



Housing & Community Development Services  
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## 2020 Community Development Block Grant (CDBG) General Information

The Community Development Block Grant (CDBG) program is a U.S. Department of Housing and Urban Development (HUD) entitlement program, which allocates annual grants to Arapahoe County to develop viable communities by providing decent affordable housing, a suitable living environment, and expanding economic opportunities, principally for low-and moderate-income persons.

### Eligible Applicants

Non-profits, government and quasi-government agencies, small business investment companies and local development corporations are eligible to apply for grants for affordable housing development and rehabilitation, public facility and infrastructure improvements, economic development, public services, homeownership assistance and housing services projects.

Any proposed project funded with HUD CDBG dollars must meet a National Objective, specific eligibility criteria established by HUD, and address local priorities and goals as identified in the most recent Arapahoe County Consolidated Plan.

### Funding Distribution

Arapahoe County receives its CDBG funds as an Urban County in conjunction with the City of Centennial. In addition to Centennial and Unincorporated Arapahoe County, the Urban County includes six participating municipalities. Each jurisdiction receives a set-aside portion of the total CDBG allocation. The amount of each set-aside is a flat-rate based on each jurisdiction's poverty population. The remaining funds are awarded to eligible projects on a competitive basis.

The amount of the County's 2020 CDBG budget is unknown at this time. However, assuming a funding award similar to 2019 (\$1,503,155) the following breakdown may apply:

1.	City of Centennial	\$352,568
2.	Town of Deer Trail	\$9,000
3.	City of Englewood	\$135,000
4.	City of Glendale	\$20,250
5.	City of Greenwood Village	\$9,000
6.	City of Littleton	\$135,000
7.	City of Sheridan	\$22,500

8. Non-jurisdictional projects \$589,719

Given the budget breakdown above, Arapahoe County will have an estimated \$920,469 (\$747,881 for public facility and infrastructure and \$172,588 for public service) in CDBG funds to award to qualified projects.

In addition, the City of Centennial (through Arapahoe County) will have an estimated \$289,105 (\$236,220 for public facility and infrastructure and \$52,885 for public service) in CDBG funds to award to qualified projects.

Should the County's CDBG budget change substantially from current estimates, the amounts for the City of Centennial and competitive/non-jurisdictional will also change. The municipalities have traditionally utilized their set-aside funds for municipally administered projects that benefit their own jurisdictions. The competitive/non-jurisdictional funds are used for projects that benefit persons living in any part of the County.

Non-profits or other agency applications for projects that will primarily benefit one of the seven municipalities can also be sponsored by that municipality through its set-aside portion of the funding. If you are interested in this approach, please contact our office so that we can connect you with that municipality's CDBG administrator. If the municipality chooses to sponsor the project through its set-aside, the municipality will submit a letter of support and formal request to allocate its set-aside funds for the specified project and application. Agencies interested in requesting funds from a municipality should do so as early as possible in the application process in order to allow city staff sufficient time to review the application/project and prepare a letter of support and funding recommendation.

Projects that only benefit the City of Aurora, or City of Aurora residents typically are not funded; Aurora is its own entitlement community, and receives its own CDBG funds from HUD. For information on how to access those funds please call the City of Aurora Community Development office at (303) 739-7900.

## **National Objectives**

Using CDBG funding, Arapahoe County, with citizen participation and local partnerships, has been able to support and build upon the existing foundation of service providers, as long as projects meet one of three national objectives:

1. Benefit low/moderate-income (LMI) persons, OR
2. Prevent or eliminate slums and blight, OR
3. Meet an urgent need.

### **1. Benefit Low/Moderate-Income (LMI) Persons**

The vast majority of applications for projects will fall under the National Objective of benefiting low/moderate income (LMI) persons. Projects meeting the LMI National Objective will typically serve LMI residents through area benefit activities, or limited

clientele activities, but housing activities and jobs activities are also eligible, which are described below:

- **LMI Area Benefit Activities**

An activity, the benefits of which are available to *all* the residents in a particular area, where at least 51 percent of the residents are low- and moderate-income persons. The service area must be primarily residential, and the activity must meet the identified needs of low- and moderate-income persons. Examples include: street and sidewalk improvements, water and sewer lines, neighborhood facilities, and facade improvements in neighborhood commercial districts.

