



Community Development

Block Grant

Fiscal Year 2025 – 2026

APPLICATION GUIDE

Clark County Community Housing Office

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Background Information

The Community Development Block Grant (CDBG) Entitlement Program provides annual U.S. Department of Housing and Urban Development (HUD) grants on a formula basis to entitlement cities and counties to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, primarily for low and moderate-income persons. The program is authorized under Title I of the Housing and Community Development (HUD) Act of 1974.

Clark County is an entitlement jurisdiction which receives approximately \$8.5 million annually from HUD in CDBG funding. The County's CDBG program serves the unincorporated areas of Clark County and the participating Cities of Mesquite and Boulder City. Funds are allocated between the two CDBG participating cities and the unincorporated areas based on a HUD formula that considers population size, income, and other factors. The participating cities, in turn, allocate funding through their own award processes.

Clark County uses a competitive application process to make CDBG funds available to <u>eligible applicants</u> in the form of grants. This program is managed by Clark County's Community Housing Office (CHO).

CDBG funds may be used for a variety of activities that support low- and moderateincome communities. These activities include, but are not limited to, acquisition of property, construction or rehabilitation of public facilities or infrastructure, economic development and job creation/retention, and a limited range of public services. Note that affordable housing acquisition and new construction is generally ineligible with CDBG funds.

Each activity must meet one of the following HUD national objectives:

- Benefit low- and moderate-income persons,
- Prevention or elimination of slums or blight, or
- Meet an urgent community need.

For additional resources including HUD program requirements, regulations, and reporting visit:

- <u>Playing by the Rules: A Handbook for CDBG Subrecipients on Administrative</u> <u>Systems (hudexchange.info)</u>
- Code of Federal Regulations for HUD Programs
- <u>Code of Federal Regulations for CDBG</u>

Technical Assistance

Technical assistance will be provided to applicants through a workshop. Further one-onone support may be provided as requested. Please contact <u>Kent Golangco</u> or <u>Andy Moll</u> to schedule one-on-one assistance.

CDBG Application Technical Assistance Workshop (Virtual): January 7, 2025 (Afternoon; Exact time TBD)

One-on-one Technical Support (Virtual): January 8, 2025, to February 5, 2025

Project Eligibility and Program Requirements

Overview

CDBG subrecipients share a joint responsibility with the County to ensure all federal requirements are met. Some CDBG requirements may extend years beyond completion of the project.

CDBG awardees must adhere to all federal guidelines and administrative requirements outlined in <u>2 CFR part 200</u> and <u>24 CFR part 570</u>. 2 CFR part 200 is the primary source for guidance on administration and financial management. Whereas 24 CFR part 570 outlines all CDBG program specific regulations. These regulations and requirements are also applicable to all subawards or sub-contracts. Successful CDBG awardees must reflect the capacity to achieve all program requirements including, but not limited to, compliance, monitoring, reporting, and financial management. Applications must also meet the eligibility requirements set by HUD. Below is a summary of the eligibility and program requirements to consider, prior to completing a CDBG application.

Additionally, please note that the CDBG program operates on a cost reimbursement basis. Subrecipients must have financial resources to pay for project costs up front.

National Objectives

All projects are required to meet and measure impact for at least one of the following <u>national objectives</u>:

- 1. <u>Primarily benefit low- to moderate-income persons or households</u>. Low- to moderate-income (LMI) refers to those earning less than 80% area median income. This is the most common qualifier.
 - a. <u>Limited clientele activities</u> A limited clientele (LMC) activity benefits a specific sector of the community rather than all the residents in a particular area, of which at least 51% must be LMI persons. To qualify for this category, the activity must meet one of the following criteria:
 - i. Collect information from all participants about family size and income through intake forms to demonstrate that at least 51% of clientele do not exceed the LMI limits.
 - ii. Exclusively benefit clientele HUD has presumed are principally LMI: abused and neglected children, seniors, severely disabled adults, persons experiencing homelessness, domestic violence survivors, illiterate adults, persons living with HIV/AIDS, or migrant farm workers.
 - b. <u>Low/Moderate Area benefit activities</u> A low-moderate area (LMA) benefit activity must demonstrate that at least 51% of the service population are low-moderate income persons. Projects that serve the public or a community, such as a street improvement or park, must demonstrate that the surrounding area beneficiaries are income eligible. (Tool: <u>LMI Census Tracts Map</u>). Please note this tool covers all LMI Census tracts in the region, including areas outside the County's CDBG jurisdiction. This application is only for the unincorporated areas of Clark County.
- 2. <u>Aid in the elimination of slum or blight conditions</u>. HUD has strict guidelines on how CDBG funds can address the condition of physical decay or deterioration in communities through targeted interventions.
- 3. <u>Meet an urgent community need</u>. This addresses community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community. Generally, this objective is only used in the case of recent serious natural disasters (e.g., earthquake, flooding, etc.).

