



## **Texas Community Development Block Grant Program**

State Urgent Need Fund  
(SUN Fund)

Request for Applications (RFA) & Application Guidance

April 2025

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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 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, primarily for people of low-to-moderate income (LMI).
2. To improve housing conditions, primarily for people of low-to-moderate income.
3. To expand economic opportunities by creating or retaining jobs, primarily for low-to-moderate income people; and,
4. To provide assistance, public facilities, and eliminate conditions hazardous to public health and of an emergency nature.

## Recommended Steps in Application Process

Certain steps may be completed at any point in the grant application process. TDA recommends completing the application as follows:

1. Evaluate the damage and determine the community's needs.
  - a. Best Practice: Request a visit from the Texas Division of Emergency Management (TDEM) to your community to perform a [Preliminary Damage Assessment](#). The assessment documents the damage observed and is used for cost estimates.
  - b. Communities needing Drought assistance are required to be on the Texas Commission on Environmental Quality (TCEQ) [180-day list](#)
2. Decide whether TxCDBG SUN funds are needed:
  - a. TxCDBG SUN funds must support **long-term** efforts to restore damaged infrastructure.
  - b. Consider other available funding including local resources, insurance payments, and other state or federal funding partners. Avoid duplication of assistance/benefit by carefully considering and documenting all funding options.
3. Consider eligible projects that would meet local needs.
4. Request a preliminary call by emailing [Christian.Campbell@TexasAgriculture.gov](mailto:Christian.Campbell@TexasAgriculture.gov)
  - a. TDA will determine eligibility during this call. If your community's proposed project is eligible for SUN, an application will be initiated in [TDA-GO](#).
5. Identify an Application Preparer. This may be local staff, or a third-party consultant procured using TDA's Chapter 5 Professional Services procurement process. More information regarding this process can be found on the [TxCDBG Implementation Manual](#) web page.
  - a. See [TxCDBG's Certified Administrators List](#) for a list of Application Preparers who have passed the TxCDBG Certified Administrators Test.
6. Conduct public hearing to solicit feedback from community members regarding community needs.

Notice of the public hearing must be provided no less than 72 hours prior to the hearing.

7. Discuss potential projects with the Application Preparer and decide which project(s) to pursue.
8. Identify an Application Engineer. This may be local staff, or a third-party consultant procured using TDA's Chapter 5 Professional Services procurement process. More information regarding this process can be found on the [TxCDBG Implementation Manual](#) web page.
9. With Application Engineer, identify service area of the project(s) and prepare a preliminary cost estimate.
10. With Application Preparer, identify LMI beneficiaries of the service area via HUD LMISD data or income survey. More information on beneficiary documentation is on the [TxCDBG Beneficiary Documentation](#) web page.
11. Present resolution to local governing body to authorize submission of the application. This resolution includes the project description and commitment of any matching funds and must be passed after conducting the public hearing.
12. Finalize all details of the application for public review.
13. Publish notice of application availability. The application must be available for public review for no less than five (5) days:
  - a. After the local resolution is passed;
  - b. After the notice of availability; and
  - c. Prior to the application submittal deadline.
14. Submit the application on TDA-GO.

## Part I: Program Requirements

### SUN Fund – General Program Information

Financial assistance is available through the [SUN Fund](#) for eligible activities in relief of disaster situations where the Governor of the State of Texas has proclaimed a state disaster declaration, either by proclamation or formal request for state agency assistance.

Grant Amount	Minimum: \$100,000, Maximum: \$500,000
National Program Objective	Urgent Need
Application Method	Contact TDA Staff to initiate application

The SUN Fund is made available through deobligated funds from other TxCDBG programs, and total funding and timing of awards is subject to availability of funds in the overall TxCDBG program.

Because the SUN Fund is subject to this unique funding format, it has no application deadlines. Applications are received on a “first come, first-served” basis, with applications accepted and reviewed year-round. TDA will prioritize applications for **safe drinking water**, (first), and **debris removal**, (second). TDA may opt to accept applications for other eligible activities for certain disaster events.

If needed in the ranking of applications based on available funds remaining, a tie between multiple applications is decided by the number of LMI beneficiaries, with the higher number ranking higher:

Due to the urgent nature of projects, activities funded under the SUN Fund must be completed within eighteen (18) months from the start date of the grant agreement. A TDA grant specialist will be assigned to ensure that the various program requirements have been documented, including receipts or invoices for costs incurred. Funds will be released to reimburse the community as work is performed and contract requirements are completed.

### Funding Considerations

- SUN Fund financial assistance should be viewed as last resort financial assistance. If infrastructure is demolished by a tornado, assistance should not be requested from the SUN Fund until all other avenues have been exhausted (e.g., private insurance, Small Business Administration, TDHCA, etc.).
- Local or other funds are not available or sufficient to address the problem. This requirement is documented as follows:
  - the applicant entity’s annual audit as required by state statute, demonstrating that the entity has less than six months of unencumbered general operations funds available in its balance;
  - confirmation in the application that funds from other state or federal sources were considered and are not available to completely address the problem; and
  - disclosure of any insurance reimbursement in the application.
- TDA may determine that a community with a history of unsatisfactory performance and/or management capacity on previous TxCDBG contracts may still be eligible for funding under the SUN Fund; however, the contract administrator for the SUN Fund grant must be approved by TDA.
- TDA may consider whether funds under an existing TxCDBG contract are available to be reallocated to address the situation.
- An eligible applicant could receive multiple SUN Fund grants during a single program year; however, in no instance will an applicant receive more than one grant to address a single occurrence of a proclaimed disaster.

## Project Team Selection

### Application Preparer/Grant Administrator/Project Engineer

An Applicant may procure 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 grant management purposes if the application is funded. However, costs for application preparation are not eligible for matching funds or reimbursement with TxCDBG funds.

For services to be paid through grant funds, the Applicant must follow the procurement guidelines included in the most recent TxCDBG Implementation Manual to contract such services. For services to be paid through matching funds, TDA strongly recommends that Applicants follow the same procurement guidelines. Following those guidelines will ensure a competitive process and compliance with all applicable state and federal requirements. See the [“Conflict of Interest”](#) section of this guide for essential information about the timing of this procurement.