- **LMI Limited Clientele Activities**

An activity that benefits a limited clientele, at least 51 percent of whom are low- and moderate-income persons. Examples include: construction of a senior center; public services for the homeless; meals on wheels for the elderly; and construction of job training facilities for the handicapped. The activity must meet one of the following qualifying criteria:

- A. The activity must exclusively serve a group of persons in any one category or a combination of categories generally presumed to be principally low and moderate income, including: abused children, battered spouses, elderly persons, adults meeting the definition of “severely disabled” in the Bureau of Census’s Current Population Reports, homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers; or
- B. Information must be required on family size and income to document that at least 51 percent of the clientele are persons whose family income does not exceed HUD’s low- and moderate-income limits; or
- C. The activity must have income eligibility requirements that limit the activity exclusively to low- and moderate-income persons; or
- D. The activities must be of such nature and in such location that it may be reasonably concluded that the activity's clientele will primarily be low- and moderate-income persons.

- **LMI Housing Activities**

An activity which assists in the acquisition, construction, or improvement of permanent, residential structures may qualify as benefiting LMI persons only to the extent that the housing is occupied by LMI persons. To qualify under the LMI Benefit National Objective, these activities result in housing that will be occupied by LMI households upon completion. The housing can be either owner- or renter-occupied and can be either one family or multi-unit structures. When the housing is to be rented, it must be occupied by the household at affordable rents. Examples include: acquisition of property to be used for permanent housing, rehabilitation of permanent housing, conversion of nonresidential structures into permanent housing, assistance to a household to enable it to

acquire ownership of a home, and hookups to connect residential structures to water and sewer systems.

- **LMI Jobs**

Certain economic development activities may meet the LMI Benefit National Objective, one of these is to “Involve the employment of persons, the majority of whom are LMI persons.”

An activity which creates or retains permanent jobs, at least 51% of which, on a full time equivalent (FTE) basis are either held by LMI persons, or considered to be available to LMI persons. Examples include: construction of a business incubator which is designed to offer both space and assistance to new, small businesses to help them survive and grow, loans to help finance the expansion of a plant or factory, financial assistance to a business which has publicly announced its intention to close; and to help it update its machinery and equipment instead.

## **2. Prevent or Eliminate Slums and Blight**

Activities that qualify under this National Objective are either clearly eliminating objectively determinable signs of slums or blight in a defined Slum or Blighted Area, or are strictly limited to eliminating specific instances of blight outside such an area (“Spot Blight). To qualify under this National Objective, an activity must meet a number of specific criteria.

Typically, these types of projects are not applied for, because of the requirement that the area be properly documented as a Slum or Blighted area, but further details can be provided on the process and requirements. Examples include: acquisition and clearance of blighted properties, renovation and reuse of abandoned, historic buildings, commercial revitalization through façade improvements, removal of environmental contamination of property to enable it to be redeveloped for a specific use, elimination of faulty wiring, falling plaster, or other similar conditions from a residential building which are detrimental to all potential occupants, and demolition of vacant, deteriorated, abandoned buildings.

## **3. Meet an Urgent Need**

An activity designed to alleviate existing conditions that have a particular urgency. The activity must be designed to alleviate existing conditions which the local government certifies and state determines:

- 1. Pose a serious and immediate threat to the health or welfare of the community;*
- 2. Are of recent origin or recently became urgent (generally within the past 18 months);*
- 3. The grantee is unable to finance the activity on its own; and*
- 4. Other sources of funding are not available.*

Examples include: an urgent community health crisis in which private wells are contaminated by failing septic systems. The community's other resources may well be depleted and other federal program may not be sufficient to cover all costs of replacing the septic systems.

