Ohio | Department of Development

FY 2012 Community Development Block Grant Residential Public Infrastructure Grant Program

Application Instructions

Prepared By:
Community Services Division
Office of Community Development

Funding applications may be submitted beginning on June 15, 2012. Applications **MUST** be submitted as an attachment to an e-mail directed to ohcp@development.ohio.gov. In addition to submitting the application electronically, the applicant must submit the following documents with original signatures via the regular mail: General Information, Applicant/Recipient Disclosure/Update Report and Environmental Review Documentation and Certification Form. An application will be considered received for review by the Office of Community Development (OCD) when the executed copies of the above-listed documents are received by OCD. The state will review the application and provide the applicant with a written status report within four weeks of submission. If an applicant cannot submit an application electronically, the applicant must contact OCD for assistance.

John R. Kasich, Governor of Ohio
Christiane Schmenk, Director
Ohio Department of Development

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❖ APPLICANT/RECIPIENT DISCLOSURE/UPDATE REPORT

Overview

A. Coverage: You must complete this report if:

(1) You are applying for assistance from HUD for a specific project or activity **and** you have received, or expect to receive, assistance from HUD in excess of $200,000 during the during the fiscal year;

(2) You are updating a prior report as discussed below; or

(3) You are submitting an application for assistance to an entity other than HUD, a state or local government if the application is required by statute or regulation to be submitted to HUD for approval or for any other purpose.

B. Update reports (filed by "Recipients" of HUD Assistance): General. All recipients of covered assistance must submit update reports to the Department to reflect substantial changes to the initial applicant disclosure reports.

Line-by-Line Instructions

Applicant/Recipient Information

All applicants for HUD competitive assistance must complete the information required in blocks 1-5 of the Applicant/Recipient Disclosure/Update Report:

1. Enter the full name, address, city, state, zip code, and telephone number (including area code) of the applicant/recipient. Where the applicant/recipient is an individual, the last name, first name, and middle initial must be entered.

2. Entry of the applicant/recipient's SSN or EIN, as appropriate, is optional.

3. Applicants enter the HUD program name under which the assistance is being requested.

4. Applicants enter the amount of HUD assistance that is being requested. Recipients enter the amount of HUD assistance that has been provided and to which the update report relates. The amounts are those stated in the application or award documentation. NOTE: In the case of assistance that is provided pursuant to contract over a period of time (such as project-based assistance under Section 8 of the United States Housing Act of 1937), the amount of assistance to be reported includes all amounts that are to be provided over the term of the contract, irrespective of when they are to be received.

5. Applicants enter the name and full address of the project or activity for which the HUD assistance is sought. Recipients enter the name and full address of the HUD-assisted project or activity to which the update report relates. The most appropriate government identifying number must be used (e.g., RFP No.; IFB No.; Grant Announcement No.; or Contract, Grant, or Loan No.) Include prefixes.

Part I. Threshold Determinations - Applicants Only

Part I contains information to help the applicant determine whether the remainder of the form must be completed. **Recipients filing Update Reports should not complete this Part.**

If the answer to ***either*** question 1 or 2 is No, the applicant need not complete Parts II and III of the report, but must sign the certification at the end of the form.

Part II. Other Government Assistance and Expected Sources and Uses of Funds.

A. Other Government Assistance. This Part is to be completed by both applicants and recipients for assistance and recipients filing update reports. Applicants and recipients must report any other government assistance involved in the project or activity for which assistance is sought. Applicants and recipients must report any other government assistance involved in the project or activity. Other government assistance is defined in note 4 on the last page. For purposes of this definition, other government assistance is expected to be made available if, based on an assessment of all the circumstances involved, there are reasonable grounds to anticipate that the assistance will be forthcoming.

   Both applicant and recipient disclosures must include all other government assistance involved with the HUD assistance, as well as any other government assistance that was made available before the request, but that has continuing vitality at the time of the request. Examples of this latter category include tax credits that provide for a number of years of tax benefits, and grant assistance that continues to benefit the project at the time of the assistance request.

The following information must be provided:

1. Enter the name and address, city, state, and zip code of the government agency making the assistance available.

2. State the type of other government assistance (e.g., loan, grant, loan insurance).

3. Enter the dollar amount of the other government assistance that is, or is expected to be, made available with respect to the project or activities for which the HUD assistance is sought (applicants) or has been provided (recipients).

