



# FRANKLIN COUNTY

# 2018

## *Application Packet for FY 2018 Community Development Block Grant Program*



### **Introduction:**

Franklin County has been notified that it will receive Community Development Block Grant (CDBG) funds for 2018. The Pennsylvania Department of Community and Economic Development (DCED) allocate this funding, on behalf of the United States Department of Housing and Urban Development (HUD), to benefit non-entitlement municipalities and community organizations within the County. Currently there are two (2) municipalities located in the County, the Borough of Chambersburg & the Borough of Waynesboro that are classified as entitlement municipalities and are not eligible to apply for the County's CDBG allocation.

### **Program Administration:**

The Franklin County Planning Commission administers the CDBG program. Grantees will be required to sign a **sub-recipient agreement** outlining responsibilities to the County and grantee to ensure compliance with all grant regulations.

### **Eligible Activities:**

Grantees may use Community Development Block Grant (CDBG) funds for activities that include (but not limited to):

#### **(1) Activities Related to Housing**

- a. There are many activities related to housing that are eligible under the CDBG Program. The list of eligible activities include:
  - i. Housing services in connection with Home Investment Partnerships (HOME) Program activities;
  - ii. New construction of Housing by eligible organizations or as last resort housing;
  - iii. Homeownership assistance (e.g., homebuyer counseling and down-payment assistance interest subsidies;
  - iv. Rehabilitation to buildings which are residential, low-income rental or homeowner housing. This also includes conversion of non-residential structures for residential use. The following types of rehabilitation activities may be under taken:
    1. Acquisition for rehabilitation and rehabilitation for residential purposes;
    2. Labor, materials, etc. for rehabilitation of properties
    3. Loans for refinancing existing secured indebtedness;
    4. Energy improvements;
    5. Water efficiency improvements;
    6. Connection to water and sewer lines (ex. Laterals on private property)
    7. Some homeowner warranty, hazard and flood insurance premiums;
    8. Testing for and abatement of lead-based paint;
    9. Costs of acquiring tools to be lent for rehabilitation;
    10. Rehabilitation services;
    11. Assistance for the rehabilitation of housing under Section 17 of the United States Housing Act of 1937; and
    12. Removal of material and architectural barriers that restrict accessibility
  - v. Lead-based paint testing and abatement as a stand-alone program or included as rehabilitation; and
  - vi. Activities that support new housing construction such as acquisition, clearance, and street improvements.

#### **(2) Other Real Property Activities**

- a. Acquisition
- b. Disposition
- c. Clearance and demolition
- d. Rehabilitation of publicly- or privately-owned commercial or industrial buildings
- e. Code enforcement
- f. Historic preservation
- g. Renovation of closed buildings
- h. Interim assistance to arrest severe deterioration or alleviate emergency conditions
- i. Privately-owned utilities

**(3) Public Facilities**

- a. 'Public improvements' includes, but is not limited to, streets, sidewalks, water and sewer lines, and parks.
- b. 'Public facilities' includes, but is not limited to, neighborhood/community facilities and facilities for persons with special needs (e.g.: homeless shelters, group homes, and halfway houses).

**(4) Activities Related to Public Services**

- a. Public services are also generally eligible under the CDBG Program. These public service activities may include, but are not limited to:
  - i. Job training and employment services;
  - ii. Health care and substance abuse services;
  - iii. Child care;
  - iv. Crime prevention; and
  - v. Fair Housing counseling.

**(5) Activities Related to Economic Development**

- a. CDBG funds may also be used for activities related to economic development. The following are examples of eligible activities that can be funded by CDBG:
  - i. Microenterprise assistance;
  - ii. Commercial rehabilitation;
  - iii. Special economic development activities.

**(6) Assistance to Nonprofit Development Organizations**

- a. CDBG recipients may also provide grants or loans to nonprofit development organizations to carry out the following types of projects:
  - i. Community revitalization;
  - ii. Community economic development; and
  - iii. Energy conservation.

**(7) Other Types of Activities**

- a. Certain other types of activities are also eligible under CDBG, including:
  - i. Payment of non-Federal share of grants in connection with CDBG-eligible activities
  - ii. Relocation assistance;
  - iii. Loss of rental income;
  - iv. Technical assistance to public or nonprofit entities to increase the capacity of such entities to carry out eligible neighborhood revitalization or economic development activities. Note that this activity is rare.
  - v. Assistance to institutions of higher education with the capacity to carry out other eligible activities.

