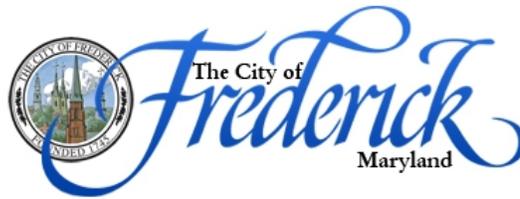


Randy McClement  
Mayor



**Aldermen**

Kelly M. Russell  
President Pro Tem  
Michael C. O'Connor  
Philip Dacey  
Joshua Bokee  
Donna Kuzemchak

November 3, 2014

Dear Friend of Community Development:

The City of Frederick, through the Department of Planning invites non-profit and for-profit organizations to submit applications for projects to be funded through the Community Development Block Grant (CDBG) program as part of its 2015 Annual Action Plan. Funds are awarded by the US Department of Housing and Urban Development meet a National Objective and must be used for an eligible activity established by Congress for the program.

The 2015 Annual Action Plan will include the projects to be undertaken during the program year beginning July 1, 2015 through June 30, 2016. Projects and programs undertaken by the City or by others must address a priority need set forth in the Consolidated Plan 2015 - 2019.

For GY 2015, at this time the approximate amount of funding for awards is not known. Actual award figures from the federal government should be available in March 2015. However, the final entitlement amounts may be significantly less than prior years, depending on federal budget decisions. As permitted by HUD, a restricted portion of grant funds can be expended for public services (15%) and administrative and planning costs (20%).

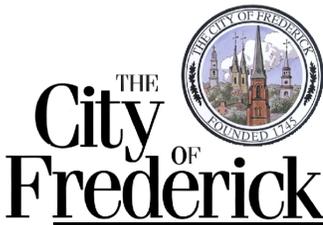
Attached is the proposed schedule for proposal submission and approval of the Annual Action Plan. As in year's past, a group of ad-hoc advisors will assist Department staff in the selection process. The City will accept applications for funding beginning **Monday December 8, 2013** through **Tuesday, January 6, 2015** at 12:00 pm. **No applications will be accepted after January 6<sup>th</sup>, 2015.**

**New and returning applicants should plan** to contact our office about the CDBG program and application requirements. If your organization is considering submitting a project for funding, attendance at either the November 12<sup>th</sup> at 1:00 pm or Wednesday December 3<sup>rd</sup> at 6:00 pm. Both meetings will be held at the Municipal Office Annex Public Meeting Room. Please contact me to schedule a **REQUIRED** Proposal Review meeting, appointments are available from Tuesday November 18<sup>th</sup> through Friday December 12<sup>th</sup>. The Proposal Review meeting will allow applicants to ask specific questions with regard to their proposal's eligibility for CDBG funding and whether the proposed project will further implement the Consolidated Plan's goals and objectives.

Thank you for your interest in the City's CDBG program. If you have questions about the application process or wish to discuss a specific funding proposal, please feel free to contact me at 301-600-2842 or ebarnhard@cityoffrederick.com.

Sincerely,

Eileen Barnhard



Department of Planning  
Division of Community Development  
140 West Patrick Street, 2<sup>nd</sup> Floor  
Frederick, MD 21701

301-600-1499 ph

301-600-1837 fax

[www.cityoffrederick.com](http://www.cityoffrederick.com)

## GY 2015 CDBG FUNDING APPLICATION INFORMATION AND INSTRUCTIONS

**All applications must be received by 12:00 pm on Wednesday, January 6, 2015.**

### Format

Please submit **one original and five (5) copies and one electronic version** to [ebarnhard@cityoffrederick.com](mailto:ebarnhard@cityoffrederick.com). Faxed copies will not be accepted.

### Application Submission

Use the CDBG Application Checklist to ensure that you are submitting a complete package. Incomplete packages will not be approved. All items on the CDBG Application Checklist must be submitted at the time of application. Only eligible projects that have complete applications will be accepted.