4. Uses of funds. Each reportable use of funds must clearly identify the purpose to which they are to be put. Reasonable aggregations may be used, such as "total structure" to include a number of structural costs, such as roof, elevators, exterior masonry, etc.

B. Non-Government Assistance. Note that the applicant and recipient disclosure report must specify all expected sources and uses of funds - both from HUD ***and any other source*** - that have been or are to be, made available for the project or activity. Non-government sources of funds typically include (but are not limited to) foundations and private contributors.

Part III. Interested Parties

This Part is to be completed by both applicants and recipients filing update reports. Applicants must provide information on:

1. All developers, contractors, or consultants involved in the application for the assistance or in the planning, development, or implementation of the project or activity and

2. Any other person who has a financial interest in the project or activity for which the assistance is sought that exceeds $50,000 or 10 percent of the assistance (whichever is lower).

Note: A financial interest means any financial involvement in the project or activity, including (but not limited to) situations in which an individual or entity has an equity interest in the project or activity, shares in any profit on resale or any distribution of surplus cash or other assets of the project or activity, or receives compensation for any goods or services provided in connection with the project or activity. Residency of an individual in housing for which assistance is being sought is not, by itself, considered a covered financial interest.

The information required below must be provided.

1. Enter the full names and addresses. If the person is an entity, the listing must include the full name and address of the entity as well as the CEO. Please list all names alphabetically.

2. Entry of the Social Security Number (SSN) or Employee Identification Number (EIN), as appropriate, for each person listed is optional.

3. Enter the type of participation in the project or activity for each person listed: i.e., the person's specific role in the project (e.g., contractor, consultant, planner, investor).

4. Enter the financial interest in the project or activity for each person listed. The interest must be expressed both as a dollar amount and as a percentage of the amount of the HUD assistance involved.

Note: If any of the source/use information required by this report has been provided elsewhere in this application package, the applicant need not repeat the information, but need only refer to the form and location to incorporate it into this report. If this report requires information beyond that provided elsewhere in the application package, the applicant must include in this report all the additional information required. Recipients must submit an update report for any change in previously disclosed sources and uses of funds as provided in Section I.D.5., above.

Notes:

1. All citations are to 24 CFR Part 4, which was published in the Federal Register. [April 1, 1996, at 63 Fed. Reg. 14448.]

2. Assistance means any contract, grant, loan, cooperative agreement, or other form of assistance, including the insurance or guarantee of a loan or mortgage that is provided with respect to a specific project or activity under a program administered by the Department. The term does not include contracts, such as procurements contracts, that are subject to the Fed. Acquisition Regulation (FAR) (48 CFR Chapter 1).

3. See 24 CFR §4.9 for detailed guidance on how the threshold is calculated.

4. "Other government assistance" is defined to include any loan, grant, guarantee, insurance, payment, rebate, subsidy, credit, tax benefit, or any other form of direct or indirect assistance from the Federal government (other than that requested from HUD in the application), a State, or a unit of general local government, or any agency or instrumentality thereof, that is, or is expected to be made, available with respect to the project or activities for which the assistance is sought.

5. For the purpose of this form and 24 CFR Part 4, "person" means an individual (including a consultant, lobbyist, or lawyer); corporation; company; association; authority; firm; partnership; society; state, unit of general local government, or other government entity, or agency thereof (including a public housing agency); Indian tribe; and any other organization or group of people.

❖ GENERAL INFORMATION

Grant Request

Enter the amount of CDBG Water and Sanitary Sewer Program funds requested. Round the grant request to the nearest $100.

Administering Agency

Provide the name of the contact person, his/her title, name of his/her agency, the agency's mailing address, the telephone number, the FAX number, and email address where the program administrator can be reached.

Legal Applicant/Recipient

Provide the full name of the legal applicant (county, city or village), community's mailing address, county of jurisdiction, and the name, title, telephone number, FAX number, email address of the chief executive official (CEO), DUNS number, and federal tax identification number.

Application Preparation

Provide the name of the person who prepared the application, his/her agency, the agency's mailing address, the telephone, FAX number, and email address where this person may be reached.

Ordinance/Resolution

Provide the ordinance/resolution number of the legislative action taken authoring the submission of this application. Attach a copy of the legislation as **Exhibit 12.**

Legal Applicant/Recipient Certification

The certifying representative must execute the General Information page and submit the original to OCD.

