



Community Development Department

COMMUNITY DEVELOPMENT BLOCK
GRANT (CDBG) AND HOME
INVESTMENT PARTNERSHIPS
PROGRAM GUIDELINES



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OVERVIEW & INSTRUCTIONS

The City of Bismarck, North Dakota annually applies for grant funding from the U.S. Department of Housing and Urban Development (HUD) through the Community Development Block Grant (CDBG) Program. These funds help the City provide decent housing, a suitable living environment, public services, and expand economic opportunities for low- to moderate-income (LMI) persons.

In addition, the City applies for HOME Investment Partnerships grant funding from the North Dakota Department of Commerce, which receives this funding from HUD. These funds help the City with activities which include building, buying and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income residents.

The City is currently seeking applications for funding from the next CDBG and HOME grant cycles. These applications are competitive and can be submitted by community and faith-based organizations, non-profits, businesses, and City departments.

The Community Development Block Grant (CDBG) is funded by the U.S. Department of Housing and Urban Development (HUD) and authorized by Title I of the Housing and Community Development Act of 1974, as amended. CDBG funds are for the Program Year beginning June 1, but may not be available until September or October at the earliest.

The City's 2020-2024 Consolidated Plan (ConPlan) is also currently being developed, and will describe the needs and objectives for CDBG funding expenditures. The priorities from the 2015-2019 ConPlan included:

1. Rental Housing
2. Owner-Occupied Housing
3. Improvement of Public Facilities
4. Improved access to Public Services
5. Homeless Housing and Services
6. Special Needs Housing
7. Public Infrastructure

The Consolidated Plan is related to the objectives of the City's CDBG program; the HOME program must meet the ConPlan objectives of both the State of North Dakota as well as the City of Bismarck.

Applicants should be aware the CDBG and HOME Programs may require significant data collection, including income and demographic information, from the people served by the project. Additionally, the funding is allocated on a reimbursement basis (for example, the awarded applicant must pay for the expenses first, then be reimbursed for their documented expenses). The CDBG Program requires the funded activities to provide expanded existing services or new services within the City. If the application is designed to continue funding an existing CDBG-funded activity, it may be eligible.

The CDBG and HOME funds that Bismarck receives must be spent on Bismarck residents. The majority of applications received are for public services and are highly competitive. HUD restricts the allotted funding for public service projects to 15% of the City's total CDBG award amount. The bulk of the

grant funds are available for Public Facilities, Housing, Blight Removal and Economic Development “brick & mortar” projects.

In addition to the meeting CDBG requirements, applications will be reviewed on the following criteria:

1. Overall consistency with the City’s most recent Consolidated Plan
2. Overall benefit and impact on the City
3. Experience and ability in administering federal, state and local grants
4. Total benefit to LMI residents/households and neighborhoods
5. Committed funding and leveraging collaborations to the project
6. Performance history with previous awards
7. The application’s timely and thorough completion, applicant’s capacity, the project’s administration difficulty, and the likelihood of the project meeting a ConPlan objective

FUNDS AVAILABLE

Final CDBG and HOME budget numbers will not be available until the corresponding year’s federal budget has been adopted. Amounts are subject to change based on final figures from HUD. See “Use of Funds” on pages 3-4 for a description of project types.

FUNDING OBJECTIVES

The City of Bismarck would like to utilize its limited CDBG and HOME funds to create more lasting and permanent improvements to our community. Project selection will be based in part on the City of Bismarck’s active Consolidated Plan.

USE OF FUNDS

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

The purpose of the CDBG Program is to benefit low- to moderate-income households/persons by funding projects that revitalize neighborhoods, increase affordable housing, expand economic opportunities, and/or improve community facilities and services. Under this current application cycle, the City of Bismarck is accepting applications for Public Services, Economic Development, Housing Services, and Non-Profit Facility/Capital Improvement Projects.

- **Public Services:** To be eligible for CDBG assistance, a public service must be a new service or demonstrate a quantifiable increase in the level of an existing service above that which has been provided in the previous 12 calendar months. Examples

of public services include, but are not limited to, homeless services, shelters, legal aid, financial counseling, job training, mental and behavioral health, and after-school programs.

- **Economic Development:** Targeted to agencies that provide technical assistance and resources to small businesses/microenterprises.
- **Housing Services:** Targeted to agencies that provide housing services to low-income households who are eligible for HOME funded units, including Tenant Based Rental Assistance (TBRA).
- **Non-Profit Facility/Capital Improvement Projects:** Acquisition, construction, reconstruction, rehabilitation, or improvements that will make a lasting change to the community are eligible. The facility must benefit at least 51% low- and moderate-income persons.

Community Development Block Grant funds may be used for activities which include, but are not limited to:

- Acquisition of real property
- Activities relating to energy conservation and renewable energy resources
- Construction of public facilities and improvements
- Housing services that support a HOME funded project
- Provision of assistance to businesses to carry out economic development and job creation activities
- Public services
- Rehabilitation of residential and non-residential structures
- Relocation and demolition

For additional information on CDBG eligible activities, please view the *Guide to National Objectives & Eligible Activities for Entitlement Communities* available on the HUD website at http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/library/deskguid

HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)

The HOME Investment Partnerships Program funds a wide range of activities that build, buy and/or rehabilitate affordable housing for rent or homeownership or provide direct rental assistance to low-income people. HOME funds are available as loans or grants to provide decent, affordable housing. HOME funds may be used for activities which include, but are not limited to:

- Acquisition of housing to support low-income households
- Homebuyer assistance programs
- Homeowner housing rehabilitation
- Rental housing construction/rehabilitation
- