February 12, 2016

TO: Community Development Block Grant (CDBG) Community Development Program Applicants

FROM: Michael A. Hiler, Deputy Chief, Office of Community Development

SUBJECT: PY 2016 CDBG Community Development Program Notice of Funding Availability (NOFA) and Training Forum

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For Program Year (PY) 2016, the Office of Community Development (OCD) expects to distribute approximately $20 million of state administered CDBG Program funds to eligible communities through the Community Development Program. The Community Development Program includes 60 percent for Community Development Allocation grant activities and 40 percent for competitive set-aside activities through the Neighborhood Revitalization, Downtown Revitalization, and Critical Infrastructure programs.

The PY 2016 CDBG Community Development Allocation grant amount notifications will be distributed on or about April 1, 2016. Each eligible community will receive a minimum allocation of $75,000. Funding allocations for eligible communities are determined as follows:

$$\left[\frac{\text{Number of LMI Individuals in the Community}}{\text{Total Number of LMI Individuals in Non-entitlement Areas}} \right] \text{X} \quad \begin{array}{l} \text{Amount of CDBG Program Funds allocated} \\ \text{for Community Development} \end{array}$$

NOTE: The PY 2016 Community Development Program application submission deadline is **Friday, June 17, 2016, at 11:59 p.m. EST.** Any community that fails to meet the deadline will forfeit its PY 2016 Community Development Allocation grant and not be considered for competitive set-aside funding.

Training

On Friday, April 8, 2016, from 9:30 a.m. to 2:30 p.m., OCD will conduct the PY 2016 Community Development Program application training at the Ohio Department of Transportation Auditorium, 1980 West Broad Street in Columbus. Due to changes in the online application submission, OCD expects direct grantees to attend.

The training will review the changes to the Community Development Allocation, Neighborhood Revitalization, Downtown Revitalization, and Critical Infrastructure Program applications and project selection criteria. Structuring competitive projects for the set-aside grants will also be discussed. Attendees will receive materials on national objectives and eligibility, and application instructions, application attachment checklists, and more information on the online submission process.

There is no registration required. Questions regarding the training should be directed to the applicant's Community Development Program Representative by phone or email.

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Community Development Program

The Community Development Program provides a flexible housing and community development resource to address locally identified needs that are eligible CDBG activities and qualify under the national objective of Low- and Moderate-Income (LMI) Benefit or Elimination of Slum and Blight. The Community Development Program also includes Neighborhood Revitalization, Downtown Revitalization, and Critical Infrastructure competitive set-aside grants.

Neighborhood Revitalization projects are designed to improve the quality of life, livability and functionality of distressed areas and require that neighborhoods carry out a comprehensive revitalization strategy.

Downtown Revitalization projects are designed to improve Central Business Districts. Qualifying projects should aid in eliminating slums or blight and create and retain permanent, private-sector job opportunities for LMI households. This includes projects designed to improve blighted streetscapes, rehabilitate deteriorated building facades and address code violations in central business districts.

Critical Infrastructure projects are designed to assist eligible communities with high-priority, single-purpose infrastructure improvements that will alleviate failed or failing systems, including storm drainage and other public facilities.

Eligible communities interested in applying for one or more competitive set-aside grants must submit the application(s) with their community's Community Development Program Allocation application. The application(s) must be submitted online by **Friday, June 17, 2016, at 11:59 p.m. EST.**

The following changes have been proposed for administering the PY 2016 Community Development Allocation and Competitive Set-Aside Programs:

- Counties that include a city that received a direct allocation in PY 2010, PY 2011, and PY 2012 are no longer required to undertake at least one project in that city in PY 2016. All communities within the county are encouraged to collaborate with the county for project funding consideration.
- Counties that include a city that received a direct allocation in PY 2013, PY 2014, and PY 2015 will be required to undertake at least one project in that city in PY 2016. There is no set dollar requirement.
- Communities may apply for up to three (3) competitive set-aside awards annually. Communities may apply for multiple combinations of competitive set-asides, but are limited to a maximum of two (2) competitive set-aside awards from each program.
- If a community has an open competitive set-aside award at the application deadline, the community's competitive set-aside eligibility will be reduced by the number of open competitive set-aside grants. For example, if a community has one open grant at the time of application, it may only apply for two competitive set-asides in PY 2015.
- Direct cities may only have one (1) Downtown Revitalization program open at a time.
- Communities with open competitive set-asides can request that OCD monitor and close a competitive set-aside project if the project is complete with all funds drawn and expended by April 30, 2016. The community must submit the request to OCD by April 30, 2016.