Anti-Displacement and Relocation Assistance Plan

Provide the community's anti-displacement and relocation assistance plan legislation number and effective date. If a community has not previously submitted an anti-displacement plan to the Office of Community Development (OCD), attach a copy of the community's anti-displacement and relocation assistance plan legislation to the application as **Exhibit 10**.

❖ ACQUISITION, RELOCATION AND DEMOLITION QUESTIONNAIRE INSTRUCTIONS

Fill in the shaded box with the appropriate response; Yes, No, or NA.

Example:

Acquisition	**Yes**	Permanent Easement	**NA**	Vacant Land	**Yes**	Land and Building	**No**

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❖ BUDGET SUMMARY

Column A **Jurisdiction/Project Location**: Enter the name of the jurisdiction and the project location. (Examples: West State Street, Some County, That Village, Hillside Development Area, etc.)

Column B **Activity Name**: Enter the activity name, if not already provided. Use the title of the eligible activity from the Complete List of All Activities with Their Outcome Measurement. (See http://www.development.ohio.gov/community/ohcp/cata.htm).

Column C **Total Cost**: Enter the total cost of carrying out this activity. Add Columns (d) and (e).

Note: CDBG must be rounded to the nearest hundred.

Column D **CDBG Amount:** Enter the amount of CDBG Residential Public Infrastructure Grant Program funds requested.

Column E **Other Funds:** Enter the amount of funds, other than CDBG Residential Public Infrastructure Grant Program funds that are necessary to complete the proposed activity.

Column F **Source**: Identify the name of the source(s) of the other funds. Use a separate line for each source. Use the title of the source from the list located in the Ohio Small Cities CDBG Policy Book; Determining Eligibility, Abbreviated List of Sources of Other Funds (p. 2-36).

Column G **Activity Outcome**: Use the title of the outcome measurements from the Complete List of All Activities with Their Outcome Measurement found at: http://www.development.ohio.gov/community/ohcp/data.htm. Enter the quantified outcome before each title. (Example: 100 linear feet; 20 buildings rehabbed; 7 catch basins installed; etc.).

Column H **Number of Households in the Service Area and the LMI Percentages:** This column must be completed for all activities.

Enter the total number of households in the service area.

Enter the low- and moderate-income (LMI) percentage (either determined by Census or Survey) of the service area.

Row I **Subtotal**: Add Columns (d) and (e) separately, and enter the totals at (c).

Row J **General Administration**: Enter the amount of CDBG Residential Public Infrastructure Grant Program funds to be utilized for administration in Row (j). This amount cannot exceed five percent of the total grant request or $10,000, whichever is less.

Note: CDBG funds may not be spent on the salaries of elected officials.

Row K **Total**: Add Columns (c), (d) and (e) and enter the totals at Row (k).

❖ INFORMATION PROFILE

State Representative

Enter the name of the state representative for the project service area.

State House District Number

Enter the state house district number for the service area's representative.

State Senator

Enter the name of the state senator for the project service area.

State Senate District Number

Enter the state senate district number for the service area's senator.

Project Funding Source, Amount, Rate, Term and Commitment

Identify the sources of project funds, the level of funding, the rate and term of loans, and the status of the commitment of these funds.

Low- and Moderate-Income Percentage

Enter the low-and moderate-income percentage of the project service area.

Census Tract

Enter the census tract number(s) where the project will be located.

Median Household Income

Enter the median household income (2000) for the project service area. For a project located in a city or village, use the median household income figure for the city or village. For projects located in unincorporated areas, enter the median household income figure for the township where the project will be located.

Block Group

Enter the block group number where the project will be located.

Number of Connections

Enter the number of residential, commercial and industrial connections in the project service area. Institutional users, such as schools and government buildings, should be included under commercial connections.

User Fees

Enter the current and projected water and sewer fees for the service area. The fees should be calculated on a usage of 5,000 gallons per month.

System Capacity/Average Daily Use

Enter the maximum daily capacity, in gallons, of the water and sewer systems serving the project service area. Enter the average daily use, in gallons, of the water and sewer systems serving the project service area.

Mailing Address Nearest to the Project Center

Enter the mailing address, including the nine-digit zip code, nearest to the center of the project.

