



**CITY OF PORTSMOUTH
FISCAL YEAR 2017 (JULY 1, 2016 TO JUNE 30, 2017)
APPLICATION INSTRUCTIONS
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM**

APPLICATION REVIEW, DECISION PROCESS OVERVIEW
AND FY 2017 CALENDAR

Deadline Wednesday January 6, 2016 by 5:00 p.m.
Please Note: Late Applications will not be accepted.
Separate applications must be submitted for each project.
All other applications are obsolete.

The City of Portsmouth is accepting applications for its Community Planning and Development (CPD) program funded by its federal entitlement funds from the US Department of Housing and Urban Development (HUD). The funds include Community Development Block Grant (CDBG) and Home Investment Partnerships Program (HOME). Copies of the application form can be downloaded at <http://www.portsmouthva.gov/planning/> (click on Community Planning and Development Program).

There are separate applications for the CDBG Program and the HOME Program.

- If requesting funds for CDBG and HOME, a separate application must be submitted.
- Separate applications must be submitted for each project, even if requesting the same funding type.

Two identical hearings will be held at the following locations and times:

Wednesday December 2, 2015, 10:00 am
Neighborhood Facility Recreation Center
900 Elm Ave.

Wednesday December 2, 2015, 5:30 pm
Planning Department
801 Crawford St.

Provide ONE ORIGINAL AND FIVE copies of the completed and signed application and attachments, punched with three holes. Applications must be completely filled out and signed.

Completed applications should be returned to:

Mr. Jeffrey Crimer
City of Portsmouth Planning Department
801 Crawford Street, 4th Floor
Portsmouth, VA 23704

Applicants are encouraged to meet with staff prior to submitting an application to discuss the details of the project. If you have questions or to discuss the specifics of your project, call 757-393-8836, ext. 4206 or email crimerj@portsmouthva.gov

Applications are due at the City of Portsmouth Planning Department by Wednesday January 6, 2016 by 5:00 pm.

- The application review process has three phases:
 - ❖ **Phase One:** A public hearing is held to gather input from the community regarding the allocation of HUD entitlement funding. Applications are initially reviewed for their eligibility under federal program guidelines by the Planning Department. Applications are reviewed by the Selection Committee, which consists of staff from City departments and agencies. Eligible projects are considered according to their contribution to the goals and objectives of the City's approved Consolidated Plan, their ability to help the City meet federal program guidelines, and other local priorities. Organizational capacity, including financial capacity, experience, and past performance are also considered.
 - ❖ **Phase Two:** A recommendation that is reflective of both the review and assessment of the Selection Committee is forwarded to the City Council.
 - ❖ **Phase Three:** The Portsmouth City Council holds a public work session and public hearing on the Selection Committee recommendation. The City Council adopts the Annual Action Plan and finalizes the budgets. Upon completion of the process, the City forwards the adopted Annual Action Plan to the U.S. Department of Housing and Urban Development (HUD) for approval.
- Projects considered at the City Council public hearing are limited to those submitted according to the guidelines and timetables outlined in this package. Applicants are strongly encouraged to attend and participate at these public hearings.
- More detailed information describing these and other related citizen participation processes for the Annual Action Plan are found in the City of Portsmouth's approved Citizen Participation Plan. A copy of that Citizen Participation Plan can be obtained from Portsmouth's Planning Department, City Hall, 801 Crawford Street, 4th Floor, Portsmouth, VA 23704, by calling 757-393-8836, ext. 4206.

FY 2016 – 17 Tentative Calendar*

Date	Action
Thursday November 15, 2015	Applications for funding available on line.
Wednesday December 2, 2015	Two identical public hearings to report on progress and identify needs. Distribute applications for funding.
Wednesday January 6, 2016	Applications for funding due to City.
Monday March 14, 2016	Begin 30 day display for FY 2017 Action Plan
Tuesday April 19, 2016	City Council hearing to present and consider FY 2017 Action Plan, 7:00 pm.
Tuesday May 3, 2016	City Council adopts FY 2017 Action Plan
Friday May 13, 2016 (on or about)	Submit FY 2017 Action Plan to HUD for 45-day review.
Friday July 1, 2016	Begin FY 2017.

****All Dates are tentative; exact dates to be determined. Notices of all public hearings will be published in the Virginian-Pilot.***

CDBG Program APPLICATION INSTRUCTIONS

Please carefully read these instructions and all attachments to ensure your application is accurately and properly completed. If you have any questions contact Jeffrey Crimer, City of Portsmouth Planning Department, 757-393-8836, ext. 4206.

This Application is to be used by applicants applying for Community Development Block Grant (CDBG) Program funds for the FY 2016 funding period (July 1, 2016 to June 30, 2017). **You must submit a different application for the HOME Investment Partnerships Program. One CDBG application should be submitted for each project (e.g. operating funds, acquisition, rehabilitation, demolition, childcare and tutorial programs).** A project may have several interrelated activities. In which case, one application is sufficient.

Sub-recipient Obligations

Once the City awards grant funds, certain obligations become the responsibility of the sub-recipient. Sub-recipients must:

1. Enter into a Sub-recipient Agreement with the City.
2. Follow all City of Portsmouth and HUD rules and regulations outlined in the Sub-recipient Agreement including federal procurement and hiring procedures and as further outlined in the City of Portsmouth *CDBG and HOME Sub-recipient Compliance Manual* on line at <http://www.portsmouthva.gov/planning/CommPlanDevPrg/>
3. Submit quarterly reports to provide information on progress toward meeting accomplishments/outcomes.
4. Expend funds within the City Fiscal year 2017. In most cases, HUD funds are granted only for the twelve-month period of the program year for which applications are solicited. Extensions of agreements may be considered. Requests for extensions should be submitted to Jeffrey Crimer at the Planning Department at least 60 calendar days prior to the agreement's termination date.
5. Organizations expending \$500,000 or more in federal funds in a year, including, but not limited to, CDBG and/or HOME funds received from the City, are required to undergo an independent audit that conforms to the guidelines of federal OMB Circular A-133. For such organizations, the amount by which the organization's audit costs increase due to complying with this requirement with respect to CDBG and/or HOME funds received from the City may be included as part of the budget in your application. Audits are not required under the federal rules for organizations expending less than \$500,000 in federal funds in a year. Consequently, audit costs for such organizations, may not be included in the CDBG and/or HOME funds requested in your application.
6. Applicants selected to receive CDBG and/or HOME funding must carry insurance coverage appropriate for the nature of the activities to be conducted. Said insurance shall be in the form of a commercial general liability policy, including contractual liability, issued by a company licensed to do business in the Commonwealth of Virginia. Said policy shall have limits of not less than \$2,000,000 per occurrence and \$3,000,000 aggregate covering bodily injury, property damage and personal injury. Premiums will be paid by the Sub-recipient. The policy will be kept in force during the terms of the Agreement. The insurance policy shall contain a provision or a rider that it shall not be canceled or terminated or changed materially without 60 days written notice, or such reasonable notice as it is the policy of Sub-recipient's insurer to provide (said notice