Eligible Populations

CDBG primarily serves LMI individuals and households. At least 51% of project beneficiaries must have incomes at or below 80% of the Area Median Income (AMI). In other words, CDBG projects must serve low- and moderate-income people. Income limits for 2024 are shown below and updated annually by HUD.

80% of HUD Regional Family Median Income Limits for Clark County Effective April 1 st , 2024								
Income Limits are Adjusted for Family Size								
Family Size	1	2	3	4	5	6	7	8
CDBG Income Limit	\$53,350	\$60,950	\$68,550	\$76,150	\$82,250	\$88,350	\$94,450	\$100,550

Eligible Locations

The County's CDBG program serves the unincorporated areas of Clark County and the participating cities of Mesquite and Boulder. **This application is intended for projects that serve the County unincorporated areas.** Please note the participating cities have their own application and award processes. The City Council of each participating city identifies projects to recommend to the Board of Supervisors for their respective CDBG allocation.

The following map reflects the Clark County CDBG eligible jurisdictions.



Eligible Activities

Eligible activities under CDBG federal standards include community development, public and social services, planning activities, economic development, and housing activities.

Eligible activities include:

- Acquisition of Real Property
- Relocation and Demolition
- Rehabilitation of Residential and Non-residential Structures
- Public Facilities Construction and Improvements
- Public Services (public services can't exceed 15% of the annual grant allocation)
- Energy Conservation
- Economic Development/ Job Creation and Retention

A full description of eligible activities can be found on <u>HUD's website</u>.

Ineligible Activities

Activities **not eligible** for CDBG funding include political or religious activities, general government activities, direct income payments to clients, new housing construction, maintenance, repairs, or equipment purchases.

A full description of ineligible activities can be found under 24 CFR 570.207.

Project Goals

All projects must be CDBG-eligible activities and align with the 2025-2029 Consolidated Plan and Clark County's goals by serving a public benefit and addressing the needs of the community. These initiatives aim to improve the quality of life for residents, particularly those from low- and moderate-income households. By focusing on local priorities including essential public services, economic growth, and creating opportunities that enhance community well-being and prosperity.

The proposed 2025-2029 Consolidated Plan Goals are currently in draft form until adopted by Clark County's Board of Commissioners and will be presented to the Board during the May 22, 2025, public hearing.

Eligible Applicants

All CDBG projects must be implemented by an agency consistent with the requirements under <u>24 CFR 570.200</u>. Applicants must be eligible to do business with the Federal government, the State of Nevada, and Clark County. Applications submitted by nonprofit organizations must be submitted by an authorized representative, as authorized by the organization's governing board.

Project Implementation

All CDBG projects must be completed within a period not exceeding 12 months, specifically from July 1, 2025, to June 30, 2026. Subrecipients are required to ensure that CDBG funds are utilized solely for reasonable, allowable, and allocable expenses. This necessitates that all expenditures comply with the regulations sets forth in <u>2 CFR 200.402</u>.

Recordkeeping

CDBG subrecipients must establish and maintain documentation for all administrative functions and financial transactions related to funded proposals. These items include, but are not limited to, program guidelines, beneficiary data, original invoices, contracts, receipts, and bank statements.

Monitoring of Outcomes

Clark County aims to continuously improve CDBG program outcomes by ensuring efficient and effective use of resources and assessing how funds are benefiting the greater community beyond the project's implementation.

The County has identified three data elements that subrecipients will be required to report on during the lifetime of their contract:

- Activities: Refers to a specific task, action, or intervention to achieve a desired goal/outcome. (e.g. provide case management services to homeless residents)
- **Outputs:** The direct measurable results produced by the program activities (e.g. number of LMI participants served, 200 homeless residents received case management services, etc.)
- **Outcomes:** Impact and/or benefits for participants because of program activities and outputs. Outcomes should be specific, measurable, achievable, realistic, and time specific (SMART). (e.g. 80% homeless residents receiving case management services found temporary or permanent housing within 6 months)

Successful applicants will be required to develop these outcomes and report on them as a part of their Quarterly Progress Reports (QPRs).