## **Basic CDBG Eligible Activities**

- **Public Facilities and Infrastructure:** To acquire, construct, reconstruct, rehabilitate, or install public facilities and improvements. Includes all improvements and facilities that are either publicly owned or owned by a nonprofit, and operated so as to be open to the general public. This would include neighborhood facilities, public schools, and libraries. Facilities that are designed for use in providing shelter for persons having special needs are considered to be public facilities, such as: nursing homes, hospitals, transitional housing, group homes, and shelters. Public improvements include: streets, sidewalks, curbs and gutters, parks, playgrounds, water and sewer lines, flood and drainage improvements, parking lots, and utility lines.
- **Public Services:** Services (including staffing, supplies and materials), including but not limited to those concerned with employment, crime prevention, childcare, health, drug abuse, education, housing counseling, food banks, or needs of seniors, children or the disabled.
- **Housing:** An activity carried out for the purpose of providing or improving permanent residential structures which, upon completion, will be principally occupied by low- and moderate-income households. Examples include: property acquisition or rehabilitation of property for permanent housing; conversion of non-residential structures into permanent housing; and new housing construction. Activities under this paragraph may be directed to the removal of material and architectural barriers that restrict the mobility and accessibility of elderly or severely disabled persons, energy conservation, rehabilitation, historic preservation.

All proposed projects must meet a National Objective, local priority needs and be an eligible CDBG activity in order to be considered for funding. The current Arapahoe County priority needs are identified in the 2014-2019 Consolidated Plan, found at <http://co-arapahoecounty.civicplus.com/DocumentCenter/View/1766>, beginning on page 112.

A complete list of eligible CDBG activities is available at:

<http://arapahoegov.com/DocumentCenter/View/2219>, or upon request by contacting the HCDS office at (303) 738-8040 or by emailing [jfink@arapahoegov.com](mailto:jfink@arapahoegov.com) directly.

## **Ineligible Activities - §570.207**

(a) The following activities may not be assisted with CDBG funds:

- Buildings used for the general conduct of government;
- General government expenses; and
- Political activities.

- (b) The following activities may not be assisted unless certain criteria are met or they are carried out under the authority of §570.203 or §570.204:
- Purchase of construction equipment; purchase of furnishings and personal property
  - Repair, operation and maintenance of public facilities, improvements and services, except expenses associated with eligible public service activities, interim assistance, and office space for CDBG program staff;
  - New housing construction, except under the special provisions and
  - Income payments of a subsistence nature.

## **Application Process**

The FY 2020 CDBG Program Applications are available beginning on Friday, September 13, 2019. Complete application packets must be submitted to the CDBG Program office by 4:30 p.m., Friday, November 22, 2019.

Completed application packets may be submitted by mail or hand delivered to the County's Office. Any applications received after this date and time will not be considered for funding. Faxed, e-mailed, incomplete and/or late applications will not be accepted.

The Arapahoe County Housing and Community Development Services Division (HCDS) is the administering agency for both the County and the City of Centennial CDBG program. All applications are submitted to HCDS, including applications prepared by the municipalities for their portion of the set-aside funds.

All new applicants are *strongly encouraged* to attend one session of the pre-application meeting prior to submitting an application, or at the very least contacting HCDS staff to determine project eligibility. This is to ensure your proposed project is eligible and to provide technical assistance before you invest a great deal of time working on the application. You do not need to complete the application prior to consultation, but should read through the application packet and know what project(s) you intend to pursue.

Once received, all grant applications are screened for eligibility and completeness. Applications that are deemed substantially incomplete by HCDS staff will not be allowed correction time and will not be considered for funding.

Applications are rated on a numerical scoring process that considers the project's benefit to the community, agency experience, CDBG planning priorities, County priorities indicated in the 2014-2019 Consolidated Plan, and other factors. Scores are utilized as a guideline for funding recommendations, meaning a high-scoring application is not necessarily guaranteed funding.

Applications are due **Friday, November 22, 2019 at 4:30 p.m.** Funding is expected to be available on or about September/October 2020. All projects should be designed to begin immediately and be completed by April 30, 2021. Notification of preliminary award is expected to take place in spring of 2020 (depending upon approval of the federal budget).