**(8) Planning and Administration**

- a. CDBG funds may be used for planning activities. Such activities might include:
  - i. Comprehensive plans;
  - ii. Community development plans;
  - iii. Functional plans (for housing; land use and urban environmental design, economic development; open space and recreation; energy use and conservation; floodplain and wetland management; transportation; utilities; historic preservation; etc.);

- iv. Other plans and studies (e.g.: small area and neighborhood plans; capital improvements program plans; individual project plans; general environmental ; urban environmental design; historic preservation studies; etc.)' and
- v. Policy planning, management, and capacity building activities.
- b. CDBG funds may be used towards administration activities. Such activities may include:
  - i. General management, oversight and coordination;
  - ii. Public information;
  - iii. Fair Housing activities;
  - iv. Indirect costs;
  - v. Submission of application for Federal programs.

## **Ineligible Activities:**

Regulations stipulate that the following activities may not be assisted with CDBG funds:

- a. Buildings for the general conduct of government are ineligible. However, the removal of architectural barriers from government buildings is eligible under the category of public facilities and improvements.
- b. General government expenses are ineligible.
- c. Financing for political activities or to engage in other partisan political activities are ineligible. However, a facility assisted with CDBG funds may be used on an incidental basis to hold political meetings, candidate forums, or voter registration campaigns, if the building is available to all community organizations on an equal basis.

Per the regulations, the following activities may not be assisted with CDBG funds unless authorized as a special economic development activity or when carried out by an eligible nonprofit development organization:

- a. Purchase of equipment is generally ineligible.
  - a. Compensation for the use of construction equipment through leasing, depreciation, or use allowances is eligible.
  - b. Fire protection considered an integral part of public facilities is eligible. This includes fire engines and specialized tools such as 'jaws of life' and life-saving equipment as well as protective clothing worn by fire fighters.
- b. Purchase of personal property, including equipment, fixtures, motor vehicles, furnishing, or other personal property is generally ineligible.
- c. Operating and maintenance expenses (of public facilities, improvements, and services) are ineligible.
  - a. Specific exceptions to this general rule are operating and maintenance expenses associated with public service activities, interim assistance, and office space for program staff employed in carrying out the CDBG program;
- d. New housing construction except under certain conditions or when carried out by a Section 105(a)(15) nonprofit development organization as part of a neighborhood revitalization or community economic development project.
- e. Income payments made to an individual or family for items such as food, clothing, housing, or utilities are ineligible. One time grants, emergency type grants, or loans for such purposes may be eligible under the category of public services.

## **Project Guidelines:**

Applicants must take the following items into consideration when selecting a project for Community Development Block Grant (CDBG) funding:

- a. Projects must meet one of the following national (federal) objectives:
  - a. Benefit at least fifty one percent (51%) low-moderate income (LMI) persons [51% minimum].
  - b. Prevent or eliminate slum or blight.
  - c. Eliminate an urgent situation that poses a threat to the health and safety of the community.
- b. Projects benefiting low/moderate income (LMI) persons require completion of LMI survey or census tract verification. The applicant may also qualify a project under the presumed low/moderate income benefit or limited clientele benefit. More information under section titled: Qualify.

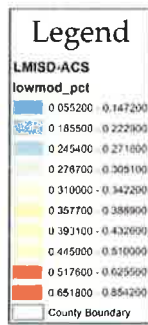
- c. Applicants should not submit grant applicants that exceed \$275,000.00. If the project exceeds \$275,000.00 consider adding other local or private funds to the project or consider requesting the application to be submitted competitively to the state for competitive CDBG funding.
- d. All projects must undergo an Environmental Review by Franklin County Planning Commission staff before funds can be released and prior to any legal binding agreements are executed.
- e. All projects requiring engineering services are subject to an independent engineering review by Franklin County Planning Commission before funding is released.
- f. All projects must hold a public meeting/hearing at a nearby community building or at the project site prior to application submission to ensure citizen participation. The public meeting/hearing must inform the community what you/your organization are submitting to the County for CDBG funding consideration. Additionally, depending on where your project is located, your project may be subject to Limited English Proficiency requirements. Franklin County Planning Commission will contact you after the communication of intent is submitted if Limited English Proficiency requirements are required. **Public meeting/hearing must take place prior to application submission.**