period in any event not to be less than 15 days). The City, its officers, employees, agents and representatives will be named as an additional insured party on all insurance policies. The Sub-recipient shall maintain other types of insurance, including but not limited to Workers Compensation Statutory and Automobile Liability. The City shall be an additional insured as applicable. The Sub-recipient must agree to purchase necessary flood insurance, if a project is located in a flood hazard area and the nature of the project requires such insurance.

7. Funds are available to the Sub-recipient on a reimbursement basis only based on documentation of incurring the expense and payment of the expense. Reimbursements of funds shall be limited to actual costs evidenced by copies of original invoices, time records, and other appropriate documentation and proof of payment identified in the approved itemized project budget. Final reimbursements must be requested not later than **15 calendar days after the expiration date of the agreement on June 30, 2017.** Please note that the City is under no obligation to honor requests for payments received after these time limits. Costs incurred prior to the effective date or after the expiration date of your agreement with the City cannot be reimbursed without prior authorization from the Program Administrator.

A. Eligibility and Funding Range

- Applicants must be an 1) incorporated for profit, 2) a 501(c)(3) nonprofit, or 3) a public organization able to undertake the approved activity (ies) within the boundaries of the City of Portsmouth.
- To be considered for funding, applications must meet the eligibility requirements for the applicable HUD program.
- For additional information regarding eligibility requirements of your specific project, contact Jeffrey Crimer, City of Portsmouth Planning Department, 757-393-8836, ext. 4206.
- All projects shall be provided in the City of Portsmouth limited to serving persons in the City of Portsmouth unless otherwise agreed to by the City. Contact Jeffrey Crimer at 757-393-8836, ext. 4206 to discuss exceptions.

B. Submission Documentation

The required application format is included. The following format must be used. Do not change the application format. If this format is not used, your proposal may not be accepted. The application is 12 pages and is designed to accommodate specific lengths in response to each question. Narrative boxes have been provided. Documents should be prepared using a 10 pt Arial font. **DO NOT ADJUST THE FORMAT OF THE APPLICATION. DO NOT EXCEED THE SPACE ALLOCATED FOR EACH QUESTION.**

C. Submission Deadline

All applications must be submitted by **Wednesday, January 6, 2016 by 5:00 p.m.** to the Department of Planning, City Hall, 801 Crawford Street, 4th floor, Portsmouth, VA 23704. This requirement is firm as to place, date, and time. **Each applicant is required to submit one original and 7 unbound, applications (No staples).**

Mailed applications should be posted in time **to be received** by the date and time at the location above. No emailed or faxed applications will be accepted. If you have questions or require

additional information, please contact Jeffrey Crimer at the Planning Department at 757-393-8836, ext. 4206.

If special assistance for the handicapped is needed for application pick up, please call Jeffrey Crimer at the Planning Department at 757-393-8836, ext. 4206 at least three working days before the application deadline.

Make sure you have included all applicable data with your submission. Your application must be complete and correct as of the date of submission. Applications missing substantive items, or misrepresenting material facts, will be considered incomplete, and rejected.

Section I – Agency Information: Enter the information as it relates to the organization requesting funding.

Section II – Project Information: Enter the name and location of the project including the Specific Street Address where funds will be expended. If more than one address, please add all addresses. A map of the City of Portsmouth Census Tracts accompanies this instruction package, as well as a list of low to moderate income areas as designated by the 2010 Census (see Attachment B).

Section III – Project Funding and Description: Enter the amount of funds being requested **and** all other sources of funding being leveraged for this specific program including any from local, state, or private sources. Identify any program income to be generated during the program year. The budget must show the CDBG amount requested is the very least amount necessary to close the projects financial gap or make the project economically feasible. HUD expects a leverage ratio of 3 to 1 (\$3 of non-HUD funds for every \$1 of HUD funds).

Leveraging of funds is an important factor in the evaluation of your application. The City prefers to invest in activities in which the applicant also invests funds from its own sources and raised from other funding partners. If leveraged funds are promised in your application, the City may choose to award the grant or loan contingent upon those funds being provided. If you are unsure what qualifies as leveraged funds, please contact Jeffrey Crimer at the Planning Department at 757-393-8836, ext. 4206. Applicants should provide documentation of all committed funds.

Typically the approved project budget will be similar to the budget in your proposal, but may include any City-related or other adjustments. The most significant adjustment is that all City of Portsmouth CPD programs are performance based, i.e., costs are only paid after the attainment of pre-determined thresholds. The payment thresholds will be agreed on between the City and the sub-recipient upon awarding of the funds. The payment thresholds will outline the respective tasks and how much the City will pay upon the completion of each task.

Provide a project description identifying purpose of the project, benefits to the City, and specific actions to be undertaken to complete the project.

Section IV – Completion Checklist: This section identifies the additional required documentation. Only one set of the documentation is required. Select the appropriate response for each document listed. All required documentation must be submitted with your application. If you are submitting more than one application, only one set of the documentation is required.

Section V – Eligibility and Compliance with a National Objective

(a) – CDBG Eligibility: Select the appropriate activity category (see Attachment C). Only one per project.

(b) – CDBG National Objective: Select the appropriate National Objective being met by this program or project. In order for your application to be considered as benefiting low or moderate income persons, an activity must fall into one of the categories listed in this section. (See Attachment A for City of Portsmouth Income Limits).

Select the appropriate activity category (see Attachment D). **Only one per project.**

- **L/M Area Benefit:** 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.
- **L/M Limited Clientele:** An activity which benefits a limited clientele, where each person benefited is confirmed to be a low- or moderate-income person. Income verification is required and shall be maintained on file for review by the City and HUD.
- **L/M Housing:** An eligible activity carried out for the purpose of providing or improving permanent residential structures which, upon completion, will be occupied by low- and moderate- income households.
- **L/M Jobs:** An activity designed to create or retain **permanent jobs** where at least 51% of the jobs, computed on a full time equivalent basis, involve the employment of low- and moderate-income persons. Applicant must identify how will meet public benefit standard per 24 CFR 570.482(f).
- **Slum/Blight:** The project will prevent or eliminate specific conditions of blight or physical decay outside a slum area. **Activities are limited to** clearance, historic preservation, rehabilitation of buildings, but only to the extent necessary to eliminate conditions detrimental to public health and safety.