### Pre-Agreement Option

Applicants can request a pre-agreement option in which TxCDBG may reimburse funded applicants for certain administrative and/or engineering costs incurred prior to the Grant Agreement start date. TDA will notify the Grant Recipient if, in its sole discretion, the agency declines the pre-agreement option request.

If the requested pre-agreement option is approved, TDA will allow Grant Administration Services and Engineering Services to begin incurring costs once the application is submitted. This means that the Project Team may begin work and incur costs, such as preparation of the environmental review and preliminary engineering, during the period required for TDA’s review of the submitted application and award of grant funds. Such costs are only allowed to the extent that they would have been allowable if incurred after the start date of the TxCDBG Grant Agreement and only with the written approval of TDA. **All existing grant rules apply to the pre-agreement period; see TxCDBG Project Implementation Manual for details or contact TDA staff for additional clarification.**

By submitting a TxCDBG SUN Fund application, the Applicant commits to not begin work other than grant administration and/or engineering work or otherwise complete the proposed project until the grant is approved by TDA. If a documented situation occurs endangering public safety and this timeline is no longer feasible, please contact TDA immediately to discuss the options available. Failure to do so will result in disqualification of the Applicant’s application at TDA’s sole discretion.

## Project Selection

Projects proposed shall be developed using the community needs identified during the public hearing. No additions, modifications, or changes to the Needs Assessment shall be permitted after submission.

### Eligible Project Area

The Applicant must submit an application that identifies a project from within the eligible project area that addresses one or more of the disaster conditions that contributed to the deterioration of the area.

For State Urgent Need improvements, an eligible project area must meet the requirements of having an unforeseen disaster that occurred in the previous six months AND meet the National Program Objective of Urgent Need. Proposed improvements must also seek to remedy recent disaster-related damage.

## Evidence of Disaster-related Damage

The application must include the following documentation:

- Copy of the disaster proclamation from the Governor or a request for assistance letter from the Governor's Authorized Representative (GAR) that names the applicant as part of the affected area.
- A damage assessment documenting the location and cost estimate of each disaster-damaged site requested for funding, prepared by a professional engineer. (Note: if the engineer preparing this cost estimate intends to serve as the project engineer, the community must complete TxCDBG procurement/selection processes before beginning the assessment or other project related work.) If TDEM has provided applicant with a Preliminary Damage Assessment (PDA), the PDA may satisfy this requirement.
- Photos of the damage sustained within the proposed project area and clearly labeled, and legible map(s) corresponding to proposed project site photos.
- For drought-related applications, documentation that the utility has reported to state regulators that it expects to be "out of water in 180 days or less". Applicants must use documentation provided by the Texas Commission on Environmental Quality (TCEQ) (i.e., Drought Priority C posting from TCEQ).

## Eligible Activities

Descriptions of eligible activities under the TxCDBG program are in Section 105(a) of the federal Housing and Community Development Act of 1974. Activities eligible under the State Urgent Need (SUN) Fund are the same as those under the TxCDBG program.

For the State Urgent Need (SUN) Fund, a community must also meet the "Urgent Need" NPO to be eligible for funding and the unit of general local government must be unable to finance the activity on its own, and funds from other external sources must be unavailable.

Definition of Urgent Need NPO: Meet other community development needs of particular urgency that represent an immediate threat to the health and safety of residents of the community.

Eligible SUN activities include repair, replacement, rehabilitation, or improvement of public infrastructure, including mitigation measures designed to meet community development needs having a particular urgency.

TDA will prioritize applications for **safe drinking water**, (first), and **debris removal**, (second). TDA may opt to accept applications for eligible activities for certain disaster events. TDA may also prioritize the use of SUN funds for other activities by announcing the priority on TDA's website and/or the application guide.

The following are restrictions and requirements for activities eligible under the SUN Fund:

- SUN funded activities must address damage caused by the disaster event or resolve an issue that is a direct result of the disaster event (i.e., emergency construction, reconstruction, or installation of public facilities such as water and sewer facilities, street improvements, drainage/flood control improvements, solid waste disposal facilities, and other publicly-owned utilities)
- Mitigation measures such as elevating critical equipment or installing generators to avoid future damage are not eligible as the primary SUN-funded project; but may be included to further improve an otherwise eligible project.
- Activities to address privately-owned water and wastewater systems may be considered if at least 15 percent matching funds toward construction are included in the application and proposed

beneficiaries are at least 51 percent low-to-moderate income;

- Demolition/clearance associated with a reconstruction of damaged property posing an immediate threat to public safety;
- Acquisition of real property located in the floodplain or acquisition of property to be used for the provision of eligible TxCDBG activities
- For projects proposing water/wastewater activities, TDA may require discussions between the applicant, representatives of TDA, the Texas Commission on Environmental Quality (TCEQ), and the Texas Water Development Board (TWDB) take place prior to project approval. Through these discussions, a determination shall be made whether the situation meets TxCDBG threshold criteria; whether shared financing is possible; whether financing for the necessary improvements is, or is not, available from the TWDB; or that the potential applicant does, or does not, qualify for TWDB assistance.

## Ineligible Activities

- Construction of public facilities that did not exist prior to the disaster.
- Activities that provide a short-term solution to a problem or for temporary improvements.
- Reimbursement of labor costs already expended with early temporary repairs.
- Reimbursement for work already completed.
- Redundant or backup systems.
- Disaster events which have received a federal declaration of disaster, or for which the Governor's Request for Presidential Disaster Declaration has been submitted and is pending.
- Repair of residential or commercial properties.
- Costs covered by insurance or other funding sources.
- Other activity limitations outlined in Part II: General TxCDBG Application Requirements.

Applications must propose project(s) that are fully developed. The proposed project scope cannot be changed after application submittal, unless at the discretion of TDA staff. The public participation process is intended to identify community priorities, and TDA will not approve a change in project scope based on changing priorities of the local government. Placeholder applications – those proposing a potential project with the intent of securing funding, then making local decisions regarding actual locations and project details after an award – will be considered incomplete and will be subject to termination. Applications must justify any amount requested in the application and the amount requested is subject to review.