❖ INCOME SURVEY SUMMARY

Low- and moderate-income surveys must be conducted in accordance with Notice OCD 08-03.

Community

Enter the name of the city, village, or township where the project is located.

County

Enter the name of the county where the project is located.

Benefit Area

If the service area of the project is smaller than the community identified above or includes portion of more than one political jurisdiction, enter the name of the project.

Number of Households in the Area

Enter the number of households in the benefit area. Use the 2000 Census count, if a more current count is not available.

Survey Date

Enter the date this form is initially completed. Note: Surveys conducted more than five years prior to the submission of the application are not considered valid.

Number of Persons in Benefit Area

Enter the total population figure for the benefit area. If the figure is unknown, multiply the total number of households in the benefit area by 2.7.

Date of Section 8 Income Limits Used

Enter the fiscal year for which the income limits were issued.

Describe Survey Methodology

Briefly describe how the community chose which households to survey.

LINES 1 THROUGH 6

Follow the directions on the form.

❖ SURVEYOR AGREEMENT FORM

To obtain a copy of the Surveyor Agreement Form, which is included with Notice OCD 08-03, visit http://www.development.ohio.gov/community/ohcp/policynotices.htm.

Community

Enter the name of the city, village, or township where the project is located.

County

Enter the name of the county where the project is located.

Benefit Area

If the service area of the project is smaller than the community identified above or includes portions of more than one political jurisdiction, enter the name of the project.

- Insert name of surveyor into the standardized script.

Name, Signature and Date

Print the name of the person conducting the survey. The surveyor should sign the form next to his or her printed name and indicate the date the form was signed.

❖ CONFIDENTIAL INCOME SURVEY

To obtain a copy of the Confidential Income Survey form, which is included with Notice OCD 08-03, visit http://www.development.ohio.gov/community/ohcp/policynotices.htm.

Community

Enter the name of the city, village, or township where the project is located.

County

Enter the name of the county where the project is located.

Benefit Area

If the service area of the project is smaller than the community identified above or includes portions of more than one political jurisdiction, enter the name of the project.

Address of Household

Enter the address of the household being surveyed. Post office box numbers and rural route numbers are not acceptable.

Total Number of Household Members

Write in the total number of persons residing at this address.

Income Limit Ranges

Insert the most current Section 8 Income Limits (80 percent of the Median Household Income) for the county where the survey will be conducted.

Date of Survey

Write in the date that the survey was conducted. If numerous attempts were made to obtain a response, indicate the latest date.

Name of Surveyor

Type or print the name of the person conducting the survey.

LMI Qualified

Check the appropriate box.

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❖ ENVIRONMENTAL REVIEW REQUIREMENTS

The ***Environmental Review Documentation and Certification Form*** for general administration, fair housing, and planning funded with CDBG administrative dollars takes the place of the:

- Environmental Review;
- Environmental Review Certification; and
- Environmental Review Release of Funds.

Applicants executing an ***Environmental Review Documentation and Certification Form*** are certifying that the environmental review evaluation and the determination of exemption are accurate for the administration activity funded with CDBG dollars. This will satisfy the grantee's environmental review documentation process for this activity. Applicants must submit an original, executed ***Environmental Review Documentation and Certification Form*** with the application and keep one original, executed form on file. Once the grant agreement is fully executed, grant recipients will be able to draw down grant funds for this activity. In the past, separate certifications and a Release of Funds from the State were required before grant recipients were permitted to draw funds for general administration activity funded with CDBG dollars. These forms are no longer required and no Release of Funds will be issued.

General Administration Defined

The general administration activity carried out with administrative funds is defined as "Exempt" per 24 Code of Federal Regulations Part 58, Section 58.34(A) (3).

By executing this form, the certifying officer is certifying that the project description on the form is accurate; an environmental evaluation for the general administration activity was completed; and a determination of exemption was found for the general administration activity funded with CDBG dollars.

❖ EXHIBITS TO THE APPLICATION

1. Provide a one- to three-page narrative describing the proposed project, the need for CDBG funds and how the funds being requested will address those needs. The applicant must discuss the alternatives to the proposed project and explain why the proposed project is the best and most cost effective alternative. If the proposed project is going to be a part of a regional system, explain how it is going to be so.