Attachment D provides further information regarding documenting compliance with the National Objective.

To verify eligibility and the national objective for CDBG projects, please contact Jeffrey Crimer at the Planning Department at 757-393-8836, ext. 4206.

Section VI - Project/Program Benefit Worksheet: Enter the program beneficiary and number assisted. Only one per beneficiary category per project.

Section VII – 5-Year Consolidated Plan 2014 to 2018. Identify consistency with the local priorities as established by the City’s adopted 5-Year Consolidated Plan 2014 to 2018. (See Attachment F.)

Section VIII – Agency Narrative & Project Description: This section is designed to provide a summary of the applicant’s ability to successfully undertake the proposed project and a complete description of the project to be undertaken. Provide details specific to the project.

Question	Instructions
1	Describe the project need/impact within the City of Portsmouth that will be addressed by this project and the project goals. <u>Be specific and</u>

Question	Instructions
	provide statistics that justify the need for this program and reference to the 5 Year Consolidated Plan 2014 to 2018 . Identify the population to be served (i.e. homeless, disabled, youth, etc.). Support may also include any priorities identified by City government or citizen groups.
2	Provide a brief description of the applicant's experience and capacity to administer the proposed project. Describe your organization's experience in operating Federal programs/projects of a similar nature. If none, please indicate. Identify other funds being allocated to the project/program (i.e. federal, private, or foundation grants, City of Portsmouth funds, etc.) by specific funding source. Provide documentation showing commitments of other funds.
3	Provide a concise description regarding use of CDBG funds toward implementing the project. The narrative should be specific regarding tasks to be completed.
4	Identify if your agency charges a fee for the service. If yes, attach a fee schedule, identify the percentage of your program funded from fees, and describe use of fees.
5	Identify if another organization provides the same service in the service area. If Yes, explain the need for both project to address the need, be specific and cite statistics, information on wait lists, and other information to justify the need.
6	Current status of the project. Is the project underway? If this project is already underway, describe what has been done so far, including the sources and amounts of financial assistance already received. If you are requesting additional funds for a project currently receiving funding from the City, indicate the anticipated date of project completion and estimate any additional financial assistance that must still be secured, including the amount requested by this application, to complete the project.
7	For "development projects" consisting of acquisition, construction, rehabilitation, or related activities involving housing or public, neighborhood, commercial or industrial facilities, provide the additional information as indicated. Fees for delivery of development projects generally will be 10% to 15% of the project budget. For all development projects involving acquisition, no funds including funds for project delivery will be reimbursed until the sub-recipient provides the City with documentation of completion of the acquisition. No acquisition project is complete until a national objective is met. A portion of funds awarded for development projects will be held until documentation of meeting an agreed upon national objective.
8	Describe the agency's fiscal management, including who administers the bookkeeping or accounting services, financial reporting, record keeping, accounting systems, payment procedures, and audits performed. Include the financial oversight by the Board of Directors. Identify and describe any audit findings, liens, investigations, or probation by any oversight agency in the past five years.
9	Indicate whether this project is on-going or multi-phased. If yes, include matching funds commitment documentation as indicated in item 11 of the Request for Funding application completion checklist.
10	First, select the method used for tracking clients. This will be done by

Question	Instructions
	<p>recording data by individual client or for a household. If a service is provided to an individual its accomplishments should be tracked using the number of <u>unduplicated</u> people served. If the service provides housing or housing related assistance, clients should be tracked by the number of <u>unduplicated</u> households served.</p> <p>Second, indicate the <u>unduplicated</u> number of new clients to be served during the program year: For example, the grant will allow 25 children to participate in preschool – not 25 children x 5 days x 52 weeks = 6,500) who will be served, and the number who are low/moderate income.</p> <p>Lastly, indicate the number of returning clients to be served during the program year: For example, the grant will allow 25 children to participate in preschool – who will be served throughout the entire program year and be recorded on the report as duplicated numbers.</p> <p>CHOOSE ONLY PEOPLE OR HOUSEHOLDS. DO NOT FILL IN NUMBERS FOR BOTH.</p>
11	Describe the services to be provided and who will be providing those services. Be concise in stating the resources to be dedicated or used to meet proposed objectives.
12	Provide an estimated FY 2016 project schedule indicating significant milestones (e.g., planning, budgeting, advertising, inspections, bidding, hiring, service delivery, discrete units of work, or project phases completed, etc.) and an anticipated completion deadline for each
13	Identify one HUD National Objective your project/program addresses. All CDBG activities expect those eligible under 570.206 must meet a national objective.
14	Explain how client participation and compliance with L/M benefit (24 CFR 570.483 for CDBG see Attachment D) will be documented for monitoring by the City and HUD. <u>Attach</u> sample format of applications, intake forms, and actual material proposed to be used to document L/M benefit. All material used to document L/M benefit must be approved by the City prior to use of funds.
15	Indicate if the applicant will partner with other agencies to provide the program/project. If yes, include a list of collaborative partners and their role in the program/project.
16	Identify one Objective Category and one Outcome.
17	Provide outcome measures for each program and application submitted. See Attachment F for an example. If you have more than three program outcomes, you may attach a sheet detailing the additional outcomes to the project implementation timeline (item # 15 of the application form completion checklist). See Attachment F for example.

Section IX – Budget: This section is designed to provide a complete description of associated costs, and resources available for program/project implementation. **If funded, an itemized sources and uses budget will be required prior to completion of an agreement for funding.** The approved budget will be included in the Sub-recipient agreement and all reimbursements shall be limited to the categories and amounts as listed in the approved budget. There shall be no

deviations from the budgets unless approved by the City CPD Administrator in advance of the use of funds. Be sure use of all non-CDBG funds are shown in the budget.

The budget form is provided as an excel worksheet. The fields are designed to automatically provide a total of the amounts entered. **Do not modify the format of the budget form.** To begin entering data, double click on the table to access the excel worksheet. In the space provided, briefly list each budget item and the requested details. Be careful not to delete the formulas which total the expenses. Once the form is completed, scroll to the top of the worksheet and double click on the application document.

