020 – 8/31/2024.

0/01/2024.		
•	Timely submission of closeout reports	5 Points
	Five (5) points will be deducted for applicants that did not submit close-out report within 60 days from the end date of the contract.	
٠	Timeliness of environmental clearance	
	Zero (0) points will be deducted for applicants that completed the environmental review within 30 days of the environmental clearance milestone (210 days after the contract start date)	
	One (1) point will be deducted for applicants that completed the environmental review within 60 days of the environmental clearance milestone (240 days after the contract start date)	5 Points
	Three (3) points will be deducted for applicants that completed the environmental review within 90 days of the environmental clearance milestone (270 days after the contract start date)	

	Five (5) points will be deducted for applicants that did not complete the environmental review within 90 days of the environmental clearance milestone (271+ days after the contract state date)	
•	Maximum utilization of grant funds awarded	
	Zero (0) points shall be deducted for completed contracts that fully expended the grant funds, or deobligated less than the threshold amount (\$10,000).	
	Seven (7) points shall be deducted for contracts that deobligated an amount equal to or greater than the threshold for any reason.	7 Points
	Exception: This scoring criterion will not apply to Texas Capital Fund Real Estate/Infrastructure contracts that completed the minimum necessary AND fulfilled 100% of the job commitment.	
Timeliness of completing projects (i.e., extension of contracts)		
	(Three (3) points will be deducted for applicants that received an extension on a previous contract.	3 Points

Tie Breaker

In the event of a tie, applicants shall be ranked starting with the lowest median household income. Data Source: Most recently available ACS 5-Year Estimate, Table DP03.

If a tie still exists after applying the first criteria, then applications shall be ranked starting with the highest unemployment rate. Data Source: Table DP03

Additional Program Information

While no action is required for the Community Application for the below items, Applicants should be aware of the federal, state, and program requirements that must be implemented if the community is selected for funding. These requirements include, but are not limited to:

- Competitive Procurement Administration Services and Engineering Services;
- National Environmental Policy Act (NEPA) and related Environmental Review;
- Uniform Relocation Assistance and Real Property Acquisition Act (URA);
- Competitive Procurement Construction Services / Materials;
- Davis-Bacon Act and related Labor Standards;
- Single Audit requirements;
- Fair Housing and Civil Rights requirements;
- Uniform Administrative Requirements and Cost Principles; and
- Housing and Community Development Act and related CDBG regulations, including the National Program Objective.

Details on TxCDBG grant management and program requirements can be found in the <u>TxCDBG Project</u> <u>Implementation Manual</u>.

Appendix A – Community Application Public Participation Required Format - Application Resolution

RESOLUTION

A RESOLUTION OF THE [CITY COUNCIL] OF [COMMUNITY NAME], TEXAS, AUTHORIZING THE SUBMISSION OF A TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM APPLICATION TO THE TEXAS DEPARTMENT OF AGRICULTURE FOR THE DOWNTOWN REVITALIZATION PROGRAM.

WHEREAS, the [City Council] of the [City] of [Community Name] desires to develop a viable community, including decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low-to-moderate income; and

WHEREAS, it is necessary and in the best interests of the [City] of [Community Name] to apply for funding under the Texas Community Development Block Grant Program;

NOW, THEREFORE, BE IT RESOLVED BY THE [CITY COUNCIL] OF [COMMUNITY NAME], TEXAS,

1. That a Texas Community Development Block Grant Program application for the Downtown Revitalization Program is hereby authorized to be filed on behalf of the City with the Texas Department of Agriculture, and to be placed in competition for funding under the Downtown Revitalization Program.

Select only one paragraph for 2.

2. [That the City of [Community Name] commits to selecting an eligible project in the designated downtown areas that meets either the National Program Objective to Eliminate Slum and Blighted Conditions or to Benefit Low- to Moderate-Income Persons.

OR

That the City of [Community Name] requests to be considered for the Main Street Set-Aside and commits to selecting a project in coordination with the Texas Historical Commission, consistent with the current Main Street Program documentation and meets either the National Program Objective to Eliminate Slum and Blighted Conditions or to Benefit Low- to Moderate-Income Persons..]

- 3. 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.
- 4. That the [City] of [Community Name] is committing to provide <u>\$xx,xxx.00</u> in matching funds toward the application's activities, with the specific usage and funding source to be determined prior to any award of grant funding.

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

[Name Title] [City] of [Community Name], Texas

[Name, Title] [City] of [Community Name], Texas Appendix B – Community Application Scoring Elements

Click here to access Appendix B

Appendix C – Community Application TDA-GO Instructions

Click here to access Appendix C