2. Provide a certified engineer's cost estimate for the **entire** water or sewer project.

3. Describe the project's readiness to proceed. Include correspondence from the Ohio Environmental Protection Agency (OEPA) and any other applicable agency (ies) relating to this issue. Include the OEPA Plan Approval or Permit to Install. Address the status of the environmental review, including the anticipated Release of Funds date. Construction contracts must be entered into no later than eight months from the execution date of the grant agreement.

4. Provide a milestone chart showing all important events, including environmental review events, and household connections.

5. Provide a map of the project service area. The map must include size and location of all improvements to be installed. Additional material may be included in the exhibit, as appropriate. **Note:** The project service area is the area where the beneficiaries of the project reside.

6. Provide verification of a violation of a health standard or a threat to public safety from an independent source. For the replacement of functionally obsolete facilities, the applicant must provide documentation that the cost of repairing the facility exceeds the cost of constructing a new facility. **Note:** Independent sources include local, state and federal agencies that license or enforce standards governing the particular facility, program or problem.

7. Provide a description of how the project meets the CDBG Program national objective of benefit to at least 51 percent low- and moderate-income (LMI) households. The information must include a copy of the source documentation proving LMI benefit (e.g., U.S. Census Bureau data and maps; and/or OCD survey methodology used, a list of addresses of households surveyed, including household LMI status, and a survey summary). The most current Section 8 income limits are available at http://www.development.ohio.gov/community/ohcp/data.htm.

8. Include copies of all commitment letters for other funds or a narrative description with appropriate documentation of the status of all non-CDBG Residential Public Infrastructure Grant Program funds.

9. If there are assessments or tap fees involved in the project, describe how the community will finance the payment of these costs for LMI households, as **required** by CDBG regulations.

10. Include the applicant's Anti-Displacement Relocation Plan and legislation.

11. Provide Real Property Acquisition and Relocation Certifications (if applicable).

12. Provide utility rate schedules for water and sewer services.

13. Attach a copy of the legislation authorizing the submission of this application.

14. Attach a copy of the Memorandum of Understanding between the applicant community and a third party, if the third party is going to be the owner of the construction contract.

15. A list of future users (names and addresses) that have committed to connecting to the rural waterline extension.

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Instructions for Obtaining a Data Universal Numbering System (DUNS) Number

Each entity requesting assistance through the Community Development Block Grant (CDBG) Program is required to obtain a DUNS number.

The DUNS number is a unique nine-character identification number provided by the commercial company Dun & Bradstreet (D&B). An entity may call Dun & Bradstreet at 1-800-333-0505 to register and obtain a DUNS number. It takes approximately 10 minutes to process a request and is free of charge. Please use the following instructions to navigate through the voice prompts:

1. Enter “3” to register your entity and obtain a DUNS number

2. Enter “2” for assistance

3. Enter “1” to create a new listing

4. Enter “1” for Federal Registration. At this point, a service representative will answer and offer the purchase of the Credit Building Service. This is not required to do business with the federal government. It is an optional service that allows an entity to do business using a line of credit.

5. Provide answers to the following questions:
   a. Name of entity
   b. Entity address
   c. Entity phone number
   d. Name of the CEO or entity owner
   e. Legal structure of the entity (i.e. corporation, partnership, proprietorship)
   f. Year of entity incorporation
   g. Primary business of entity
   h. Total number of employees (full and part time)

The Dun & Bradstreet’s website is https://eupdate.dnb.com/requestoptions.asp?cm_re, an entity may also register for a DUNS number there.

Please note that registration via the website may take up to 14 business days to complete.

❖ PROGRAM GUIDELINES

1. Projects that will be able to award contracts within 120 days shall receive priority over projects that will require additional time.

2. Cities and villages can only submit one application per fiscal year. Counties may submit up to four applications per fiscal year. An application can only have one project. A project is defined as improvements to either a water or sanitary sewer system. An application cannot include improvements to both types of systems. The proposed improvements must be contiguous.

3. A regional system is:

   A system established under Section 6103 of the ORC;

   A system established under Section 6117 of the ORC;

   A system established under Section 6119 of the ORC;

   A system connected to another system for the provision of water or treatment of wastewater;

   A nonprofit system that serves more than one political subdivision;

   A for-profit system (not company) that serves more than one political subdivision; or

   A public system that has entered into long term operating agreement with another public entity.