Provided below is brief example of acceptable charges under each category.

Category	Description
Personnel	Costs related to salaries and fringe benefits for program staff.
Client Services	Direct client services, including program supplies and printing directly related to program implementation.
Supplies	Includes, but is not limited to office supplies, postage and other supplies not directly related to client services.
Operating	Includes, but is not limited to rent, waste removal, utilities, printing.
Equipment	. Includes, but is not limited to computer hardware/software, office equipment, etc.
Project Costs	Cost related to construction rehabilitation, off-Site expenses, etc.

Because funding requests may exceed funding availability, please enter your line item budget requests in priority order. This will enable the evaluators to make a fully informed decision, should your project not be recommended for full funding.

In Kind and Leveraging Explanation: List the proposed leveraging amounts for the upcoming program fiscal year and the corresponding value. Example, Source: Space rent donated is counted as an in-kind, 5 car washes @ \$500 each = Projected Value \$2,500 and is counted as cash. HUD expects a leverage ratio of 3 to 1 (\$3 of non-HUD funds for every \$1 of HUD funds).

Volunteer Hours Calculation: Volunteer hours can be calculated at an hourly rate, and annual hours must be based on previous year's documented hours or on documented commitments for the fiscal year the application is submitted. Professional services may be calculated at the rate normally charged by the professional volunteer to for-profit entities, but this calculation must be accompanied by a signed affidavit from the volunteer stating his/her normal rate and the # of hours to be volunteered to this project for the application's fiscal year.

Section X – FY 16 Budget Description: Identify all personnel involved in the administration and implementation of the project for which funds are being requested. Identify job title, status, time devoted to program, new or existing employment, and a brief summary of responsibilities.

Provide a calculation of total program costs for unduplicated households served or unduplicated individuals served. Provide a calculation of total CDBG funds for unduplicated household served or unduplicated individuals served.

Provide a description of leverage funds your agency will use, attaching documentation of commitments.

Describe why are program or project costs are reasonable and justifiable.

Section XI – Statement of Applicant: This statement outlines key conditions relative to the submission of the application. It must be signed by a person with appropriate authority and attached to the application.

**Attachment A
City of Portsmouth Income Limits**

CDBG applications must document how each funded activity will principally benefit low- and moderate-income (L/M) persons. HOME applications must document that all beneficiaries are L/M households. L/M persons/households are those that are at or below 80% of Area Median Income (AMI). AMI for the City of Portsmouth is based on the AMI for the Virginia Beach-Norfolk-Newport News, VA-NC MSA as adjusted for family size. The most recent income limits, effective July 1, 2014, are as follows:

	Household Size							
	1	2	3	4	5	6	7	8
30% of AMI	14,900	17,000	20,090	24,250	28,410	32,570	36,730	40,890
31 to 50% AMI	24,850	28,400	31,950	35,450	38,300	41,150	44,000	46,800
51 to 80% AMI	39,700	45,400	51,050	56,700	61,250	65,850	70,350	74,850

HUD updates the income limits annually and they are available online at <https://www.huduser.gov/portal/datasets/il/il15/index.html>. Applicants are responsible for ensuring that the most up to date income limits are used when documenting L/M benefit.

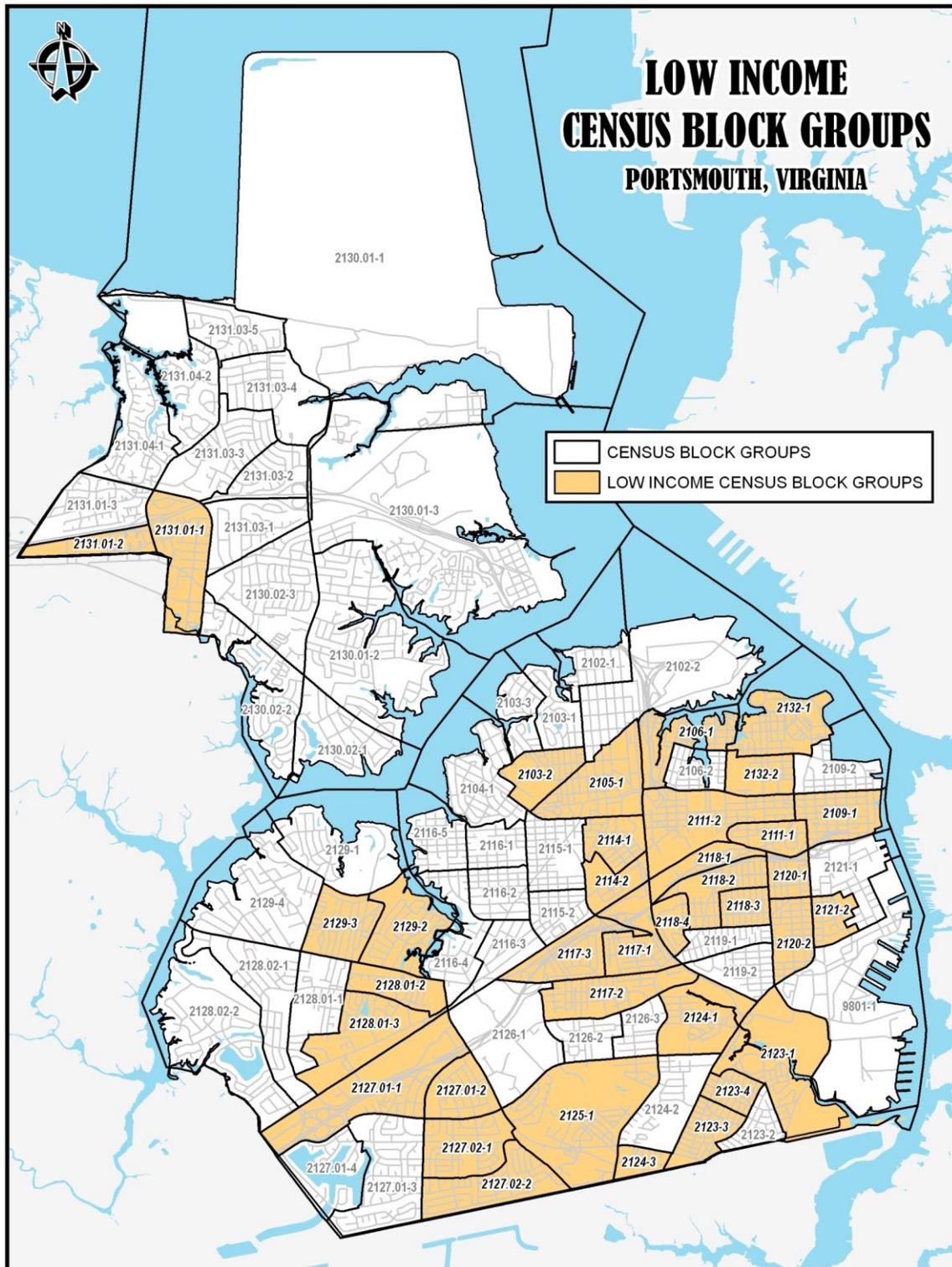
**Attachment B
Low to Moderate Income Census Tracts (CT) & Block Groups (BG)
Using HUD 2010 Definition**