## Project Costs

The application must provide an estimate of project costs to support the grant requests. All work necessary to complete the project and meet the national program objective must be included in the project costs and may not be excluded from the proposal for convenience.

The program can fund only the actual, allowable, and reasonable costs of the proposed project, and may not exceed these amounts. For all projects awarded under the TxCDBG program, TDA and the applicant will agree upon the final award amount. At no time will the final award exceed the amount originally requested in the application.

Grant funds may be used for the following costs in support of eligible TxCDBG program activities up to the maximum amount below – if actual cost exceeds this amount, matching funds will be assigned to these costs:

- Maximum Total Grant Request – \$500,000
- Match Commitment – The amount of local funds committed by the Applicant in their approved



application. SUN applications require \$0 in matching funds; however, sufficient funds must be committed to completing the proposed project.

- General Administration – up to \$55,000 or 11% of the total grant funds requested, whichever is less.
- Engineering Services – up to \$75,000 or 15% of the total grant funds requested, whichever is less.

Projects with less than \$100,000 in eligible costs will not be funded.

## TxDOT Compliance

Applications must indicate whether the proposed infrastructure improvements will be located within a Texas Department of Transportation (TxDOT) controlled highway, road, or right of way. If so, the applicant will be required to provide documentation to TDA indicating that the Applicant has notified and/or consulted with TxDOT regarding its proposed improvements prior to the award date.

## Part II. General TxCDBG Application Requirements Application Completeness

Applications considered incomplete, noncompliant with program requirements, or received late will be disqualified. Applications lacking information necessary to determine eligibility of the activity or compliance with TxCDBG and Federal program requirements will be disqualified.

Applications may be subject to disqualification for reasons including, but not limited to, any of the following:

- The project is in, or substantially benefits, an entitlement area, including the extraterritorial jurisdiction of an entitlement city;
- The Applicant does not have an active SAM.gov registration;
- The application contains ineligible activities, and any remaining eligible activities do not meet the minimum grant amount;
- The application contains activities not supported by the community needs identified in the previously accepted Community Application;
- The applicant does not comply with the TxCDBG Public Participation requirements;
- The application contains false information;
- 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 activity meets a National Program Objective, including TxCDBG beneficiary documentation requirements where applicable;
- The application forms are incomplete and/or inaccurate including, but not limited to:
  - preparation of an assessment of the applicant's housing and community development needs;
  - legible, quality project-related maps;
  - disclosure of all individuals and/or firms with a financial interest in the project;
  - A passed/adopted local government resolution authorizing the submission 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.

### Basic Eligibility Documentation Requirements

#### Application Resolution

TxCDBG Project Applications require a resolution from the local governing body (e.g, City Council) authorizing the submission of the application. The governing body must adopt/pass the resolution before the Project Application submission and after the application public hearing. Failure to comply with this resolution requirement may result in disqualification of the application.

The language of the resolution must, at a minimum:

1. Authorize the submission of an application for funding under the Texas Community Development Block Grant Program;
2. Designate the 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. 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; and
6. Commit to compliance with all federal, state, and program requirements, including environmental review, labor standards, procurement, acquisition of property, civil rights, and administrative requirements.

The format for the resolution is provided in Appendix II.

## Signatory Resolution

TxCDBG applications and grant agreements require a resolution from the local governing body (e.g., City Council) authorizing specific individuals and/or positions to act on behalf of the community.

The language of the resolution must, at a minimum, include all provisions of Appendix I:

1. Designate a person(s) (e.g., City Administrator or Mayor) who will be authorized to execute documents in conjunction with the application, and any resulting grant agreement, and
2. Designate a person(s) (e.g., Finance Director or City Secretary) who will be authorized to execute financial documents, including payment requests, in conjunction with the application, and any resulting grant agreement.

**Once the Signatory Resolution is adopted and submitted to TDA, the community may continue to rely on the same resolution for subsequent TxCDBG applications. The community may provide an updated resolution at any time as local needs change.**

The format for the signatory resolution is provided in Appendix I.

## Application Notice

Applicants must provide reasonable advanced public notice of the availability of a proposed Project Application to afford affected citizens an opportunity to review the application's contents to determine the degree to which they may be affected and submit comments on the proposed activities. TDA recommends making copies of the proposed Project Application available at libraries, government offices, and public places.

1. The Applicant must issue a public notice that includes the following information:
  - The TxCDBG fund categories for which applications will be submitted;
  - The amount of TxCDBG funds requested;
  - A brief description of the proposed project activities;
  - The locations of the project activities included; and
  - The location and hours when the application will be available for public review.
2. The public notice of Project Application availability must be issued:
  - After a complete copy of the application, including all attachments, has been prepared and made available for public review;
  - After adoption of the local government resolution authorizing the submission of the application; and
  - At least five (5) days prior to the submission of an application for TxCDBG funds.
3. The Applicant must publicize and document the public notice utilizing one of the acceptable methods outlined in Chapter 1, Section 1.1.5 of the TxCDBG Project Implementation Manual (excerpt attached in Appendix I).

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

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

The required format for the application submission notice is provided in Appendix I.

## Evidence of Active SAM Registration

TxCDBG applicants must demonstrate an active registration in the System for Award Management (SAM) to be eligible for funding. The applicant shall include a screenshot from the SAM website at <https://sam.gov> verifying the entity's registration is active. Applicants without evidence of an active SAM registration are ineligible to receive HUD funds and will be disqualified.

## Financial Capacity

TxCDBG Applicants must demonstrate the financial capacity necessary to be responsible for grant funding. The Applicant must complete TDA's Financial Management System Self-Assessment (FMSSA) for risk analysis prior to the release of grant funds. If determined to be necessary, conditions may be included in the Grant Agreement to ensure appropriate financial management capacity. These conditions may be as modest as additional documentation of authority, or as significant as a requirement to allow a third-party local government to manage grant financials for high-risk communities.

## Project-Specific Documentation Requirements Project Maps

Maps are a key component in determining the eligibility of a project. All required maps must clearly identify the location of work to be performed.

Each application for TxCDBG funding must include a project map(s), which clearly shows all the following information on the same map:

- The boundaries of the applicant's jurisdiction;
- Location(s) of the benefit area(s); and
- Location(s) of all proposed project activities (e.g., well sites, debris fields, drainage infrastructure, street pavement, water storage tanks, wastewater treatment plants, public facility improvements, etc.)