Additional Implementation Requirements

Below are additional federal regulations that may be applicable to your CDBG project:

Environmental Review – All projects awarded CDBG funds are subject to a <u>Part 58</u> <u>Environmental Review</u> conducted by Clark County after a project is recommended for funding. Projects may be subject to a <u>NEPA</u> review, depending on their scope and activities. A project **may not begin** until final environmental review is complete and a Notice to Proceed is issued.

Audit – Agencies receiving CDBG funds are required to submit an independent audit or an A133 single audit.

 Agencies expending less than \$1,000,000 of federal funds annually must submit an independent audit of their organization's financial statements.
Any agency expending \$1,000,000 or more of federal funds must meet all federal single audit requirements as outlined in <u>2 CFR Part 200</u>. A single audit includes a financial audit and an audit of compliance with federal regulations.

Approaches to Procurement – Depending on the scarcity of the item or service desired, and the size of the purchase, different methods of procurement are required for use by subrecipients under the <u>Federal</u> and <u>County</u> regulations.

Davis-Bacon Federal Labor Standards – Any project that involves construction, rehabilitation, alteration, or repair costing 2,000 or more is subject to Davis-Bacon Labor Standards. Full requirements are outlined within the <u>U.S. Department of Labor</u>.

Section 3 – CDBG construction and rehabilitation projects may trigger <u>Section 3</u> requirements. Section 3 requires that economic opportunities and training be extended to low- and very low-income persons, such as Public Housing or Section 8 residents.

Build America, Buy America (BABA) - Enacted in 2021, <u>BABA</u> is applicable to infrastructure projects. The purpose of BABA is to strengthen domestic manufacturing by requiring all construction materials used in federally funded projects be produced in the United States.

Change of Use Restrictions – All projects funded with Clark County CDBG must be used for their approved purpose and meet the approved national objective for, a minimum of five (5) years following the execution of the Resolution and five (5) following project completion.

Additional information on CDBG project eligibility, program monitoring, reporting and requirements, may be found in HUD's <u>Playing by the Rules: A Handbook for CDBG</u> <u>Subrecipients.</u>

CDBG Application Process

Timeline

The FY 2025-2026 CDBG Application timeline is as follows:

January 2, 2025	CDBG Application period starts; Invitations and instructions released			
January 7, 2025	Technical Assistance Workshop for Applicants			
January 8 – February 5, 2025	One-on-one technical assistance, if needed			
February 7, 2025 (5:00PM)	Deadline for submission of CDBG applications			
February 10 - 13, 2025	CDBG Staff performs threshold review of applications			
February 18, 2025	Presentation of applications to the Citizens' Development Advisory Committee (CDAC)			
February 19 – March 3, 2025	Assessment of applications by CDAC			
March 4, 2025	Completion of application assessments and decision on recommendations to Board of County Commissioners (BCC)			
April 1, 2025	BCC Meeting to conduct public hearing and consider CDAC- recommended allocations			

Application Instructions

CDBG applications and supportive documents are available online on our Clark County Community Housing Office website:

- <u>Clark County website</u>
- ZoomGrants Application

CDBG Application Proposals and supporting documentation are due by 5:00pm on February 7, 2025.

All supporting documents must be uploaded directly to ZoomGrants. <u>Applications</u> with incomplete support documentation will not be considered.

CDBG Application- Required Section Instructions

The CDBG application must be carefully reviewed, and all sections must be completed. Each section is essential for the application to be considered for further evaluation.

Application Evaluation and Review Process

Each application received by Clark County will first be reviewed by staff to determine whether minimum application submission requirements have been satisfied. Qualifying applications will then be reviewed, scored, and submitted for preliminary underwriting. Applications will also be reviewed by the County's Community Development Advisory Committee and will be subject to final approval by the Board of County Commissioners. During the application review process applicants may be asked for additional information and may be asked to provide an oral presentation.

Any activities approved through the CDBG application process will be implemented pursuant to the regulations of the CDBG Program at 24 CFR Part 570, as well as the Clark County Program Guidelines.