All applicants are required to schedule a CDBG Proposal Review meeting to discuss whether or not a specific activity meets application requirements. The Proposal Review meetings will begin November 12<sup>th</sup> through December 9<sup>th</sup>. Please call to schedule a meeting.

Applicants must follow the format and provide the required information.

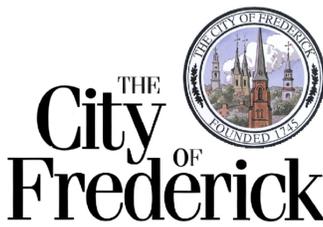
### Submit Complete Applications to:

Eileen Barnhard  
Department of Planning  
140 West Patrick Street, 2<sup>nd</sup> Floor  
Frederick, Maryland 21701  
[ebarnhard@cityoffrederick.com](mailto:ebarnhard@cityoffrederick.com)

### For More Information

The staff of the Department of Planning's Community Development Division is available to help you with your application and to answer any questions you may have. Please contact Eileen Barnhard, CDBG Program Administrator at 301-600-2842 or at [ebarnhard@cityoffrederick.com](mailto:ebarnhard@cityoffrederick.com) for further information or assistance.

The CDBG Application and Guidelines are also available on the City's web site at [www.cityoffrederick.com](http://www.cityoffrederick.com).



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## Community Development Block Grant (CDBG) Program 2015 Grant Year Guidelines & Application

As an entitlement community, The City of Frederick receives a Community Development Block Grant annually from the U.S. Department of Housing and Urban Development (HUD) to carry out a wide range of community development activities directed toward revitalizing neighborhoods, increasing economic development opportunities, and providing improved community facilities and services.

This year, the City of Frederick will look to the many concerned citizens and community organizations to help identify programs and projects for CDBG funding to meet these goals. In addition, the City of Frederick will continue with several of its own programs and funding priorities.

For the 2015 Grant Year, which begins July 1, 2015, the City expects to receive approximately \$350,000 in CDBG fund and \$17,500 in program income. Of this amount, the City may spend up to 20% on program administration and 15% on public service activities. The balance of funds will be used for housing and community development-related activities.

### **NATIONAL OBJECTIVES:**

HUD regulations for the use of CDBG funds are very specific. It is the responsibility of the City to ensure that each activity approved for funding meets one of HUD's national objectives and is included in the list of activities eligible for funding. The City of Frederick has used all of its CDBG funds for projects and activities that meet the first national objective of benefitting low and moderate income persons.

- **Benefit Low and Moderate Income Persons (LMI)**

*These are persons whose household income is equal to or less than 80% of the area median family income, adjusted for family size; the handicapped; the homeless the elderly; or those with other special needs. To qualify as meeting this objective, an activity must:*

- *have income eligibility requirements that limit the activity to low- and moderate-income persons as defined by HUD (80% of median income);*
- *be located in an area that has predominantly low and moderate income residents or*
- *serve mostly low and moderate income persons (minimum of 51%).*

The following are the 2014 income limits used for HUD Community Planning and Development (CPD) programs, including the Community Development Block Grant (CDBG) program. This is the program year income limits that The City of Frederick will be using for the 2015 Grant Year.

HUD Low/Mod Income Guidelines, Effective February 2014								
Family Size	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
<b>Extremely Low *</b> 30% of median	22,500	25,700	28,900	32,100	34,700	37,250	39,850	42,400
<b>Low *</b> 50% of median	37,450	42,800	48,150	53,500	57,800	61,100	66,350	70,650
<b>Moderate *</b> 80% of median	47,950	54,800	61,650	68,500	74,000	79,500	84,950	90,450

\* *Terms used for HUD CPD programs.*

• **Aid in the Prevention or Elimination of Slums or Blight (SB/A/S/R)**

*A maximum of 30% of grant expenditures can aid in the prevention or elimination of blight. This is usually accomplished through building rehabilitation.*