In addition, applicants requesting a project within a floodplain should submit a FEMA Flood Map with the project location identified. If this map documents that any part of the project is in a flood way, the applicant must provide evidence that the project is eligible for consideration in accordance with 24 CFR §55.1(c). Maps are available at <https://msc.fema.gov>

Maps must be reproducible. Care should be taken in copying maps so that project activities designated by a colored mark are still identifiable.

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

## Other Program Policies Local Certifications

By certifying and submitting a TxCDBG application, the Applicant affirms 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 if the application is successful.

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

1. It will minimize the displacement of people 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 U.S.C. §§2000d et seq.) and the Fair Housing Act (42 U.S.C. §§3601-20), and that it will affirmatively further fair housing, as specified by TDA.
3. It will provide opportunities for public participation, hearings, and access to information with respect to its community development programs, and that it is following the TxCDBG public 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 people of low-to-moderate income who are not persons of very low income, the Grant Recipient certifies that it lacks sufficient funds under this agreement to comply with the requirements of clause (A).
5. It will comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and Federal implementing regulations at 49 CFR Part 24, and the requirements of section 570.606 including the following of a residential anti-displacement and relocation assistance plan, as specified by TDA, in the event that displacement of residential dwellings will occur in connection with a project assisted with TxCDBG funds.
6. It has adopted or will adopt and enforce a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations and enforce applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such nonviolent civil rights demonstrations within its jurisdiction.
7. To the best of the TxCDBG Grant Recipient's knowledge and belief, no Federal appropriated funds have been paid or will be paid, by or on behalf of the TxCDBG Grant Recipient, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
8. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the TxCDBG Grant Recipient shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.
9. The TxCDBG Grant 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 contract under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

## False Information on Applications

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

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

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

1. Disqualification of the application and holding the locality ineligible to apply for TxCDBG funding for a period of two program years or until any issue of restitution is resolved, whichever is longer.
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.

An applicant may appeal a decision of the State TxCDBG Director by filing an appeal with the Administrator for Trade and Economic Development.

## Appeals Process

Refer to 4 TAC §30.8.

## Part III. General CDBG Federal Requirements

### Fair Housing Activities

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

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

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

### Minority Participation/Local Opportunity

The TxCDBG program encourages localities to affirmatively take action to utilize small, minority (MBE) and women-owned (WBE) businesses, whenever possible. Although funded localities are not directly responsible for meeting a specific minority business participation goal, TxCDBG reports to HUD on the levels of MBE and WBE hiring under all CDBG agreements. To increase participation of small, minority and women owned-businesses, localities may use the Texas Comptroller of Public Accounts 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.

### Buy America Build America

The Applicant must comply with the requirements of the Build America, Buy America (BABA) Act, 41 USC 8301 note, and all applicable rules and notices, as may be amended, if applicable to the Grant Recipient's infrastructure project. Applicants that receive funding for infrastructure projects in Program Year 2024 must ensure that the following items used in the project are produced in the United States, (see TxCDBG Project Implementation Manual Chapter 4 and Policy Issuance 23-01 for details):

- (1) all iron and steel used:
- (2) specifically listed manufactured products:
  - a. Metals other than iron or steel (non-ferrous metals),
  - b. Lumber,



- c. Composite building materials, and
- d. Plastic and polymer-based pipe and tube materials, including PVC pipe.

## Conflict of Interest

Applicants to the TxCDBG Program must avoid, neutralize, or mitigate actual or potential conflicts of interest to prevent an unfair competitive advantage or the existence of conflicting roles that might impair the performance of the TxCDBG agreement or impact the integrity of the procurement process.

**For the procurement of goods and services**, no employee, officer, or agent of the Grant Recipient or subrecipient may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. (24 C.F.R. §570.489(g), Texas Grant Management Standards (TxGMS) promulgated by the Texas Comptroller of Public Accounts, 2 C.F.R. §200.318(c)(1)).

**For all other cases other than the procurement of goods and services**, non-procurement conflict of interest provisions are applicable to any person or entity including any benefitting business, utility provider, or other third party entity that is receiving assistance, directly or indirectly, under a TxCDBG grant or award, or that is required to complete some or all work under the TxCDBG grant in order to meet a National Program Objective, that might potentially receive benefits from TxCDBG awards.

Under these provisions, a conflict of interest would exist if an employee, elected official, or their family members receive benefit from an activity. For example, if a member of a mayor's family were selected to receive CDBG assistance or would benefit from or receive a CDBG award, abstention from voting does not clear the conflict of interest. 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 administration services for the TxCDBG grant and the city is considering the selection of an engineer from that same firm to provide engineering services for the TxCDBG grant.

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

- A disclosure of the nature of the conflict, accompanied by an assurance that there has been a public disclosure of the conflict and a description of how the public disclosure was made.
- The opinion of the attorney for the applicant that the interest for which the exception is sought would not violate state or local law.
- Where 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 would 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 their 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 governing body, or of any designated public agencies, or sub-recipients that are receiving CDBG funds.
- Whether undue hardship will result to the city or persons affected when weighed against the public interest served by avoiding the prohibited conflict.
- Any other relevant considerations.

## 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, 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](http://usaspending.gov) database. This data includes the following:

- 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 Unique Entity Identifier (UEI) number for the entity receiving the award – this number is assigned through SAM.gov.

Additional information deemed relevant by the OMB must also be provided, and all information is due no more than thirty days after a grant is awarded.

In addition, applicants must register on the System for Award Management (SAM) and entities must have an active registration to receive funding from HUD. Information on SAM registration is available at <https://www.sam.gov>.

## Appendix I: Matching Funds

While other resources are strongly encouraged, the commitments for a community's local 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.

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, including contracted services and materials purchases (in accordance with Chapter 5);
2. In-kind personnel services/equipment use;
3. On hand materials or supplies;
4. Donated land; or
5. Any combination of the above.

### Basic Principles of Match Funds

All work necessary to complete the project and meet the national program objective must be included in the application project costs, and the Applicant must commit sufficient funds to complete all such project costs. Any anticipated costs that exceed the maximum grant amount will be committed as 'matching funds,' and the Applicant may not exclude costs from the application for convenience or to avoid or reduce a formal matching funds commitment.

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

Match funds are valid only if committed for activities proposed for funding with TxCDBG funds and the match will be used in the same benefit 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 benefit areas. TxCDBG funds will finance the improvements in one benefit area and the applicant's match will be used to finance the improvements in the other benefit area. The applicant had already budgeted local funds for the water improvements in the applicant financed benefit area and did not claim any of the people located in this benefit area as project beneficiaries. This match would not be considered because it is not committed to the TxCDBG financed benefit 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 benefit 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 benefit 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 benefit 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 benefit 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 related to the TxCDBG funded sewer construction activity.

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

All resources committed to an application and considered in the scoring of that application must be provided if 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 on Applications*” section of this guide. **If a grant is awarded, the matching funds committed in the grant application will be included in the grant agreement, establishing a contractual match ratio used to calculate the maximum amount of grant funds to be disbursed for actual costs.**

Additionally, the use of other funds (e.g., federal, state, or local) in conjunction with TxCDBG funds 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.

## **Source of Match**

### *Local Resources*

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 that local match can only be counted for expenditures, which would not occur if the proposed application were not funded, except for 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.

*Other State or Federal Resources* Commitments for other State or Federal funds (e.g., Texas Water Development Board, USDA) must be supported by a grant/loan offer, grant 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. Evidence of State or Federal funding 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.

United States Department of Agriculture Rural Development (USDA-RD): TxCDBG will accept matching funds from the USDA-RD Programs for TxCDBG applications only if the applicant has submitted the preliminary application for the USDA-RD grant or loan matching funds to USDA prior to the TxCDBG application deadline.

Texas Water Development Board (TWDB): TxCDBG will accept matching funds from the TWDB programs for TxCDBG applications only if the applicant has submitted the preliminary application or the required questionnaire for the TWDB grant or loan matching funds to the TWDB prior to the TxCDBG application deadline.

Commitments of State or Federal funds not restricted to a particular project (e.g., American Rescue Plan Act funds) must be supported by documentation of the amount of such assistance provided to the community AND a letter signed by the local authorized official confirming that the funds have not and will not be dedicated to any purpose other than the TxCDBG project while the application is pending.

### **Non-Cash Match**

Non-cash 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 the Engineer's Budget Justification, which shows how the value of each type of match was determined. The following documentation is acceptable:

#### *Force Account Labor (in-kind service)*

The value of force account labor match must be based on the estimated TxCDBG grant-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 grant-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 grant-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 grant-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)*

To document the value of the match by 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).

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

#### *On Hand 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.

#### *Donated Land*

The value of certain property that is necessary and donated for the project may be claimed as matching funds if the donated property changes hands, i.e., a city cannot donate property to itself as a match. The value of easements, rights-of-way, property associated with existing locations for the same infrastructure system, or similar property donation will not be considered as matching funds.

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 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 II: Public Participation Form and Document Samples

### ***Sample Application Resolution***

#### RESOLUTION

A RESOLUTION OF THE COMMISSIONERS COURT OF (XYZ) COUNTY, TEXAS, AUTHORIZING THE SUBMISSION OF A TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM APPLICATION TO THE TEXAS DEPARTMENT OF AGRICULTURE FOR THE STATE URGENT NEED 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 TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM.

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

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

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

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

1. That a Texas Community Development Block Grant Program application for the State Urgent Need Fund is hereby authorized to be filed on behalf of the County with the Texas Department of Agriculture.
2. That the County's application be placed in competition for funding under the State Urgent Need Fund.
3. That the application be for (\$500,000.00) of grant funds to provide (project activities).
4. That the Commissioners Court directs and designates the following to act in all matters in connection with this application and the County's participation in the Texas Community Development Block Grant Program:
  - (The County Judge, Mayor, City Manager) shall serve as the County's Chief Executive Officer and Authorized Representative to execute this application and any subsequent contractual documents;
  - The (Mayor, Mayor Pro-Tem, City Manager, County Judge, County Clerk, County Treasurer) is authorized to execute environmental review documents between the Texas Department of Agriculture and the City/County; and
  - If this application is funded, the (Mayor, Mayor Pro-Tem, City Manager, City Secretary, City Council Member, County Judge, County Clerk, County Auditor, County Treasurer) is authorized to execute the Request for Payment Form documents and/or other forms required for requesting funds to reimburse project costs.
5. That all funds will be used in accordance with all applicable federal, state, local and programmatic requirements including but not limited to procurement, environmental review, labor standards, real property acquisition, and civil rights requirements.

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

Passed and approved this \_\_day of \_\_\_\_\_, 20\_\_

\_\_\_\_\_  
John Doe, County Judge  
(XYZ) County, Texas

\_\_\_\_\_  
Mary Smith, County Clerk  
(XYZ) County, Texas

## **Sample – Application Availability Notice**

### *Sample Public Hearing Notice and Application Activities Notice*

#### **SAMPLE PUBLIC HEARING NOTICE:**

Published on (July 15, 20XX):

#### **PUBLIC HEARING NOTICE**

(XYZ) COUNTY

TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

(XYZ) County will hold a public hearing at 7:00 p.m. on July 18, 20XX, at (XYZ) County Courthouse regarding the submission of an application to the Texas Department of Agriculture for a State Urgent Need Texas Community Development Block Grant Program (TxCDBG) grant. The purpose of this meeting is to allow citizens an opportunity to discuss the public 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 TxCDBG application(s) 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. People with disabilities that wish to attend this meeting should contact the County Courthouse to arrange for assistance. Individuals who require auxiliary aid or services for this meeting should contact the County Courthouse at least two days before the meeting so that appropriate arrangements can be made. Para más información en español, comuníquese con [local contact name] al XXX-XXX-XXXX.

#### **SAMPLE APPLICATION ACTIVITIES NOTICES:**

Published on (September 26, 20XX):

#### **PUBLIC**

#### **NOTICE**

(XYZ)

COUNT

Y

TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

(XYZ) County is giving notice of the county's intent to submit Texas Community Development Block Grant Program grant applications for a State Urgent Need Fund grant request of (\$\$) for (project activity) in the (community of XX). The application is available for review at the (XYZ) County Courthouse during regular business hours. Para obtener una copia en español, comuníquese con [local contact name] al XXX-XXX-XXXX.



*Sample – Affidavit of Posting – Notice of Public Hearing*

I, [Authorized Official], do hereby certify that pursuant to the laws of the State of Texas and of the [Grant Recipient], a Notice publishing the [Document] for TxCDBG Application No. [Application] was conspicuously posted in a manner plainly visible to the general public on [first date of posting] through [final date of required posting]. Pursuant to TxCDBG program requirements, the notice has been posted in two locations:

Location of Posted Notice: *[for example, lower left corner of east window of City Hall, or in the center of the north door of the County Courthouse, etc.]*

\_\_\_\_\_

Second Location of Posted Notice: *[City's/County's website URL or second physical location]*

\_\_\_\_\_

Attached to this affidavit is a photograph of the Notice as posted on the premises in which the notice is legible, and screen shots of the web posting, if applicable.

.....

\_\_\_\_\_  
Grant Recipient Signature and Title

\_\_\_\_\_  
Date Agreement No. \_\_\_\_\_

State of Texas

County of \_\_\_\_\_

Subscribed and sworn to before me by \_\_\_\_\_

this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
SEAL Notary Signature

\_\_\_\_\_  
My Commission expires:

## Appendix III: TxCDBG General Activity Code Reference Table

Note: This lists all program activities, some are not eligible for certain fund categories.

For a more comprehensive list of activity codes, go to:

<https://files.hudexchange.info/resources/documents/Matrix-Code-Definitions.pdf>

Code	Description
<b>01</b>	<p><b>Acquisition of Real Property</b></p> <p>Acquisition of real property that will be developed for a public purpose. Use code 01 for the CDBG-funded purchase of real property on which, for example, a public facility or housing will be constructed.</p> <p>When CDBG funds are used to:</p> <ul style="list-style-type: none"> <li>• acquire a public facility that will be rehabilitated with CDBG funds and continue to be used as a public facility, assign the appropriate 03* code.</li> <li>• acquire housing that will be rehabilitated, use code 14G.</li> </ul>
<b>02</b>	<p><b>Disposition of Real Property</b></p> <p>Costs related to the sale, lease, or donation of real property acquired with CDBG funds. or under urban renewal. These include the costs of temporarily maintaining property pending disposition and costs incidental to disposition of the property.</p>
<b>03A</b>	<p><b>Senior Centers</b></p> <p>Acquisition, construction, or rehabilitation of facilities (except permanent housing) for seniors. 03A may be used for a facility serving both the elderly and the disabled, provided it is not intended primarily to serve persons with disabilities. If it is, use 03B instead. For the construction of permanent housing for the elderly, use code 12; for the rehabilitation of such housing, use the appropriate 14* code.</p>
<b>03D</b>	<p><b>Youth Centers</b></p> <p>Acquisition, construction, or rehabilitation of facilities intended primarily for young people aged thirteen to nineteen. These include playground and recreational facilities that are part of a youth center. For the acquisition, construction or rehabilitation of facilities intended primarily for children aged twelve and under, use 03M; for facilities for abused and neglected children, use 03Q.</p>
<b>03E</b>	<p><b>Neighborhood Facilities</b></p> <p>Acquisition, construction, or rehabilitation of facilities that are principally designed to serve a neighborhood and that will be used for social services or multiple purposes (including recreational). Such facilities may include libraries and public schools.</p>
<b>03F</b>	<p><b>Parks, Recreational Facilities</b></p> <p>Development of open space areas or facilities intended primarily for recreational use.</p>
<b>03G</b>	<p><b>Parking Facilities</b></p> <p>Acquisition, construction, or rehabilitation of parking lots and parking garages. Also use 03G if the primary purpose of rehabilitating a public facility or carrying out a street improvement activity is to improve parking. If parking improvements are only part of a larger street improvement activity, use 03K.</p>

<b>03I</b>	<p><b>Flood Drainage Improvements</b></p> <p>Acquisition, construction, or rehabilitation of flood drainage facilities, such as retention ponds or catch basins.</p> <p>Do not use 03I for construction/rehabilitation of storm sewers, street drains, or storm drains. Use 03J for storm sewers and 03K for street and storm drains.</p>
<b>03J</b>	<p><b>Water/Sewer Improvements</b></p> <p>Installation or replacement of water lines, sanitary sewers, storm sewers, and fire hydrants. Costs of incidental street repairs (usually repaving) made necessary by water/sewer improvement activities are included under 03J.</p> <p>For water/sewer improvements that are part of:</p> <ul style="list-style-type: none"> <li>• more extensive street improvements, use 03K (assign 03K, for example, to an activity that involves paving six blocks of Main Street and installing one hundred feet of new water lines in one of those blocks).</li> <li>• a housing rehabilitation activity, use the appropriate 14* matrix code.</li> <li>• flood drainage facilities, use 03I.</li> </ul>
<b>03K</b>	<p><b>Street Improvements</b></p> <p>Installation or reconstruction of streets, street drains, storm drains, curbs and gutters, tunnels, and bridges. May also include, when performed in conjunction with street reconstruction and unless restricted by the Application Guide:</p> <ul style="list-style-type: none"> <li>• curbs and gutters,</li> <li>• traffic lights/signs, and</li> <li>• street lighting, and/or street signs.</li> </ul>
<b>03L</b>	<p><b>Sidewalks</b></p> <p>Improvements to sidewalks. Also use 03L for sidewalk improvements that include the installation of trash receptacles, lighting, benches, and trees.</p>
<b>03M</b>	<p><b>Child Care Centers</b></p> <p>Acquisition, construction, or rehabilitation of facilities intended primarily for children aged twelve and under. Examples are daycare centers and Head Start preschool centers.</p> <p>For the construction or rehabilitation of facilities for abused and neglected children, use 03Q. For the construction or rehabilitation of facilities for teenagers, use 03D.</p>
<b>03O</b>	<p><b>Fire Stations/Equipment</b></p> <p>Acquisition, construction, or rehabilitation of fire stations and/or the purchase of fire trucks and emergency rescue equipment.</p>
<b>03P</b>	<p><b>Health Facilities</b></p> <p>Acquisition, construction, or rehabilitation of physical or mental health facilities. Examples of such facilities include neighborhood clinics, hospitals, nursing homes, and convalescent homes. Health facilities for a specific client group should use the matrix code for that client group. For example, use 03Q for the construction or rehabilitation of health facilities for abused and neglected children.</p>