4. A project can be located in one or more political subdivisions.

5. The maximum grant request is $600,000. The maximum amount available for public improvements is $600,000. Of this $600,000, the maximum amount available for residential connections and related costs is $100,000.

6. Applicants must address the way in which eligible low- and moderate-income households will connect to new water or sanitary sewer service if funding for on-site improvements is not requested.

7. The requested CDBG Residential Public Infrastructure Grant Program funds must be, at a minimum, matched on a one-for-one basis with funds from other sources. The other funds can be non-Residential Public Infrastructure Grant CDBG funds, as well as funds from other public or private sources.

8. Grantees committing FY 2012 Community Development Program funds to FY 2012 Residential Public Infrastructure Grant Program projects must reprogram the Community Development Program funds to other CDBG eligible activities if the Residential Public Infrastructure Grant Program application is not approved by December 31, 2012.

   Eligible applicants are counties, cities, and villages in non-entitlement areas of the state. Counties must apply on behalf of unincorporated areas and villages that do not have a demonstrated capacity to operate a public water or wastewater system. Cities and villages will be limited to one grant award per program year. Counties will be limited to four awards per program year. A county may receive two grant awards for applications submitted on behalf of itself and two on behalf of one or more eligible sub-units of general local government (villages and cities) within the county jurisdiction.

Jurisdictions which were funded under this program in FY 2011 will not be eligible for funding under the FY 2012 program; however, counties which were funded in FY 2011 are allowed to apply on behalf of a different sub-unit of government within their jurisdiction. A county is not eligible to receive FY 2012 Residential Public Infrastructure Grant Program funds if it has two or more open Residential Public Infrastructure Grant Program grants.

A Residential Public Infrastructure Grant Program grant is considered open, for the purpose of determining eligibility, until it is monitored by OCD staff and any monitoring issues are resolved.

Applicants must be able to demonstrate they have the ability to operate a water or wastewater system. Villages that currently lack both systems will be considered as not having capacity. Applicants must also be able to show the long term financial viability of a proposed project.

9. The service area of the proposed project must be at least 51 percent low and moderate income.

10. The program will only fund projects which provide water or sanitary sewer service to primarily residential areas (at a minimum, 60 percent of the users or usage must be residential).

11. A maximum of 5 percent of the total grant amount or $10,000, whichever is less, may be used for general administration, environmental review, audit and closeout. In addition, a maximum of 5 percent of the funds expended for on-site improvements may be used for costs directly related to the delivery of this activity up to a maximum of $5,000.

12. OCD reserves the right to make awards at levels less than those requested in the application.

13. The project must alleviate the identified health hazard (this does not include fire hazards) or replace a functionally obsolete facility. A functionally obsolete facility is defined as a water treatment plant, wastewater treatment plant or water storage structure that is at least 40 years old and the cost of repairing the facility is greater than the cost of building a new facility.

14. Current water and/or sewer rate schedules and legislation or board action on proposed rates must be submitted as a part of the application.

15. An applicant must provide a copy of the Plan Approval or Permit to Install (PTI) from the Ohio E.P.A before an application will be approved for funding.

16. An applicant may enter into a Memorandum of Understanding (MOU) with a third party to construct the proposed project. The applicant/grantee is ultimately responsible for compliance with CDBG regulations.

17. The majority of the beneficiaries of a rural waterline extension project must commit to connecting to the system.

18. Contracts for construction must be entered into within eight months of the execution of the CDBG grant agreement.

19. Applicants must hold two public hearings prior to submitting an application for the Residential Public Infrastructure Grant Program. The first hearing must be general in nature and cover all of the state's CDBG Small Cities programs. The second hearing must be held to discuss the grant application to be submitted under the Residential Public Infrastructure Grant Program.

20. Applicants must submit an application as an attachment to an e-mail directed to ohcp@development.ohio.gov and the following documents with original signatures via the regular mail: ***General Information, Applicant/Recipient Disclosure/Update Report***, the ***Real Property Acquisition and Relocation Certifications,*** and ***Environmental Review Documentation and Certification Form***. The applications will be considered received for review by OCD when the executed copies of the above-listed documents are received by OCD. The maximum attachment size that can be received by OCD is 10 megabytes. Applications larger than ten megabytes must be divided and submitted via multiple e-mails as attachments.