• **Meet Other Urgent Community Development Needs (URG)**

*Other community development needs certified by the City as having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs. An example of this would be a major catastrophe such as a hurricane or earthquake.*

**ELIGIBLE ACTIVITIES:**

HUD regulations also specify categories of activities that are eligible for CDBG funding. These fall into one of three general categories:

• **Public Services**

*(e.g. education and recreation programs, public safety services, services for senior citizens and homeless persons, housing-related supportive services, employment, positive youth development, mental health, welfare or recreation);*

• **Capital Projects**

*(e.g., construction, rehabilitation, acquisition, demolition, clearance, etc);*

• **Economic Development**

*(assistance to profit-motivated businesses to carry out economic development and job creation and retention activities).*

The City undertakes CDBG-funded activities directly. Eligible community groups or organizations may also apply for funding to carry out either a public service or capital project activity. Applicants for such funding are referred to as Sub-recipients. **Sub-recipient must currently be a registered non-profit organization and MUST provide supporting documentation that confirms this status.**

All activities must be located in the City and benefit primarily City of Frederick residents. If an activity is not located in the City, please provide documentation that shows the activity serves City residents.

While this is not an exhaustive list of eligible activities, it should be used as a guide in determining what types of activities can be funded with CDBG funds. These basic eligible activities are found in HUD regulations Part **24 CFR 570.201-206**.

- Acquisition, disposition and/or rehabilitation of real property:
- Acquisition, construction, reconstruction, rehabilitation or installation of public facilities and improvements, carried out by a public or private nonprofit entity: including but, not limited to, streets, curbs, sidewalks, storm drainage, sanitary sewers, parks and recreation facilities, community centers, and libraries.
- Clearance, demolition, and removal of buildings and improvements, including movement of structures to other sites.

- Provision of public services (including labor, supplies, and materials) including but not limited to those concerned with employment, crime prevention, child care, health, drug abuse, education, fair housing counseling, energy conservation, welfare (but excluding the provision of income payments), homebuyer down payment assistance, or recreational needs.
- Home ownership assistance.
- Acquisition, construction, or reconstruction of privately owned utilities necessary for neighborhood revitalization and/or to prepare sites for the construction of sale or rental housing.
- Micro-enterprise assistance
- Rehabilitation of public buildings and public housing and improvements.
- Rehabilitation preservation or restoration of historic properties, whether publicly or privately owned.
- Renovation of closed buildings such as school buildings, for use as an eligible public facility or to rehabilitate such buildings for housing.
- Lead-based paint hazard evaluation and reduction
- Eligible planning activities
- Program administration costs

**INELIGIBLE ACTIVITIES:**

1. Buildings or portions thereof used for the general conduct of government.
2. General government expenses.
3. Political activities. CDBG funds shall not be used to finance the use of facilities or equipment for political purposes or to engage in other partisan political activities, such as candidate forums, voter transportation, or voter registration.
4. The purchase of equipment with CDBG funds is generally ineligible.
5. Construction equipment is generally ineligible.
6. The purchase of equipment, fixtures, motor vehicles, furnishing, or other property not an integral structural fixture is generally ineligible.
7. Expenses associated with repairing, operating or maintaining public facilities, improvement and services is ineligible. Examples include: maintenance and repair of publicly owned streets, parks, playgrounds, water and sewer facilities, neighborhood facilities, senior centers, centers for persons with disabilities, parking and other public facilities and improvements; payment of salaries for staff, utility costs and similar expenses necessary for the operation of public works and facilities.
8. New construction of low or moderate-income housing is generally ineligible except under certain circumstances as outlined under Section 570.207(b)(3) of the CDBG regulations.
9. CDBG funds shall not be used for income payments. Income payments means: a series of subsistence-type grant payments made to an individual or family for items such as food, clothing, housing (rent or mortgage) or utilities, but excludes emergency grant payments made over a period of up to three consecutive months on behalf of an individual or family.