Census Tract	Block Group	Percent Low/Mod
2102	1	29.12%
2102	2	37.84%
2103	1	21.61%
2103	2	96.21%
2103	3	42.64%
2104	1	36.88%
2105	1	84.66%
2106	1	51.46%
2106	2	30.86%
2109	1	64.53%
2109	2	34.12%
2111	1	60.87%
2111	2	100.00%
2114	1	62.07%
2114	2	100.00%
2115	1	30.56%
2115	2	59.04%
2116	1	48.43%
2116	2	30.56%
2116	3	44.63%
2116	4	36.84%
2116	5	35.74%
2117	1	87.80%
2117	2	70.93%
2117	3	69.66%
2118	1	100.00%
2118	2	72.68%
2118	3	79.51%
2118	4	97.59%
2119	1	45.88%
2119	2	49.46%
2120	1	76.40%
2120	2	65.12%
2121	1	23.81%
2121	2	85.11%
2123	1	68.35%
2123	2	20.35%

Census Tract	Block Group	Percent Low/Mod
2123	3	56.49%
2123	4	68.46%
2124	1	63.00%
2124	2	46.97%
2124	3	78.69%
2125	1	59.07%
2126	1	0.00%
2126	2	48.31%
2126	3	46.21%
2127	1	64.18%
2127.01	2	65.25%
2127.01	3	45.52%
2127.01	4	21.43%
2127.02	1	68.54%
2127.02	2	57.37%
2128.01	1	48.55%
2128.01	2	53.71%
2128.01	3	77.20%
2128.02	1	47.24%
2128.02	2	14.23%
2129	1	39.23%
2129	2	68.33%
2129	3	51.13%
2129	4	34.84%
2130.01	1	36.36%
2130.01	2	21.05%
2130.01	3	32.06%
2130.02	1	23.39%
2130.02	2	34.55%
2130.02	3	33.41%
2131.01	1	78.39%
2131.01	2	82.74%
2131.01	3	45.10%
2131.03	1	19.81%
2131.03	2	1.58%
2131.03	3	50.88%
2131.03	4	39.82%
2131.03	5	23.98%
2131.04	1	46.42%

Census Tract	Block Group	Percent Low/Mod
2131.04	2	19.10%
2132	1	64.62%
2132	2	75.86%
9801	1	0.00%
City Total		51.67%

The statistical information comes from the 2006-2010 American Community Survey (ACS).



Attachment C CDBG Eligible Activities.

570.201(a) Acquisition of real property – purchase, long term lease, donation or transfer of whole or in part for a CDBG eligible development activity or public purpose. Yes

570.201(b) Disposition – costs related to the sale, lease, donation, or transfer of any real property.

The disposition must assure the property meets one of the CDBG National Objectives. Yes

570.201(c) Public facilities and improvements – acquisition, construction, reconstruction, rehabilitation or and / or improvements of public facilities. Yes

570.201(d) Clearance activities – demolition, clearance, and removal of buildings and improvements or the movement of buildings and improvements to other sites. Yes

570.201(e) Public services - provision of public services including but not limited to those concerned with employment, crime prevention, child care, health, drug abuse, education, fair housing counseling, energy conservation homebuyer down payment assistance, welfare (not including payments) or recreational needs and other public service needs. (To be eligible for CDBG assistance, a public service must be either a new service or a quantifiable increase in the level of an existing service above that which has been provided by or on behalf of the unit of general local government funds.) Yes

570.201(f) Interim assistance – temporary assistance to arrest significant deterioration that will be followed by permanent assistance, or temporary assistance to alleviate an emergency condition. For significant deterioration this may include the repair of public facilities and improvements of private properties to the extent necessary to eliminate the emergency conditions. **This activity applies to the urgent need National Objective and is generally not used.** Yes

570.201(h) Urban Renewal Completion – activities that will result in the completion of existing urban renewal areas. Yes

570.201(i) Relocation – payment and other assistance for the permanent or temporary relocation of individuals, families, businesses and nonprofit organizations displaced by other funded activities in conformance with the City's Section 104(d) Relocation and Replacement Plan. Yes

570.201(j) Loss of rental income replacement – payments to property owners for a loss of rental income for holding properties for persons displaced by eligible activities. Yes

570.201(k) Housing Services – as provided in section 105(a)(21) of the act (42 U.S.C. 5305(a)(21)).

570.201(l) Privately owned utility development – acquisition, construction, reconstruction, rehabilitation or installation of privately-owned utilities or the placing of existing utilities underground. Yes

570.201(m) Construction of housing – construction of housing only in special circumstances provided in the US Housing Act of 1937. Yes

570.201(n) Direct Homeownership Assistance – assisting homebuyers by subsidizing interest rates and mortgage principal amounts, financing a lease purchase, acquiring mortgage guarantees from private lenders, providing up to 50% of a required home down payment, or the paying of reasonable closing costs. Yes

570.201(o) Micro-Enterprise assistance – credit, technical assistance, or general assistance for the development of microenterprises. A microenterprise is a business with 5 employees or less, of which the owner is included. Yes

570.202(a) Rehabilitation – rehabilitation of existing public facilities, commercial or industrial properties (exterior only), non-profit owned buildings, public housing, or residences. The activity also includes emergency repair activities. Yes

570.202(c) Code enforcement – inspection for code violations and enforcement activities in deteriorated areas. These activities will be done in conjunction with public improvements, rehabilitation, or services to arrest the decline of the area. Yes

570.202(d) Historic preservation – the rehabilitation, preservation, or restoration of any property that has been designated as historic by the City of Portsmouth, Commonwealth of Virginia, or US Government or that has been determined eligible. Yes

570.202(e) Renovation of closed buildings – such as closed school buildings, for use as an eligible public facility or to rehabilitate such buildings for housing. Yes