21. Water and/or sewer fees must be in line with the following requirements:

- For an area without a water or sanitary sewer system:
  - User fees for a new water system must be at least 1 percent of the area median household income (MHI) or $30/month, whichever is less.
  - User fees for a new sanitary sewer system must be at least 1 percent of the area MHI or $30/month, whichever is less.
- For an area without a **sanitary sewer system** that is interested in improving an existing **water system**, user fees for the water system must be at least 1 percent of the MHI or $30/month, whichever is less.
- For an area **without a water system** that is interested in improving an existing **sanitary sewer system**, user fees for the sanitary sewer system must be at least 1 percent of the MHI or $30/month, whichever is less.
- For an area **with a water system** that is interested in constructing a new **sanitary sewer system**, combined user fees must be at least 2 percent of the area MHI or $60/month, whichever is less.
- For an area **with a sanitary sewer system** that is interested in constructing a new **water system**, combined user fees must be at least 2 percent of the area MHI or $60/month, whichever is less.
- For an area with both a water system and a sewer system that is interested in improving either system, combined user fees must be at least 2 percent of the area MHI or $60/month, whichever is less.

23. The use of CDBG funds for making household connections is limited to eligible LMI owner-occupied households.

24. Applications where the primary activity appears to be household connections will not be considered for funding.

25. For the purpose of determining whether a household is low or moderate income and is eligible for tap-in assistance, grantees may select any of the three definitions listed below. Grantees must be consistent and use the same definition throughout its projects.

"Annual Income" as defined under the Section 8 Housing Assistance Payments Program:

Income Inclusions

1. All wages and salaries, overtime pay, commissions, fees, tips, and bonuses, and other compensation for personal services (before any deductions).

2. Net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness cannot be used as deductions in determining net income; however, an allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or professional is included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the Family.

3. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness cannot be used as a deduction in determining net income. An allowance for depreciation is permitted only as authorized in paragraph 2 of this section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the Family. Where the Family has Net Family Assets in excess of $5,000, Annual Income includes the greater of the actual income derived from Net Family Assets or a percentage of the value of such Assets based on the current passbook savings rate, as determined by HUD.

4. All gross periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum payment for the delayed start of a periodic payment (except Social Security).

5. Payments in lieu of earnings, such as unemployment, worker's compensation and severance pay (but see paragraph (3) under Income Exclusions).

6. Welfare Assistance. If the Welfare Assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the Welfare Assistance agency in accordance with the actual cost of shelter and utilities, the amount of Welfare Assistance income to be included as income consists of:

   - The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus

   - The maximum amount that the Welfare Assistance agency could in fact allow the Family for shelter and utilities. If the Family's Welfare Assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph is the amount resulting from one application of the percentage.

7. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling. Alimony and child support amounts awarded as part of a divorce or separation agreement are included as income unless the applicant (1) certifies that the income is not being provided, and (2) takes all reasonable legal actions to collect amounts due.

8. All regular pay, special pay, and the allowances of a member of the Armed Forces (whether or not living in the dwelling) who is head of the Family, spouse, or other person whose dependents are residing in the unit (but see paragraph 7 under Income Exclusions).

Income Exclusions

1. Income from employment of children (including foster children) under the age of 18 years.

2. Payments received for the care of foster children.

3. Lump-sum additions to Family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (but see paragraph 5 of Income Inclusion).

4. Amounts received by the Family that are specifically for, or in reimbursement of, the cost of Medical Expenses for any Family member.

5. Income of a live-in aide.

6. Amounts of educational scholarships paid directly to the student or to the educational institution, and amounts paid by the Government to a veteran, for use in meeting the costs of tuition, fees, books, equipment, materials, supplies, transportation, and miscellaneous personal expenses of the student. Any amounts of such scholarships or payments to a veteran not used for the above purposes that is available for subsistence are to be included in income.

7. The special pay to a Family member serving in the Armed Forces who is exposed to hostile fire.

8. Amounts received under training programs, funded by HUD;

   - Amounts received by a Disabled person that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS); or

   - Amounts received by a participant in other publicly assisted programs that are specifically for; or in reimbursement of, out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and that are made solely to allow participation in a specific program.