## **Qualify:**

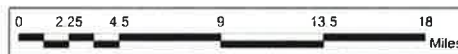
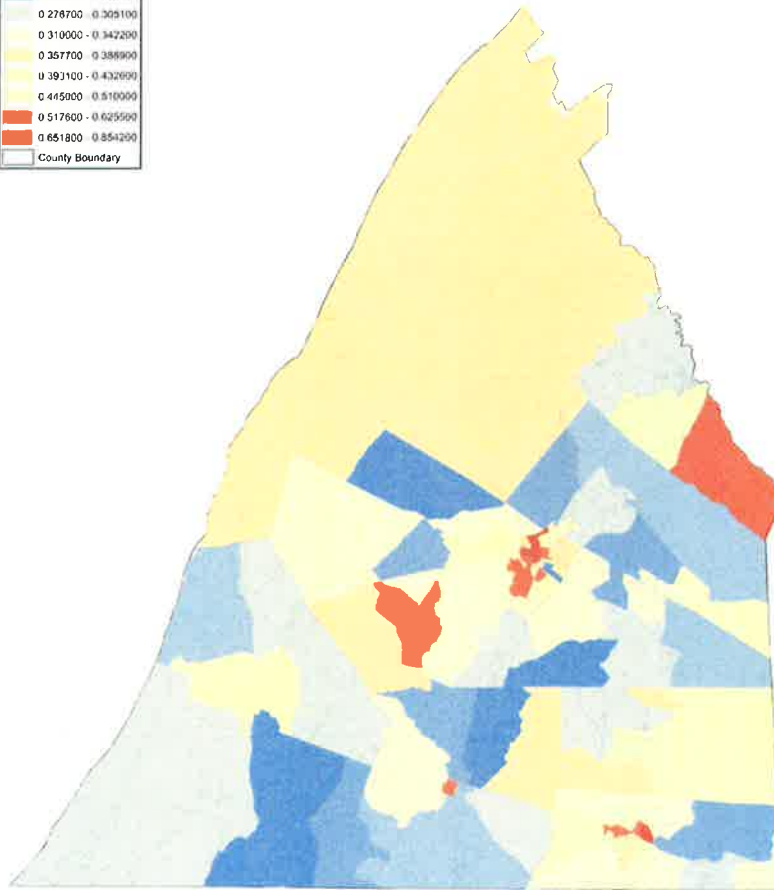
To meet aforementioned national objectives (under Project Guidelines), the project must qualify. To qualify, one or a few tests may apply to your project-

To meet ***Low to Moderate Income National Object***, projects must meet the low to moderate income criteria in one of the four categories listed below:

- a. **Area Benefit** - Depending on the scale of the project, sometimes the service area is large enough to coincide with U.S. Census Data such as the American Community Survey. If the service area is determined to be a census-tract benefit, pursuant to recent PA DCED and U.S. HUD guidance, the project must be located in a low-to-moderate income census tract. See Map. The red areas are over 51% low to moderate income (based off of the U.S. Census Bureau - American Community Survey. If the project is a census-tract benefit and it not located in a low-to-moderate income census tract, a census tract-wide income survey could be completed if PA DCED permission was received. Challenging the low-to-moderate income census tract information can delay your project.



**Franklin County  
2014 LMISD ACS  
Low-Mod Percentages by Block Group**



- b. **Survey** – If the service area does not coincide with census data, a survey must be completed. Surveys must be conducted in accordance with Franklin County’s and PA DCED’s standards. If your project requires a survey, Franklin County will discuss survey and survey methodology with your organization after the communication of intent is submitted. Please note that different survey types (ex.: Mail, Door to Door, and Telephone). If certain surveys are required, Franklin County expects the applicant to cover the costs (ex.: Envelopes, Postage, etc.). Applicant costs will be further discussed with your organization after communication of intent is submitted. If the project area contains 100 or less people a census survey is required.
- c. **Limited Clientele** – Some projects may fit the below items:
  - a. **Presumed** – An activity, facility or service benefiting clientele that are presumed to be principally low and moderate income, i.e., handicapped, senior citizens, abused children, battered spouses, homeless, illiterate and migrant farm workers.
  - b. **Income Eligibility** – Requires information on family size and income that limits benefit exclusively to low and moderate income people, or where it is evident that at least 51 percent of the clientele are persons whose family income does not exceed low and moderate income limits.
  - c. **Nature/Location** – The activity’s nature and/or location leads to the conclusion that clientele will primarily be low and moderate income persons.
- d. **Housing** –