570.202(f) Lead-based paint hazard evaluation and reduction – the identification and abatement of lead based paint hazards. Yes

570.203(a) Special Economic Development Activities – acquisition, construction, reconstruction, rehabilitation or installation of commercial or industrial buildings, structures, and other real property equipment and improvements, including railroad spurs or similar extensions. Yes

570.203(b) Special Economic Development Activities – assistance to for profit business, including grants, loans, loan guarantees, interest supplements, technical assistance, and other forms of support for any activity where the assistance is appropriate to carry out an economic development project excluding those described as ineligible in 570.207(a). Yes

570.203(c) Special Economic Development Activities – Economic development services in connection with activities eligible under this section, including outreach efforts to market available forms of assistance; screening of applicants, reviewing and underwriting applications for assistance; preparation of all necessary agreements; management of assisted activities, and the screening, referral, and placement of applicants for employment opportunities generated by CDBG eligible economic development activities, including the costs of providing necessary training for persons filling those positions. Yes

570.204 CBDO activities for otherwise ineligible activities – A Community Based Development Organization (CBDO) is an organization in which representation by neighborhood residents and property owners exists. A CBDO is focused on addressing the physical, economic, and social needs of a particular community through a neighborhood revitalization plan, a community economic development project, or energy conservation project. The components of a CBDO project might not otherwise be eligible but provide a comprehensive approach to revitalization. Yes

570.205 Planning – development of a neighborhood or city-wide plan for housing, economic development, historic preservation, capital improvements, transportation, utilities, environmental issues, recreation and parks, or comprehensive evaluation of issues. Planning funds may also be used to help undertake capacity building activities. Yes

570.206 Program administration – Reasonable administrative costs and carrying charges related to the planning and execution of community development activities assisted in whole or in part with funds provided under this part. Yes

Attachment D CDBG National Objectives

All CDBG eligible activities must meet a National Objective.

570.208(a) - Activities benefiting low- and moderate-income persons.

- (1) 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. Yes
- (2) Limited clientele activities. An activity which benefits a limited clientele, at least 51 percent of whom are low- or moderate-income persons. Yes
- (3) Housing activities. An eligible activity carried out for the purpose of providing or improving permanent residential structures which, upon completion, will be occupied by low- and moderate-income households. Yes
- (4) Job creation or retention activities. An activity designed to create or retain permanent jobs where at least 51% of the jobs, computed on a full time equivalent basis, involve the employment of low- and moderate-income persons. Yes

570.208(b) - Activities which aid in the prevention or elimination of slums or blight.

- (1) Activities to address slums or blight on an area basis. Yes
- (2) Activities to address slums or blight on a spot basis. Yes
- (3) Activities to address slums or blight in an urban renewal area. Yes

LOW- AND MODERATE-INCOME BENEFIT DOCUMENTATION

CDBG applications must document how the project will principally benefit low- and moderate-income (L/M) persons.

L/M is defined as income up to 80% of the area median income by household size. Attachment A lists the current L/M limits, as defined by HUD. HUD revises the L/M limits annually. It is the sub-recipient's responsibility to ensure the most recently available L/M limits are used.

Based on CDBG regulations, there are four categories for L/M benefit:

- 1. Area benefit activities**
- 2. Limited clientele**
- 3. L/M Housing**
- 4. L/M Job creation or retention**

The first and very important step is to clearly determine the boundaries of the proposed service area and the population to be served.

Will your project benefit all residents of a community, district, or service area?

Examples: sewer or water system improvements, community center construction, or fire station renovation.

→ If **YES**, then it is an Area Benefit activity. Follow the Area Benefit requirements below.

→ If **NO**, then follow the Direct Benefit requirements on the following pages.

If your project is close to the descriptions provided but you are still unsure whether it principally benefits L/M or if it is area benefit or direct benefit, contact Jeffrey Crimer at the Planning Department at 757-393-8836, ext. 4206 to discuss your proposal, confirm eligibility and determine specific documentation requirements.

Area Benefit Activities

To be CDBG eligible as an area benefit, you must document at least 51% of the residents in the service area are L/M persons. **It is important to clearly establish and document the proposed project's service area.** HUD allows two ways to document this area benefit: 1) Census data, 2) CDBG income survey.

When the service area is the Census Tract Block Group boundaries:

Attachment B lists the Census Tract (CT) Block Groups (BG) with 51% or greater L/M population. If the CT BG is not on the list, then an income survey must be conducted.

Required application documentation when using HUD's Census data:

- List the census tract/block groups for the service area and the L/M percentages from HUD's data;
- Provide a map of the service area demonstrating the correlation between the service area boundaries and the census boundaries.

When the service area is a portion of, overlaps, extends beyond or is not in the CT BG boundaries:

An income survey must be conducted. Contact Jeffrey Crimer at the Planning Department at 757-393-8836, ext. 4206 to discuss survey procedures.

Since some projects for smaller service areas can be considered as a benefit to the entire community or system, contact Jeffrey Crimer at the Planning Department at 757-393-8836, ext. 4206 to discuss the project before conducting an income survey.

Required application documentation when using Income Survey data:

- Complete the Income Survey Worksheet;
- Provide a sample of the survey tool, tallying the number of responses by household size;
- Submit a written description of the survey process, describing how the survey universe was defined and efforts to ensure randomness; and

Direct Benefit Activities

These activities directly target services to lower income persons or benefit a limited number or specific group of people as long as at least 51% of those served are L/M persons (rather than everyone in an area). An activity can provide a direct benefit in any of the following ways:

Limited Clientele

a. Exclusively benefit a clientele who are presumed by HUD to be principally L/M persons. These “presumed benefit” special groups include:

- | | | |
|---|--------------------|--|
| ➤ Abused children | ➤ Battered spouses | ➤ Illiterate persons |
| ➤ Elderly persons | ➤ Homeless persons | ➤ Migrant farmworkers |
| ➤ Severely disabled adults (meeting Census’ definition) | | ➤ Persons living with the disease AIDS |

If an activity is targeting persons belonging to one of the above HUD-defined special groups, it can be presumed, without requiring a survey or income verification, that the activity will be providing a 51% benefit to L/M persons. Using this special group presumed benefit **does not apply** to housing or job creation projects, which must meet the respective L/M Housing and LMI Jobs criteria.

OR

b. Information on family size and income is available and shows at least 51% of the activity’s clientele meet and will continue to meet the L/M income criteria. Not applicable to hospitals or other facilities open to the general public.