<b>03</b>	<b>Other Public Facilities and Improvements</b> Do not use this code unless an activity does not fall under a more specific 03* code. This code includes is for activities that assist people with disabilities by removing architectural barriers from or providing ADA improvements to government buildings (activities that otherwise would not be eligible for CDBG funding).
<b>04</b>	<b>Clearance and Demolition</b> Clearance or demolition of buildings/improvements, or the movement of buildings to other sites.
<b>05D</b>	<b>Youth Services</b> Services for young people aged thirteen to nineteen including recreational services limited to teenagers and teen counseling programs.
	When CDBG funds are used for: <ul style="list-style-type: none"> <li>• counseling programs that target teens but include counseling for the family as well, use 05D;</li> <li>• For services for children aged twelve and under, use 05L;</li> <li>• For services for abused and neglected children, use 05N.</li> </ul>
<b>05L</b>	<b>Child Care Services</b> Services that will benefit children (under age thirteen), including parenting skills classes. For services exclusively for abused and neglected children, use 05N.
<b>05M</b>	<b>Health Services</b> Services addressing the physical health needs of residents of the community. For mental health services, use 05O.
<b>05R</b>	<b>Homeownership Assistance (not direct)</b> Homeowner downpayment assistance provided as a public service. If housing counseling is provided to those applying for downpayment assistance, the counseling is considered part of the 05R activity.  Assistance provided under 05R must meet the low/mod housing national objective. Therefore, unless the assistance is provided by an 105(a)(15) entity in a CRSA, it is subject to the public service cap and only low/mod households may be assisted. If the assistance is provided by a 105(a)(15) in a CRSA, the housing units for which CDBG funds are obligated in a program year may be aggregated and treated as a single structure for purposes of meeting the housing national objective (that is, only 51% of the units must be occupied by LMI households). For more extensive types of homeownership assistance provided under the authority of the National Affordable Housing Act, use code 13.
<b>05U</b>	<b>Housing Counseling</b> Housing counseling for renters, homeowners, and/or potential new homebuyers that is provided as an independent public service (i.e., not as part of another eligible housing activity).
<b>05</b>	<b>Other Public Services</b> Do not use this code for public services activities unless an activity does not fall under a more specific 05* code. Examples of legitimate uses of this code are referrals to social services, neighborhood cleanup, graffiti removal, and food distribution (community kitchen, food bank, and food pantry services).

<b>06</b>	<p style="text-align: center;"><b>Interim Assistance</b></p> <p style="text-align: center;">Only for activities undertaken either to:</p> <ul style="list-style-type: none"> <li>• Make limited improvements (e.g., repair of streets, sidewalks, or public buildings) intended solely to arrest further deterioration of physically deteriorated areas prior to making permanent improvements.</li> <li>• Alleviate emergency conditions threatening public health and safety, such as removal of tree limbs or other debris after a major storm.</li> </ul>
<b>08</b>	<p style="text-align: center;"><b>Relocation</b></p> <p>Relocation payments and other assistance for permanently or temporarily displaced individuals, families, businesses, non-profit organizations, and farms.</p>
<b>14A</b>	<p style="text-align: center;"><b>Rehab: Single-Unit Residential</b></p> <p>Rehabilitation of privately owned, single-unit homes.</p>
<b>14A</b>	<p style="text-align: center;"><b>Rehab: Single-Unit Residential Water Services</b></p> <p>First-time yard lines/service connections.</p>
<b>14A</b>	<p style="text-align: center;"><b>Rehab: Single-Unit Residential Sewer Services</b></p> <p>First-time yard lines/service connections and on-site sewage facilities.</p>
<b>14B</b>	<p style="text-align: center;"><b>Rehab: Multi-Unit Residential</b></p> <p>Rehabilitation of privately owned buildings with two or more permanent residential units. For the rehabilitation of units that will provide temporary shelter or transitional housing for the homeless, use 03C.</p>
<b>14C</b>	<p style="text-align: center;"><b>Rehab: Public Housing Modernization</b></p> <p>Rehabilitation of housing units owned/operated by a public housing authority (PHA).</p>
<b>14D</b>	<p style="text-align: center;"><b>Rehab: Other Publicly Owned Residential Buildings</b></p> <p>Rehabilitation of permanent housing owned by a public entity other than a PHA. For the rehabilitation of other publicly owned buildings that will provide temporary shelter or transitional housing for the homeless, use 03C.</p>
<b>14H</b>	<p style="text-align: center;"><b>Rehab: Administration</b></p> <p>All delivery costs (including staff, other direct costs, and service costs) related to conducting housing rehabilitation activities. Examples include appraisal, architectural, engineering, and other professional services; preparation of work specifications and work write-ups; loan processing; survey, site, and utility plans; application processing; and other fees.</p> <p>Do not use 14H for the costs of actual rehabilitation and do not use it for costs unrelated to running a rehab program (e.g., tenant/landlord counseling).</p> <p>For housing rehabilitation administration activities conducted as part of general program administration (and thus not required to meet a national objective), use code 21.</p>
<b>15</b>	<p style="text-align: center;"><b>Code Enforcement</b></p> <p>Salaries and overhead costs associated with property inspections and follow-up actions (such as legal proceedings) related to the enforcement (not correction) of state and local codes. For the correction of code violations, use the appropriate rehabilitation code.</p>
<b>16A</b>	<p style="text-align: center;"><b>Residential Historic Preservation</b></p> <p>Rehabilitation of historic buildings for residential use.</p>