There is no limit to the number of applications an agency may submit, but each project should be submitted as its own application. No matching funds are required to receive CDBG funds, although projects are very strongly encouraged to have other sources of additional funding. Applications selected for funding may receive less than the requested amount depending on the number of applications received and available funds. Funding is not guaranteed to any agency or project.

Organizations whose projects are approved for funding shall be required to enter into a contract with the County for implementation of the funded activity. This contract shall contain provisions, which will ensure compliance with all federal, state, and local laws and regulations.

The following is a summary timeline for the 2020 CDBG Application process:

September 13, 2019	Application period begins
September 26, 2019	Pre Application Meeting #1 Thursday @ 12:00 PM
October 7, 2019	Pre Application Meeting #2 Monday @ 2:00 PM
<b>November 22, 2019</b>	<b>Applications due by Friday @ 4:30 p.m.</b>
Nov/Dec 2019	Application Review & Scoring; Site-Visits
January 2020	Recommendation to City Council of Centennial
January 2020	Public Hearing – City Council of Centennial
February 2020	Recommendation to Board of Arapahoe County Commissioners
Feb/Mar/Apr 2020	Public Hearing – Board of Arapahoe County Commissioners (depending upon approval of federal budget) <b>Applicants notified of funding awards</b>
Sept/Oct 2020	Execute Contracts and Review Project Details and Reports Issue Notices to Proceed

## **Federal Requirements**

### **Notice to Proceed: (applies to all projects)**

At the beginning of your project, you will receive a Notice to Proceed. The Notice to Proceed is your official start date; from then on you may commit and expend funds.

### **Environmental Reviews: (all projects)**

All projects, regardless of scope, require an environmental review. Reviews will be completed by the County prior to issuing a Notice to Proceed. The amount of time a full assessment takes will vary from project to project. This can be a long process as it may require notification of a variety of environmental agencies, local businesses, service providers, neighbors, and other groups or individuals. After the review has been completed, the process may require a public comment period before the County can release funds. Tiered reviews will be required on unidentified sites.

### **Procurement: (construction projects; projects securing materials or services)**

Procurement standards apply to any project that buys something or contracts for a service. The first step of the process is to know your own agency's procurement (or purchasing) policies and procedures; if more stringent, you must follow your own procurement standards.

- 1) What is your agency's procurement policy?
  - a. This must be a legitimate written, adopted, and enforced policy.
  - b. If you don't have one, you must use the County's requirement.
  
- 2) What is the County's procurement policy?
  - Under \$100 – Petty Cash may be used, no need to quote.
  - Under \$2,500 – Three informal quotes recommended. Document and keep on file.
  - Under \$5,000 – Three informal quotes requested. Document and keep on file.
  - Under \$25,000 – Three informal quotes required. Document and keep on file.
  - Over \$25,000 – Formal Solicitation via Request for Proposal (RFP) or Invitation for Bid (IFB). Document and keep on file.

Special considerations: Regardless of which purchasing policy you use, internal or County, the following thresholds require specific procurement actions:

Over \$150,000 – Sealed bids with public advertisement are required. Contact the County for assistance. –Additionally, Section 3 may be triggered.

Written bids should be used for all construction projects (regardless of price) in order to clearly define your expectations and ensure the contractor's awareness of any labor standards requirements.

Disadvantaged business enterprises (DBE) are owned by minorities or women, or are Section 3 businesses (companies that are owned by or employ low income persons). You should

encourage disadvantaged businesses to bid on CDBG projects and use them when possible to provide goods and services.

**Davis-Bacon Act (federal labor standards): (construction projects)**

The Davis-Bacon Act requires that standard wages established by the Dept. of Labor be paid to all laborers working on CDBG funded construction projects costing \$2,000 or more, or for housing construction projects of eight or more units.

Mixing CDBG and non-federal funds in a contract makes the entire project fall under the Davis-Bacon Act. Adding \$1 in CDBG funds to a privately funded project will make the whole project subject to federal labor standards.

Please note that the County requires the use of an electronic system to submit certified payrolls.