OR

c. Income eligibility requirements of the proposed program limit the activity to L/M persons only.

OR

d. Be of such nature and location that it may reasonably be concluded that the activity’s clientele will primarily be L/M persons.

Required application documentation for Limited Clientele activities:

- Describe how the project exclusively benefits a “presumed benefit” special group, or describe the process for income qualifying households that will result in the project principally benefiting L/M persons;
- Describe the process for income qualifying households,
- If an income standard other than L/M limits is used, show how the other income standard falls within the L/M limits;
- Breakdown the total number of persons to benefit by those at the very low (30%), low (50%) and moderate (80%) income levels.

L/M Housing

Require information on household income and residency of homeowners (or renters and affordable rent levels, if applicable) to establish eligible L/M households or

housing units. For multiple unit housing projects, over half of the units must benefit L/M households.

Required application documentation for Housing activities:

- Describe the process for income qualifying households and ensuring residency (See Attachment E, Low- and Moderate-Income Benefit Documentation).
- Breakdown the total number of households to benefit by those at the very low (30%), low (50%) and moderate (80%) income levels.

OR

L/M Jobs

Directly result in the creation or retention of jobs, at least 51 percent of which, on a full-time equivalent (FTE) basis, are documented as either *held by L/M persons* or *made available to L/M persons*.

Given the complexity of the CDBG requirements for job creation/retention projects, contact Jeffrey Crimer at the Planning Department at 757-393-8836, ext. 4206 for further guidance.

Required application documentation for Job Creation/Retention activities:

- Describe the recruitment and hiring process,
- Submit a Hiring Agreement with DUNS number from the employer.

Note the following special circumstances:

If a proposed project, such as a community center, will have some space available for all service area residents and also some space for programs benefiting just lower income persons, then your application must document that at least 51% of the service area population meets the L/M criteria OR the percentage of total project costs to be paid with CDBG funds is no more than the percentage of space for programs benefiting just low- and moderate-income persons.

Activities to Prevent or Eliminate Slum or Blight

If the primary purpose of your project is to prevent or eliminate slum or blight, AND the project does not principally benefit low- and moderate-income persons, the project may address slum and blight. Contact Jeffrey Crimer at the Planning Department at 757-393-8836, ext. 4206 to determine if your project is eligible as a Slum and Blight activity.

Criteria for Activities to Prevent or Eliminate Slums or Blight

Activities that address the prevention or elimination of slums or blight may be classified on:

- An Area Basis
- A Spot Basis
- An Urban Renewal Basis

Prevention or Elimination of Slums or Blight on an Area Basis

In order to qualify under the National Objective of slums/blight on an **Area Basis**, an activity must meet **all** of the following criteria:

- a. The area must be designated as a slum/blight area by the City and must meet the definition of a slum, blighted, deteriorated or deteriorating area under state or local law.

- b. A substantial number of deteriorated or deteriorating buildings or public improvements must be located throughout the area.
- c. Documentation must be maintained by the Sub-recipient on the boundaries of the area and the conditions which qualified the area under this objective at the time of designation.
- d. The activity must address one of the conditions which contributed to the deterioration of the area.

Potentially eligible activities include assistance to commercial or industrial businesses, public facilities and improvements, and code enforcement provided the assistance is designed to address one or more of the specific conditions which qualified the area.

Required application documentation for Slums or Blight on an Area Basis

- a. The date of designation of the area and its boundaries; **and**
- b. A description of the conditions which qualified the area at the time of its designation in sufficient detail to demonstrate how the area met the criteria for designation: **and**
- c. A description of the activity showing how it addressed a condition which led to the decline of the area. Each residential rehabilitation activity must also be supported by documentation that shows; **and**
 - How the building qualifies under the City's definition of substandard.
 - A pre-rehabilitation inspection report describing the deficiencies in each structure to be rehabilitated; **and**
 - Details and scope of the CDBG-assisted rehabilitation, by structure (including the information needed to show that any deficiencies making the building substandard were eliminated prior to less critical work being done.

Prevention or Elimination of Slums or Blight on a Spot Basis

In order to qualify under the National Objective of prevention or elimination of slums or blight on a **Spot Basis**, the activity must meet the following criteria:

- a. Be designed to eliminate specific conditions of blight or physical decay at a specific location not incorporated in a slum or blighted area; **and**
- b. Be limited to acquisition, clearance, relocation, historic preservation or building rehabilitation to eliminate specific conditions detrimental to public health and safety.

Potentially eligible activities under the objective to prevent or eliminate slums or blight on a Spot Basis include the removal of faulty wiring or falling plaster, historic preservation of a public facility, and demolition of a vacant, deteriorated, (non-historic) abandoned building.

Required application documentation for Slums or Blight on a Spot Basis

- a. A description of the specific condition of blight or physical decay treated; **and**
- b. A description of the assisted activity showing that it falls under one of the activity types that are eligible to be carried out under this sub-category. For rehabilitation of a building carried out as Slums or Blight on a Spot Basis, a description for each assisted structure showing the specific conditions that posed a threat to public health and safety, and details of the scope of CDBG-assisted rehabilitation, indicating that it was limited to addressing a specific condition that posed such a threat.

Elimination of Slums or Blight in an Urban Renewal Area

This category is intended to permit the redevelopment of areas in which activities were begun under funds received under the Federal Urban Renewal program (replaced by the CDBG Program).

Required application documentation for Slums or Blight in an Urban Renewal Area

- a. A copy of the Urban Renewal Plan, including maps and supporting documentation, as in effect at the time of close-out of Federal financial assistance under the Housing Act of 1949, or financial settlement under Section 112 of the HCD Act; **and**
- b. A description of the assisted activity showing how it was needed to complete the plan for the area.