- a. One Unit Structures – Each household receiving CDBG assistance must be low and moderate income;
  - i. Information such as tax returns may be required to determine that the household is low to moderate income.
- b. Multi-Unit Structures – Over 51% of the multi-unit structure must be considered low to moderate income (ex.: 6 of the 10 units are occupied by low to moderate income households).
  - i. Information such as tax returns may be required to determine that the household is low to moderate income.
- c. New construction of multi-family and non-elderly rental housing must have at least 51% percent of the units to be constructed will be occupied by persons of low and moderate income households.
- e. **Job Creation/Retention** – Eligible activities that create or retain jobs may qualify as a Low to Moderate Income National Objective. If you want to qualify your project as a job creation/retention, Franklin County will contact your after communication of intent is submitted.

To qualify a project as Slum or Blight National Objective, the following tests must occur:

- a. **Area Basis** – Activity must meet both criteria below:

Boundary Identified/Qualified

The area must be delineated geographically and must meet the federal and state definitions for slum/blighted area with documentation maintained on the conditions of area upon which the qualification is made. The state definition of slum blighted area (16 PA Code, Chapter 21) is as follows: ‘A portion of urban community which contains unsafe, unsanitary, inadequate, or overcrowded dwellings or is inadequately planned because of excessive land coverage, the lack of proper light and open spaces, the defective design and arrangement or economically or socially undesirable land uses.’ The Federal definition, although less comprehensive, is far more focused. It defines slum/blight area as one: ‘Where there is a substantial number of deteriorating or dilapidated buildings throughout the area.’

Activity Addresses Conditions

The activity addresses one or more of the conditions which contributed to the deterioration of the area. Residential rehabilitation must correct substandard conditions before less critical deficiencies are completed.

- b. **Spot Basis**

Activities Limited To

Acquisition, relocation, clearance, rehabilitation and historic preservation that eliminate certain conditions of blight or physical activity decay are the only eligible activities.

Rehabilitation Limitation

Rehabilitation is limited to the extent necessary to eliminate specific conditions detrimental to public health and safety.

To qualify a project as Urgent Need Objective, the condition must be of recent origin or has recently become urgent (within the past 18 months) and the municipality must certify that it is unable to finance the activity on its own, and that other sources of funding are not available. To qualify under Urgent Need, Franklin County must receive approval from DCED prior to application submission.

**Activities within other existing Entitlement Communities:**

Applicants that wish to submit applications containing activities that would be undertaken within other existing Entitlement Communities (such as Chambersburg Borough or Waynesboro Borough) must first approach the other Entitlement Communities regarding your project. The county may use any part of its entitlement allocation towards the project located in the Entitlement Communities, however the project must be considered a county-wide activity and the Entitlement Community must meet a proportional cost of the project/program. Project may not be considered if the applicant does not contact the Entitlement Community first.

**Ranking Criteria:**

Projects are ranked on a point scale according to the following criteria:

- **Seriousness of the Problem to be Addressed**

- The seriousness of the problem identified in the application will be compared to problems identified in other applications. Under the criterion, the applicant is to explain how the problem affects people and if the project urgently needed to improve will be determined from the information.
- **Resolution of the Problem**
  - The degree to which the proposed project will resolve the identified problem will be compared to the ability of other projects to resolve identified problems. This information will allow the relative impact of the proposed project on the problem identified under Section 1 to be measured. A determination of whether the proposed project will totally resolve the problem or only part of the problem in consideration of the intended beneficiaries will be made.
- **Benefit to Low / Moderate Income (LMI) Persons**
  - The extent to which the proposed project will benefit these income categories will be compared to other projects. Information provided should document the relative extent to which the project identified in Section 2 will benefit these income categories. Consideration will be given to the type of project and the number of LMI persons that can be expected to benefit. In addition to the numbers of LMI people to benefit, equal consideration will be given to the percent of LMI persons benefiting from the project.
- **Readiness**
  - The ability of the proposed project to be implemented and completed in a timely fashion. Under this criterion, each project will be evaluated based on its type to determine if planning, engineering, permitting and financing are complete to the point that the project can commence within six (6) months of contract award and be completed within three (3) years thereafter.
- **Capacity**
  - The applicant's Management Plan/Local staff Capacity will be evaluated to ensure that there will be adequate staff, in terms of quantity, expertise and availability, to administer the proposed project in conformance with applicable laws and regulations.
- **Timeliness / Past Performance**
  - Applicants that were under contract for CDBG funding at any time in the past will be evaluated on their performance and timeliness in administering these grants.
- **Local Match**
  - If an applicant contributes matching funds or other in-kind contributions toward the project, additional points will be awarded based on the type and amount of the local match.
- **Past Funding**
  - This category will be considered if two or more municipalities are close or equal in points after the previous seven criteria have been totaled. In this scenario, the applicant that has not recently (past five (5) years) received CDBG Entitlement funding will be given extra consideration.

## **Application Information:**

Application information must be accurate and concise since it will serve as the basis for evaluating the project with respect to other applications. *Franklin County reserves the right to request supplemental or revised information regarding an applicant's submission.* The following items are required for all applications:

- **Cover Letter**
  - Please provide a cover letter stating your municipalities/organizations proposal, the amount that is being requested, and a summary of the following sections. If available, please provide this cover letter on your municipalities/organizations letterhead.
- **Project Brief**
  - Concise outline of Who, What, Where, When & How the project will be administered. **Please attach photographs of the project area. Aerial Photographs and a drawn boundary may be submitted.**

- **Cost Estimate Summary**
  - Provide a detailed line item listing of all project expenditures to support budget figures. There is no Cost Estimate Summary form in the appendices, applicants must provide spreadsheet documentation.
- **Management Plan / Local Staff Capacity**
  - Describe within your cover letter how the project will be administered and who will be responsible for working with Franklin County Planning Commission.
- **Timeliness**
  - Applicants are required to list all **CDBG and other federal** funding received in the past five years and the current status of that funding (expended, encumbered or unencumbered).
  - Please express in the cover letter how your organization has accomplish past projects on time or ahead of time.
- **Statement of Assurances**
  - Each applicant should review the information outlined and have the **Chief Elected Official or Chief Executive Officer** of the organization certify that the organization understands the outlined regulations.
- **Engineering Designs**
  - Please attach a paper copy of the Engineering Designs, if available.
- **Special Items pertaining to specific activities**
  - If the project involves any streets or bridges,
    - Please submit any engineering reports regarding the condition of the bridge or road.
    - Additionally, traffic count, average daily trips, and a through description of who drives on the road or over the bridge should be submitted.
    - Please provide any additional items that may set the application apart from other applications.
  - If the project involves sewer extensions,
    - Please provide an address list of direct beneficiaries (no residents' names, just addresses).
    - Please describe the local Act 537 Sewage Facilities Plan within your application.
    - Please submit any maps, soil reports, and any sewage enforcement officer reports.
    - Please provide your 'tap-in' or 'hook-up' ordinance.
  - If the project involves water extensions,
    - Please provide an address list of direct beneficiaries (no residents' names, just addresses).
    - Please include any on-lot water-well samples.
    - Please provide any official documentation that public water is required.
    - Please provide a cost comparison showing the costs of on-lot water well and public water.
  - If the program is a public service project,
    - Please provide information showing that the program is a new service or will be a quantifiable increase in the level of an existing service.
- **Permits**
  - If your project requires permits, please submit any permits that you have received so far. Please discuss permits (required permits that have or have not been obtained).
- **Public Meetings/Hearing**
  - Please provide a proof that the meeting was advertised (proof of publication, screenshot of facebook page or website, a paper copy of the meeting advertisement in the utility billing, or a picture of the meeting/hearing notice posting (Municipalities and Municipal Authorities must follow their (operating) code (example: Township Code) regarding meeting/hearing notices), sign-in sheet, and any minutes regarding your application's public meeting/hearing. Nonprofits must advertise their meeting eight (8) days prior to the public meeting/hearing. If no one attends, the meeting/hearing maybe adjourned 15 minutes after the meeting/hearing advertised start time. Public Meeting/Hearing costs will not be reimbursed by the CDBG funding. Staff is allowed to handle the public meeting/hearings. Municipal Elected Officials are not required to attend.