9. Temporary, nonrecurring, or sporadic income (including gifts).

10. Reparation payments from foreign governments in connection with the Holocaust.

11. Lump sum payments of Supplemental Security Income (SSI) and Social Security benefits.

12. Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the 1937 Act, including:

    - The value of the allotment provided to an eligible household under the Food Stamp Act of 1977;

    - Payments to volunteers under the Domestic Volunteer Service Act of 1973 (employment through VISTA; Retired Senior Volunteer Program, Foster Grandparents Program, youthful offenders incarceration alternatives, and senior companions);

    - Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626[a]);

- Income derived from certain sub-marginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 259e);

- Payments or allowances made under the Department of Health and Human Services; Low-Income Home Energy Assistance Program (42 U.S.C. 8624[f]);

- Payments received under programs funded in whole or in part under the Job Training Partnership Act;

- Income derived from the disposition of funds of the Grand River Band of Ottawa Indians;

- The first $2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission, or the Court of Claims (25 U.S.C. 1407-1408), or from funds held in trust for an Indian tribe by the Secretary of Interior (25 U.S.C. 117);

- Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under the Federal work-study program or under the Bureau of Indian Affairs student-assistance programs (20 U.S.C. 1087 uu);

- Payments received from programs funded under Title V of the Older Americans Act of 1965 (42 U.S.C. 3056[f]);

- Any earned income tax credit;

- Payments received after January 1, 1989, from the Agent Orange Settlement Fund or any other funds established pursuant to the settlement in the Agent Orange product liability litigation, MDL No. 381 (E.D.N.Y.);

- The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 USC 9858q); and

- Payments received under the Maine Indian Claims Settlement Act of 1980.

"Annual Income" as reported under the Census long-form for the most recent available decennial Census. This definition includes:

A) Wages, salaries, tips, commissions, etc.;

B) Self-employment income from own non-farm business, including proprietorships and partnerships;

C) Farm self-employment income;

D) Interest, dividends, net rental income, or income from estates or trusts;

E) Social Security or railroad retirement;

F) Supplemental Security Income, Aid to Families with Dependent Children, or other public assistance or public welfare programs;

G) Retirement, survivor, or disability pensions; and

H) Any other sources of income received regularly, including Veterans' (VA) payments, unemployment compensation, and alimony.

"Adjusted Gross Income" as defined for purposes of reporting under Internal Revenue Service (IRS) Form 1040 for individual Federal annual income tax purposes.

Ohio Department of Development

❖ PROGRAM RATING CRITERIA

LMI Benefit

Less than 51%	Ineligible
51% to 60%	0 Points
60.01% to 70%	5 Points
70.01% to 80%	10 Points
80.01% to 90%	15 Points
90.01% to 100%	20 Points

Number of Beneficiaries

100 or less	2 Points
101 to 500	4 Points
501 to 2,500	6 Points
2,501 to 5,000	8 Points
Over 5,000	10 Points

Percentage of Population Benefiting

20% or Less	1 Point
20.01% to 40%	2 Points
40.01% to 60%	3 Points
60.01% to 80%	4 Points
80.01% to 100%	5 Points

Leverage Ratio

1:1 to 1.5:1	2 Points
>1.5:1 to 2:1	4 Points
>2:1 to 3:1	6 Points
>3:1 to 4:1	8 Points
>4:1	10 Points

Combined Water/Sewer Fees

<2.0% of MHI but ≥$60/month	0 Points
≥2.00% to 2.25% of MHI	10 Points
>2.25% to 2.50% of MHI	15 Points
>2.50% of MHI	20 Points

Water Fees Only

<1.0% of MHI but≥$30 month	0 Points
≥1% to 1.25% of MHI	10 Points
>1.25% to 1.50% of MHI	15 Points
>1.50% of MHI	20 Points

Sewer Fees Only

<1% of MHI but ≥$30/month	0 Points
≥1% to 1.25% of MHI	10 Points
>1.25% to 1.50% of MHI	15 Points
>1.50% of MHI	20 Points

Regionalization

Project is Part of a Regional System	10 Points

Health Hazard

Replacement of a Functionally Obsolete Facility	10 Points
Violation of Secondary Water Standards of Minor Impact on Waters or Health of Residents	10 Points
Water Storage, Distribution Deficiencies, Moderate Impact to Waters or Health of Residents	15 Points
Violation of Primary Water Standards or Major Impact on Waters or Health of Residents	25 Points

The minimum score needed to be considered for funding is 55 points