**Section 3 Compliance**

The requirements for Section 3 of the Housing and Urban Development Act of 1968, as amended (Section 3) applies to capital projects and housing development projects that exceed \$200,000 in HUD funding. Subcontractors receiving an excess of \$100,000 must outreach to low/mod persons or businesses when hiring/contracting.

**Federal Debarred List: (all projects purchasing materials or services)**

ALL purchases and contracts for services to be paid for with CDBG funds must be checked against the debarred list. sam.gov

**Uniform Relocation Act (URA):**

The Uniform Relocation Act affects all projects involving the purchase of land or buildings and the rehabilitation of buildings that will cause residents to be displaced (temporarily or permanently).

**Lead Based Paint Hazards: (housing and housing related service projects)**

All County CDBG projects must comply with federal lead based paint regulations. The regulations apply to a variety of housing projects, including (but not limited to) single family housing rehabilitation, acquisition, renovation of publicly or privately owned housing, and service projects that take place within a residential housing facility (such as a group home or transitional housing facility). There are a few exceptions to the regulations, such as housing that is strictly for elderly or disabled persons, or housing that was constructed after 1978.

The type of project you are performing and amount of federal funding you receive will determine your project's requirements under the lead based paint regulations. Visual paint assessments, testing, partial lead reduction, and abatement of all lead paint within a facility are all possibilities.

### **Language Assistance Plan (LAP):**

CDBG recipients are obligated to provide language services for the citizen participation process. The regulations provide that for CDBG recipients, "...[a] jurisdiction also is expected to take whatever actions are appropriate to encourage the participation of all its citizens, including minorities and non-English speaking persons, as well as persons with disabilities." *The obligations ensuring equal access to services by non-English speaking residents are transferred to CDBG subrecipients.* Developing an LAP is one of the steps that recipients and subrecipients could take to demonstrate that they have taken "reasonable steps" to provide language services to persons with Limited English Proficiency.

### **Reporting: (all projects)**

Monthly reports are required for all projects, and should be received within twenty (20) days following the end of each calendar month. Public facility and service projects that serve Limited Clientele must provide demographics on household income. Project completion reports should be received by the deadline established within your project SubGrantee Agreement.

### **Program Income, Rebates, and Recaptured funds: (all projects)**

Program income is revenue directly generated by the use of CDBG funds (ex: loan repayments). A refund is a reimbursement typically coming from an overpayment or rebate. The County will work with you in deciding how PI will be handled. Both refunds and program income must be reported to Arapahoe County and spent for project activities prior to drawing CDBG funds. Recaptured funds are funds recouped by the County when a recipient fails to comply with contractual conditions or funds are not expended prior to formal closeout of a project. The amount of the recapture is determined by the grantee's recapture requirements contained in their Department approved program guidelines.

### **Drawdowns and Expenditure of Funds: (all projects)**

The CDBG program operates on a reimbursement basis. Once your agency has expended funds for a project, submit a completed and originally signed *SubGrantee Drawdown Request* with backup documentation (check and invoice copies, signed timesheets, etc.) that verifies your expenditures.

### **End of Grant Year: (all projects)**

The grant year ends April 30<sup>th</sup>. All projects are expected to be completed by April 30, 2018. And, all final draws and reports are expected to be submitted by the end of May.

### **Records Retention: (all projects)**

You should save all documentation while your project is active. After it has been completed, you should retain your financial records, SubGrantee agreement, reports, income eligibility,

construction bids and contracts, important correspondence, and drawdown requests for a minimum of five years after project completion.

**Monitoring: (all projects)**

Arapahoe County is responsible for monitoring SubGrantees and maintaining records of SubGrantee program compliance. On-site visits are one way Arapahoe County ensures that federal regulations are followed. The County selects projects to monitor on an annual basis. In the event that your agency is selected, you will be notified by letter. Monitoring results will be provided to you in writing. HUD, or the federal Office of the Inspector General, is also authorized to monitor your program for compliance. In the event that one of those two federal agencies decides to monitor your project, they are entitled to full access to all your project related documents and records.