- Applicants may now request up to $500,000 through the Neighborhood Revitalization Program and must include three (3) activities, excluding administration. A maximum of 15 percent or $50,000, whichever is less, of the total grant amount may be used for general administration. Demolition/Clearance activities are capped at $100,000 or 25 percent of the total request.
- Water or sanitary sewer projects with a total cost of less than $200,000 and a grant request of less than $100,000 are eligible for Critical Infrastructure program funding and do not require a consultation regarding Residential Public Infrastructure Grant Program eligibility.

American Community Survey

Communities are required to use U.S. Department of Housing and Urban Development (HUD) issued 2006-2010 American Community Survey Low/Moderate Income Summary Data (ACS) to qualify low- and moderate-income (LMI) area benefit projects. This data is available on the Ohio Development Services Agency's (ODSA) Community and Economic Development Programs web page. Applicants may also conduct income surveys to qualify areas as LMI. Income surveys must be less than five years old, use household randomization, comply with minimum sample size requirements, and be certified by the community CEO. **Income surveys may not be combined with ACS data to income qualify an area.**

Community Development Implementation Strategy

OCD implemented a new planning requirement for Community Development, Economic Development, and Residential Public Infrastructure program funding. In odd years, starting in PY 2015, communities are required to supplement the standard citizen participation process. Communities should use the needs and prioritization worksheets generated in PY 2015, in addition to the PY 2016 citizen participation and outreach process, to guide PY 2016 funding decisions. For more information about this process, visit the ODSA's Community Development Implementation Strategy (CDIS) web page.

Fair Housing

Applicants are required to complete a comprehensive Analysis of Impediments (AI) and submit it with the PY 2016 application. This comprehensive AI must:

- Identify fair housing impediments, concerns, or problems;
- Outline changes needed to remedy or overcome impediments; and
- Include a plan of action with a timetable or schedule to remedy identified concerns.

Program Income

OCD required communities to consolidate Economic Development, Microenterprise Business Development, and Downtown Revitalization RLFs for the December 31, 2015 reporting period. Communities with high or stagnant Economic Development Revolving Loan Funds (RLFs), will be required to substantially disburse any existing RLF balance prior to or in conjunction with submitting the PY 2016 application. Required PY 2016 commitments will be included with the Community Development Allocation grant amount notifications.

OCD Online Grant Management System

OCD developed an online grant management system that will allow grantees to submit program applications, manage required fiscal operations, and comply with reporting requirements. The online application section of the system will be available to applicants starting May 2, 2016. OCD will no longer accept paper applications or applications submitted on digital media. The recommended system requirements for the online grant management system are:

- High-Speed Internet Connection (test current internet speeds at: http://www.speedtest.net/)
    – 4 MB or greater download speeds
    – 1 MB or greater upload speeds
- Internet Explorer version 7 or greater

Internet Assistance

To assist applicants, the following documents are posted or will be posted on ODSA's website or in the Online Grant Management System help menu:

- Draft PY 2016 Ohio Consolidated Plan

- PY 2016 Community Development Program application attachments and instructions

- Neighborhood Revitalization, Downtown Revitalization, and Critical Infrastructure Project Examples

- Complete list of all activity names with outcome measurement names

- Environmental Review Process for General Administration, Fair Housing, and Planning Activities Funded with Administrative Dollars Policy (OCD Notice 06-01)

- Public Hearing Notification Requirements Policy (OCD Notice 07-01)

- National Objective Policy Notice (OCD Notice 15-05)

- Community Development Field Service Areas and Representatives map

Pre-Submission Requirements
Community Development Program applicants are required to conduct two public hearings: one general public hearing to cover all programs the applicant administers; and at least one application-specific public hearing for each program proposed. The second public hearing may include multiple competitive set-aside programs in addition to activities identified for the allocation grant. When conducting public hearings, applicants should use the PY 2015 Community Development Program Allocation as an estimate for PY 2016 Community Development Allocation funding levels.

Pre-Submission Consultations

To improve the Community Development Program application process, the OCD will offer pre-submission consultation opportunities from April 8, 2016 to June 10, 2016. The pre-submission consultation enables the participating community to ask questions about the application and application process with an OCD Program Representative. The applicants can then make revisions, and gather required documentation before submitting a final application. Applicants should contact their Program Representative to schedule a consultation.