## National Objective Chart

National Objective	Subcategory	Definition	Test	Examples
<b>Low/Mod Income Persons</b>	Housing (LMH)	Activity that is undertaken for the purpose of provide or improving permanent residential units that, upon completion, will be occupied by LMI persons.	<ul style="list-style-type: none"> <li>Structures with 1 unit must be occupied by LMI persons</li> <li>Structures with more than 1 unit, at least 51% of units must be LMI occupied</li> <li>2-unit structures must have at least 1 unit occupied by LMI household</li> </ul>	<ul style="list-style-type: none"> <li>Property acquisition or rehab</li> <li>Conversion of non-residential structures to permanent housing</li> </ul>
	Area Benefit (LMA)	Activity benefits all residents in an area where at least 51% of the residents are LMI.	<ul style="list-style-type: none"> <li>Census Data: 51% of persons residing in the service area are LMI, determined by using the most recently available decennial Census data.</li> <li>A Current Survey of the residents of the service area</li> </ul>	<ul style="list-style-type: none"> <li>Acquisition of land for a neighborhood park</li> <li>Improvements to public infrastructure (e.g. sidewalks, water/sewer lines)</li> <li>Development of a community center</li> </ul>
	Limited Clientele (LMC)	Activity that benefits a specific group of LMI persons (at least 51% of beneficiaries must be LMI).	<p>Activity must qualify under one of the following:</p> <ul style="list-style-type: none"> <li>Presumed Clientele – benefit a group presumed to be principally LMI (abused children, battered spouses, elderly persons, severely disabled adults, homeless persons, persons living with HIV/AIDS)</li> <li>Require documentation on family size and income to show that at least 51% of the clientele are LMI</li> <li>Income eligibility requirements limiting activity to LMI persons only</li> <li>Be of such a nature and in such a location that it can be concluded that clientele is primarily LMI</li> </ul>	<ul style="list-style-type: none"> <li>Construction of senior center</li> <li>Public services for the homeless</li> <li>Meals on wheels</li> <li>Construction of facilities for the disabled or handicapped</li> </ul>
<b>Slum/Blight</b>	Area Basis (SBA)	Activity that aids in the prevention or elimination of slums and blight in a designated area.	<ul style="list-style-type: none"> <li>Delineated area in which the activity occurs must meet the definition of slum, blighted under state or local law;</li> <li>Documentation required</li> </ul>	<ul style="list-style-type: none"> <li>Public facilities or improvements</li> <li>Code enforcement</li> </ul>
	Spot Basis (SBS)	Activity that eliminates specific conditions of blight or physical decay on a spot basis not located in a slum or blighted area.	<ul style="list-style-type: none"> <li>Only acquisition, clearance, relocation, historic preservation and rehabilitation activities qualify.</li> <li>Rehabilitation is limited to the extent necessary to eliminate a specific condition detrimental to public health and safety.</li> </ul>	<ul style="list-style-type: none"> <li>Demolition of vacant, deteriorating buildings</li> <li>Elimination of faulty wiring, or other similar conditions</li> </ul>
<b>Urgent Need</b>	(URG)	Activity that alleviates emergency conditions.	<ul style="list-style-type: none"> <li>Existing conditions pose a serious and immediate threat to the health and welfare of the community;</li> <li>Existing conditions are of recent origin or recently become urgent; and</li> <li>Recipient is unable to finance the activity on its own;</li> <li>Other sources of funding are not available.</li> </ul>	<ul style="list-style-type: none"> <li>Recovery after a natural disaster (e.g. hurricane, flood, etc.) and there are no other sources of funds to demolish severely damaged structures.</li> </ul>

## CONSOLIDATED PLAN 2010-2015

NOTE: Subject to change to include new Con Plan Objectives & Goals for 2015-2019

### SUMMARY OF PLAN OBJECTIVES

#### **Affordable Housing Strategy**

##### **Priority 1: Preserve Existing Affordable Housing**

Objectives:

1. Provide assistance to extremely low-, low- and moderate-income homeowners with housing rehabilitation.

Objective/Outcome – Decent Housing/Sustainability

##### **Priority 2: Promote Increased Homeownership Opportunities**

Objectives:

1. Support the expansion of affordable housing opportunities for first time low-to-moderate income homebuyers through housing counseling, down payment and closing cost assistance.