<b>16B</b>	<p align="center"><b>Non-Residential Historic Preservation</b></p> <p>Rehabilitation of historic buildings for non-residential use. Examples include the renovation of an historic building for use as a neighborhood facility, as a museum, or by an historic preservation society.</p>
<b>18A</b>	<p align="center"><b>Economic Development: Direct Financial Assistance to For-Profits</b></p> <p>Financial assistance to for-profit businesses to (for example) acquire property, clear structures, build, expand or rehabilitate a building, purchase equipment, or provide operating capital. Forms of assistance include loans, loan guarantees, and grants. With one exception, a separate 18A activity must be set up for each business assisted. The exception is an activity conducted under 570.483(b)(4)(vi), for which job aggregation is allowed.</p>
<b>19C</b>	<p align="center"><b>CDBG Non-Profit Organization Capacity Building</b></p> <p>Activities specifically designed to increase the capacity of non-profit organizations to conduct eligible community revitalization or economic development activities. Such activities may include providing technical assistance and specialized training for staff.</p>
<b>20</b>	<p align="center"><b>Planning</b></p> <p>Program planning activities, including the development of comprehensive plans (e.g., a consolidated plan), community development plans, energy strategies, capacity building, environmental studies, area neighborhood plans, and functional plans.</p> <p>Unless otherwise stated in the application guide, planning activities require the development of a community-wide, comprehensive plan that includes at a minimum:</p> <ul style="list-style-type: none"> <li>• Base mapping,</li> <li>• Land use analysis,</li> <li>• Housing and population analysis,</li> <li>• Financial analysis for capital improvements and</li> <li>• System mapping, review of current conditions, and evaluation for compliance with relevant minimum standards for at least three (3) of the following planning elements: <ul style="list-style-type: none"> <li>○ Utility systems,</li> <li>○ Storm drainage systems,</li> <li>○ Transportation systems,</li> <li>○ Parks and recreation facilities,</li> <li>○ Zoning Ordinances, or</li> <li>○ Subdivision Ordinances.</li> </ul> </li> </ul> <p>Requests for special planning studies must document the specific need for the activity and TDA reserves the right to negotiate this element in the application and/or award stage, including requiring additional matching funds.</p>
<b>21A</b>	<p align="center"><b>General Program Administration</b></p> <p>Overall program administration, including (but not limited to) salaries, wages, and related costs of grantee staff or others engaged in program management, monitoring, and evaluation. Also use 21A to report the use of CDBG funds to administer Federally designated Empowerment Zones or Enterprise Communities.</p> <p>For CDBG funding of HOME admin costs, use 21H; for CDBG funding of HOME CHDO operating expenses, use 21I</p>

# TxCDBG Project Implementation Manual, Chapter 1 Administration and Reporting – Section 1.1.5 Public Participation

TxCDBG applicants and funded Grant Recipient are required to conduct public participation in accordance with the Public Participation Plan adopted for the TxCDBG Program. In this section, the term Grant Recipient includes applicants for TxCDBG funding. Each Grant Recipient certifies by signing a 424 Form that it has and will comply with the requirements of this Public Participation Plan.

Each Grant Recipient must maintain a public participation file that includes 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 Grant Recipient must have written citizen complaint procedures that provide a timely written response to complaints and grievances. Residents must be made aware of the location, days, and hours when copies of the plan are available.

## Technical Assistance:

When requested, the Grant 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 Grant Recipient will determine the level and type of assistance based upon the specific needs of the community's residents.

## Public Hearing Provisions:

A key component of the program is the opportunity for residents to express their needs and concerns regarding TxCDBG-funded projects to the Grant Recipient.

- The Grant Recipient must hold a public hearing prior to authorizing the submission of the grant application.
- If the project is funded, the Grant Recipient must hold a public hearing concerning any proposed substantial change, as determined by TDA, in the use of TxCDBG funds.
- Upon completion of the activities, the Grant Recipient must hold a public hearing and review its program performance, including the actual use of TxCDBG funds.

Public hearings, as required by the Request for Application Guides and *Chapters 11 and 12* and *Section B* of this manual, must comply with the following:

- Hearing must be held in a location convenient for the project beneficiaries.
- Hearing must be held at, or after, 5 p.m. on a weekday or on a Saturday or Sunday.
- Grant Recipient must provide accommodation for citizens with disabilities.
- Hearings should be conducted in a manner to meet the needs of non-English speaking residents where a significant number of non-English speaking residents can be expected to participate. The Grant Recipient must adhere to its Limited English Proficiency Plan. See *Chapter 10*.
- Grant Recipient must provide notice of the hearing to citizens at least seventy-two hours (three days) prior to the scheduled hearing—including the date, time, location of the hearing, and the topics to be considered.

- Records related to the hearing must be made available to the public as required by Texas Government Code, Chapter 552. Required documentation includes the public hearing notice, sign-in sheet with a list of attendees, the minutes of the hearing, and a summary of public comment(s).

#### Public Notice Provisions:

Public Notices are required at several stages of the grant, as described in Request for Application Guides and *Chapters 3, 10, 11, and 12, and Section B of this manual.*

- Public Notice may be given in one of three ways:
  - Publish the notice in a newspaper of general circulation;
  - Post the notice in at least two public places accessible to the general public at the time of the posting; it must include the courthouse/city hall and a location within the target area (if applicable); OR
  - Post the notice in one public place accessible to the general public at the time of the posting, such as the courthouse/city hall, **and** post on Grant Recipient's website.
- Posted notices must be in a location accessible to the general public at the time of the posting.
- The Public Notice must include all required information in English and any other appropriate language(s) per the recipient's Limited English Proficiency (LEP) plan. See *Chapter 10 Civil Rights*.
- The Grant Recipient must retain documentation of the Public Notice:
  - **Published Notices** – TDA will accept either a copy of the notice or the full newspaper page on which the notice occurred. The publication text, title, date of publication, name of the newspaper, and page number must be clear and readable, and supported by affidavit. See *Sample Affidavit of Posting (Form A101)*. The original newspaper tear sheet or a photocopy of the notice and a publisher's affidavit must be kept with the Grant Recipient's local file for the public, TDA monitors, and other state or federal inspectors.
  - **Website Notices** – Screen shots of the posting with the date visible must be retained as documentation of the posting.
  - **Posted Notices** – Legible photographs showing the location of the posting are required.
  - **Posted Notices** – Must be supported by affidavit. See *Sample Affidavit of Posting (Form A101)*.