- Applicants may announce at the meeting that a survey may be required to qualify the project. Surveys should not be skewed any way. Survey methodology will be further discussed between the applicant and Franklin County Planning Commission.

## **Notes:**

- A 'shovel-ready' project may be granted more points during the ranking process.
- Projects that can be completed within one construction season may be granted more points during the ranking process.
- Projects that are relying on CDBG funding for a small portion of the overall cost may be granted more points during the ranking process.
- Applicants may use COSTARS and force account work/labor (current employees). If using COSTARS, any documents showing that your organization is a COSTARS member should be submitted. Applicant must also comply with M/WBE requirements. Any project being completed using force account labor must complete the Force Account Labor Form.
- Any work performed prior to the contract execution may jeopardize allocated funding.
- If seeking Multi- Funding Year CDBG allocations, projects must be broken down into stand-alone phases.
- Cost to develop CDBG application will not be reimbursed, however the applicant may consider the estimated cost as a match.
- Applications that are only seeking CDBG funding for construction costs, such as materials and equipment, may be granted more points during the ranking.
- Projects that submit all or majority required agreements (agreements that help get the project off the ground) may be granted more points during the ranking.

## **Competitive Applications:**

Franklin County will apply for CDBG funding through the competitive application process on behalf of non-entitlement municipalities or community organizations that present a project of significant need. Competitive applications are ranked on a statewide basis and the maximum amount of funding available is \$1,000,000.00 per project. The state's priority is on sewer and water projects; however, other activities could be submitted. If competitive funding is received, it will be administered in the same manner as the CDBG entitlement program. Franklin County will determine which competitive CDBG applications will be prepared for submission.

Any applications that are not funded by Franklin County's Community Development Block Grant program will receive the opportunity to be submitted competitively to the state. Franklin County Planning Commission will ask for the applicant's permission prior to submission to the state.

## **Who to Call For Help:**

Technical assistance with any portion of the application process can be obtained by calling the Franklin County Planning Commission at (717) 261-3855.

## **Application Deadline:**

Application deadline is October 5, 2018 @ 4 pm. Applications may be mailed to 218 N. Second Street, Chambersburg, PA or emailed to [planning@franklincountypa.gov](mailto:planning@franklincountypa.gov)

*\*Additional public hearings may be required if modifications occur during the 2018 CDBG program application process. These hearings will be scheduled accordingly. All public hearings will be advertised in the Public Opinion and Record Herald in accordance with all federal, state and local requirements.\**

## **Bibliography-**

Text within the Eligible and Ineligible Activities sections was taken from HUD's document titled 'Basically CDBG'-  
<https://www.hudexchange.info/resource/269/basically-cdbg-for-states/>

## **Application Forms:**

All application forms are enclosed herein.

1. Project Brief
  - a. Please attach a proposed budget from the Activity Description & Cost Estimate Summary.
  - b. Please attach photos of the project area.
  - c. If available, please attach paper copy of the Engineering Design(s).
  - d. If available, please attach letters of support
2. Statement of Assurances
  - a. Please review and execute.

\*Please discuss the project in narrative format in addition to the project brief.

1. Please attach a proposed budget.
2. Please attach photos and maps of the project area.
3. If available, please attach paper copy of the Engineering Design(s).
4. If available, please attach letters of support.
5. Attached any items or documents that address the 'Special Items pertaining to Special Activities' section of the application.
6. Please attach all public meeting/hearing information as required by the application.
7. Please attach any documents that demonstrate your organization's timeliness.
8. Please attach any documents that demonstrate your organization's capacity.

*\*Franklin County reserves the right to request supplemental or revised information regarding an applicant's submission.\**

**PROJECT BRIEF**

*Brief should be concise, but informative; maximum of three or four sentences per heading.*

**PROJECT NAME:**

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**WHO:**

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**WHAT:**

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**WHERE:**

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**WHEN:**

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**HOW:**

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