Objective/Outcome – Decent Housing / Affordability

2. Preserve and expand the supply of affordable housing through acquisition with rehabilitation.

Objective/Outcome – Decent Housing / Affordability

3. Support the development of affordable housing opportunities for extremely low- and low-income renters.

Objective/Outcome – Decent Housing/Affordability

#### **Homeless Strategy**

##### **Priority 1: Assist Homeless Persons and Persons At-Risk of Becoming Homeless Obtain Affordable Housing**

Objectives:

1. Provide support to organizations to help increase emergency shelter and transitional housing space for the homeless.

Objective/Outcome – Suitable Living Environment/Availability–Accessibility

2. Support the operations of homeless shelters and transitional housing providers.

Objective / Outcome – Suitable Living Environment/Availability–Accessibility

3. Support case management, housing counseling, job training, transportation and other needed services for homeless individuals and families.

Objective / Outcome – Suitable Living Environment/Availability–Accessibility

4. Support the development of permanent supportive housing for the homeless and disabled by non-profit organizations and governmental agencies.

Objective / Outcome – Decent Housing/Affordability

### ***Strategy for Special Needs Populations***

#### ***Priority 1: Assist in the Provision of Housing Options and facilities/services for Persons with Special Needs***

Objectives:

1. Support the rehabilitation and/or development of facilities for persons with special needs by non-profit organizations and governmental agencies.

Objective / Outcome – Decent Housing/Sustainability

2. Finance accessibility alterations for existing owner-occupied units.

Objective / Outcome – Decent Housing/Sustainability

#### ***Priority 2: Expand levels of public services for Persons with Special Needs***

Objectives:

1. Support case management, housing counseling, job training and other needed services for special needs populations.

Objective / Outcome – Economic Opportunity/Availability–Accessibility

### ***Community Development Strategy***

#### ***Priority: Improve the Safety and Livability of Neighborhoods***

Objectives:

1. Support infrastructure improvements that improve safety, accessibility & connectivity.

Objective/Outcome – Suitable Living Environment/Availability–Accessibility

2. Support improvement or construction of community facilities Citywide.

Objective/Outcome – Suitable Living Environment/Availability–Accessibility

## CITY OF FREDERICK CDBG GOALS FOR 2010-2015

Objective	Outcome Measurement	1 yr Goal	5 yr Goal
<b>Goal # 1: Retain Affordable Housing Stock and Increase Availability of Affordable Owner-occupied Units (50-60% of funds)</b>			
1. Bring existing LMI owner-occupied housing into code and lead paint compliance	# of homes rehabbed	6	30
2. Assist LMI households with first-time homeownership opportunities	# of new owners	5	25
<b>Goal #2: Assist Homeless Persons &amp; Persons at-risk of Becoming Homeless</b>			
1. Provide support to organizations to help increase and support operations of emergency shelters and transitional housing;	Persons assisted	200	1,000
2. Support case management, housing, transportation and other services for homeless individuals and families	Persons assisted	200	
<b>Goal #3: Assist with Housing, Facilities and Supportive Services for Persons with Special Needs who are not homeless.</b>			
1. Assist community-based organizations to develop/rehabilitate facilities to benefit LMI persons	Facilities improved	1	5
2. Promote access of persons with disabilities & other special needs to housing and community resources.	Persons assisted	15	75
<b>Goal #4: Expand levels of Public Services for persons with Special Needs (15% of funds)</b>			
1. Support vital public services addressing the needs of children, youth, families, and other initiatives that promote family stability	Persons assisted	10	50
<b>Goal #5: Improve the Safety and Livability of Neighborhoods</b>			
1. Support infrastructure improvements that improve safety, accessibility and connectivity	Facilities improved	1	2
2. Support improvement or construction of community facilities.	Facilities improved	1	2