Attachment E **5-Year Consolidated Plan 2014 to 2018 Priorities**

- Affordable Housing – assistance with rehabilitation for existing owners focusing on rehab for all low income elderly owners and emergency rehab for very-low income owners; expansion of ownership for low income working households (generally households at or above 60% of AMI with modest other debt); support for extremely low- and very-low income renters at-risk of homelessness, homeless persons, and special needs populations with rental housing; assistance with homeless prevention and rapid re-housing. The City will also consider neighborhood targeted housing rehab for all low income owners and renters in support of a City initiated strategic neighborhood revitalization plan.
- Community Development – improvement and expansion of infrastructure and public facilities serving low – mod areas and demolition of vacant blighted structures. Focus is activities that support neighborhood sustainability including walkability and alternative modes of transportation, parks, recreation and open space, beautification, historic character and preservation, public health and safety (including but not limited to streets, sewer, water, lighting, drainage, eligible equipment), elimination of blight, and ADA compliance. Community development improvements should be coordinated in a comprehensive manner. Also support for facilities serving persons with special needs to move toward and maintain self-sufficiency.
- Public services – support for moving toward self-sufficiency including but not limited to youth, elderly, disabled services, and services for persons at-risk of homelessness, and homeless persons including employment services. Funded public services should not duplicate other services available in the community.
- Economic Development - improvements to business districts and economic centers and job creation and retention growing the City’s economy furthering the objective of neighborhood sustainability.
- Administration and planning in addition to fair housing advocacy, education, and compliance.

While property acquisition is an eligible use of CDBG and HOME funds, the City will not acquire land for the purposes of land banking, which is not an eligible use of funds. The City will only consider use of funds for property acquisition on a strategic basis addressing a priority in support of a project that is ready to be implemented and can be completed meeting a national objective or providing housing for low income households within no more than 18 months from acquisition. Acquisition to support elimination of slum and blight is a high priority but will only be considered based on documentation of slum and blight.

Priority Needs Summary

1	Priority Need Name	AH1 - Affordable Housing (owners)
	Priority Level	High
	Population	Extremely Low Low Moderate Large Families Families with Children Elderly Elderly
	Geographic Areas Affected	City-wide
	Associated Goals	AH1 - Affordable Housing (owners)
	Description	Assistance to existing owners.
	Basis for Relative Priority	Cost burdened owners, older housing stock in need of maintenance, support neighborhood sustainability.
	2	Priority Need Name
Priority Level		High
Population		Moderate Large Families Families with Children Public Housing Residents
Geographic Areas Affected		City-wide
Associated Goals		AH2 - Affordable Housing (owner)
Description		Increase ownership.
3	Priority Need Name	AH3 - Affordable Housing (renters)
	Priority Level	High
	Population	Extremely Low Low Large Families Families with Children Elderly Chronic Homelessness Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Persons with HIV/AIDS Victims of Domestic Violence Unaccompanied Youth Frail Elderly Persons with Mental Disabilities Persons with Physical Disabilities Persons with Developmental Disabilities Persons with Alcohol or Other Addictions Persons with HIV/AIDS and their Families Victims of Domestic Violence
	Geographic Areas Affected	City-wide
	Associated Goals	AH3 - Affordable Housing (renters)
	Description	Support for decent affordable rental housing.
	Basis for Relative Priority	High incidence of cost burden among extremely low income households including homeless, non-homeless special needs, older housing stock, support neighborhood sustainability.
4	Priority Need Name	INF - Infrastructure Improvements
	Priority Level	High
	Population	Non-housing Community Development

Geographic Areas Affected	City-wide
Associated Goals	INF - Infrastructure Improvements
Description	Construct, reconstruct infrastructure in support of neighborhood sustainability.
Basis for Relative Priority	Older infrastructure in need of replacement, reconstruction in support of neighborhood sustainability.
5 Priority Need Name	PF - Public Facility Improvements
Priority Level	High
Population	Extremely Low Low Moderate Non-housing Community Development
Geographic Areas Affected	City-wide
Associated Goals	PF - Public Facility Improvements
Description	Construct, reconstruct public facilities in support of neighborhood sustainability.
Basis for Relative Priority	Older public facilities in need of construction, reconstruction to support neighborhood sustainability.
6 Priority Need Name	PS - Public Services
Priority Level	High
Population	Extremely Low Low Moderate Chronic Homelessness Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Persons with HIV/AIDS Victims of Domestic Violence Unaccompanied Youth Elderly Frail Elderly Persons with Mental Disabilities Persons with Physical Disabilities Persons with Developmental Disabilities Persons with Alcohol or Other Addictions Persons with HIV/AIDS and their Families Victims of Domestic Violence Non-housing Community Development
Geographic Areas Affected	City-wide
Associated Goals	PS - Public Services
Description	Services in support with moving towards self-sufficiency
Basis for Relative Priority	Need for services to support moving toward self-sufficiency.
7 Priority Need Name	EcD - Economic Development
Priority Level	High
Population	Extremely Low Low Moderate Non-housing Community Development
Geographic Areas Affected	City-wide
Associated Goals	EcD - Economic Development
Description	Support for creation and retention of jobs in support of sustainability.
Basis for Relative Priority	Need for economic development opportunities to raise income levels through jobs that offer career advancement and income growth.
8 Priority Need Name	AD - Administration
Priority Level	Low

Population	Other
Geographic Areas Affected	
Associated Goals	AD - Administration
Description	Support for payment of City's CPD planning and admin including direct and indirect costs.
Basis for Relative Priority	Need for planning and admin in support of City's CPD program.

Attachment F Example of Outcome Measures

Organization Name: XYZ, Inc.

Program Name: Transitional Housing Program Example

Provided below are sample outcomes for a transitional housing program. Please use this format when attaching additional outcomes to the project timeline. If you have any questions, please do not hesitate to contact the Planning Department at 757-393-8836, ext. 4206.

FY 2011 MEASUREABLE OUTCOME FORMAT

Common Outcome 1: Increased income per client.
Indicator: Compare income at entry and after 3 months in program.
Target: 75% of clients will increase income within 3 months of program entry.
Data Source: Check stubs.
Data Collection Method: Clients must submit funds to case manager within 5 days of receiving checks; case managers report to director on a quarterly basis.

Common Outcome 2: Increased employment
Indicator: The number of residents employed at entry compared with the number employed after 90 days in the program.
Target: 75% of clients will be employed within 90 days of entering program.
Data Source: Employers (paycheck, correspondence)
Data Collection Method: Case managers verify employment through paycheck or contact with supervisor.

Common Outcome 3: Increased time clean from drugs and alcohol.
Indicator: The number of months clean for each client and average for all clients.
Target: 87% of clients in recovery will increase their clean time.
Data Source: Drug and alcohol tests.
Data Collection Method: Case managers will conduct random drug and alcohol tests on all clients.

Common Outcome 4: Obtain permanent housing.
Indicator: The number of clients moving from XYZ to permanent housing.
Target: 61.5% of those leaving XYZ will move into permanent housing when leaving the program.
Data Source: Leases or other housing agreements.
Data Collection Method: Case managers will document living arrangements when clients leave XYZ.