Applications will be evaluated based on the following factors:

Agency/Organization General Information

- Agency/Organization Experience
- Financial Capacity
- History of Awarded Funds

Proposed Project Background Information

- Site Control
- CDBG-Eligible Census Tract & Population Served
- Benefit Cost Ratio
- Project Timeline
- Project Readiness
- Sustainability

Completion of Application and Documentation

• All required questions and documents fully completed and submitted

Project Narrative/Quality

- Community Need
- Community Impact
- Project Alignment
- Stakeholder Collaboration
- Financial Feasibility Form

APPENDICES

ITEM A. Application Submission Checklist

Applicants must submit copies of all required attachments as **Adobe.pdf format** with the application. Each Attachment must be identified, labeled, or marked on the top right corner of the document. Required attached documents include:

Attachment A

<u>Business license or registration verification</u>: Applicant must meet the County business license or registration verification requirements and must provide a copy of their current license or registration certificate. (Required)

Attachment B

<u>Documentation of non-profit status</u>: Non-profit applicants must provide proof of current 501(c) (3) or (4) status. The documentation required is a copy of the letter from the Internal Revenue Service (IRS) stating the organization's non-profit status at the time the application is submitted. No applications with pending non-profit status will be accepted.

Attachment C

<u>Financial Statement/Single Audit-OMB Circular A-133</u>). Applicant must submit a copy of the agency's most recent financial statement prepared by a Certified Public Accountant. (Required)

Attachment D

<u>Organizational Chart</u>: Applicant must submit a chart depicting or describing the employees of the organization by name, title, and delegation of authority in relation to the proposed project/program. This should indicate which positions will implement the proposed program/project. (Required)

Attachment E

<u>Site Plan and Architectural Renderings.</u> Applicant must upload all final plans and renderings including total projected costs in PDF format. (Required for Construction, Rehabilitation, or Acquisition)

Attachment F

<u>Board of Directors</u>: Applicant must include a list of all persons serving on the Board of Directors with addresses. (Required – template provided)

Attachment G

<u>Financial Plan</u>: Applicant established within the past three years, must include a financial plan demonstrating ongoing agency support.

Attachment H

<u>Nevada Secretary of State Receipt of Good Standing</u>: Applicant must show proof of current good standing with the Nevada Secretary of State's Office. You may submit either a printout from the Secretary of State's website or a copy of a current year receipt. (Required)

Attachment I

<u>Licenses or permits</u>: Applicant must submit a copy or copies of any architectural or engineering licenses or permits from organization performing A & E services for the proposed project. Include any completed A & E work for project.

Attachment J

<u>Financial Feasibility:</u> Applicant must complete Financial Feasibility Form to assess the proposed projects' financial viability. (Required - template provided)

Attachment K

Evidence of proper zoning and site/property control: Applicant must submit a letter or other evidence from the appropriate County or City Planning and Zoning Department to verify proper zoning and proposed use is permitted and site control. Documentation of site control must be attached to the application. An application which does not provide evidence of one of the following options for site control may be subject to being withdrawn from the application process. (Required for construction, rehabilitation, or acquisition)

• <u>Deed of Trust</u> - the agency already has title to the property. Construction or rehabilitation on the property cannot begin until a contract has been fully executed, an environmental review successfully completed, and a Notice to Proceed issued. Copy of parcel records from Clark County Assessor's Office is acceptable.

• <u>Executed Purchase</u> - the agency has signed a purchase with the seller contingent upon receipt of CDBG award and an environmental review being successfully completed.

• <u>Option to Purchase</u> - the agency has signed an Option to Purchase with the seller contingent upon receipt of CDBG award and a successful environmental review. The Option to Purchase should be converted into a Purchase Contract no later than 90 days after County approval of funds. Provide evidence of site control.

Attachment L

<u>Environmental Review</u>: Applicant must complete Environmental Review Form to assess environmental impacts of proposed project. (Required – template provided)

Attachment M

<u>Additional Funding Sources</u>: Applicant must identify any additional funding sources used to fund the proposed project. (Required – template provided)

Attachment N

<u>Appraisal(s) or comparable</u>: Applicant must submit a statement indicating the current appraised value of the proposed acquisition site within the past year from a licensed real estate agent. CDBG funds will only reimburse up to an approved appraised amount as determined within six months of sale. (Required for acquisition)

Attachment O

Ownership Disclosure Form: Applicant must submit a signed Ownership

Disclosure Form. (Required - template provided)

Attachment P

<u>Conflict of Interest</u>: Applicant must upload a signed and dated conflict of interest certificate. (Required - template provided)

Attachment Q

<u>Certification of proposal</u>: Applicant must upload a signed and dated certificate of proposal verifying its accuracy and intent. (Required – template provided)