## **SUBRECIPIENT ELIGIBILITY & OBLIGATIONS:**

Eligible community groups or organizations may apply for funding to carry out an activity during the grant year. Applicants for funding are referred to as subrecipients. **Subrecipients MUST be registered 501(c)(3) nonprofit organizations AND provide supporting documentation that confirms this status.** Subrecipients requesting funds for a public service must be either developing a new public service, or proposing a quantifiable increase in service for an existing program. There is a HUD imposed limit on the amount that the City can spend on public service projects. This limit is 15% of the annual entitlement plus the previous year's program income.

All proposed activities must meet the following criteria:

- ✓ Meet one of the national objectives
- ✓ Be deemed an eligible activity
- ✓ be located within the City and benefit primarily City of Frederick residents;
- ✓ demonstrate other sources of funding for the activity

### **• Contractual Requirements**

Each subrecipient selected to receive funds is required to sign a contract referred to as a "Subrecipient Agreement" with the City of Frederick. This agreement details the activity which subrecipient wishes to undertake, the responsibilities of both the City and subrecipient and how the cost of carrying out the activity will be paid.

No costs incurred prior to the execution of an agreement with the City for services are reimbursable. Under City, State and Federal laws and regulations, certain requirements must be met in order to negotiate an agreement and disburse funds. These requirements include the following:

1. Applicants must demonstrate that they are a private, 501(c)(3) non-profit organization and be able to document corporate "good standing" status from the state in which the corporation is chartered; or a governmental agency.
2. After an application is approved for funding, a contract (*also called a Subrecipient Agreement*) will be prepared and sent by the City to the person identified by the applicant as the authorized official for signature. The contract will specify the amount of the award, the period for which the project is approved, the contract term, mandatory federal requirements, and administrative provisions. Special conditions attached to the award also will be specified in the agreement. **Subrecipients will be required to file regular reports on expenditures, progress toward goals, and beneficiaries.** The Department of Planning staff will provide forms for these reports.
3. Applicants must provide their DUNS and Federal ID numbers.
4. Subrecipients are required to obtain insurance as specified by the City, and to comply with all applicable federal, state, and local laws, codes, and regulations. The cost of insurance is reimbursable as a project expense.
5. As part of any contract, subrecipients will be required to comply with affirmative action and equal opportunity laws. In the event of non-compliance, the agreement may be terminated or suspended in whole or in part. Including Davis Bacon wages for all construction projects.
6. All subrecipients will be required to comply with the federal government's audit requirements as described in OMB Circular A-133 (for HUD's programs, these requirements are codified at 24 CFR Part 84.) Recipients receiving \$500,000 in federal funds from all sources in a single year must

have an annual audit. The cost of an audit is an eligible expense.

7. **All subrecipients must be aware that CDBG funds are awarded on a reimbursement basis only.** Subrecipients must have sufficient operating funds available to allow them to expend those funds on project expenses, provide the City with copies of paid invoices, cancelled checks, and any other requested documentation, and then wait to be reimbursed for those expenditures. This can sometimes be a lengthy process, so each subrecipient must be aware that this is a condition of the award.

### **Application Review & Recommendation**

Applications for funding are accepted by the Department of Planning on an annual basis. The deadline date for submission is stated in the Public Notice and at the public hearings.. **Applications submitted after the deadline will not be considered for review.**

All applications are reviewed by DPCD staff to determine eligibility under HUD's criteria and conformance with the City's funding policies. All applications accepted for competition are then reviewed by an Ad Hoc Committee. The Ad Hoc Committee is comprised of dedicated volunteers who have a general knowledge of the federal grant process and community development.

All applicants are given the opportunity to meet with the committee members to present their proposals, and the Mayor and Board of Aldermen consider the recommendations of the committee when approving the Annual Action Plan.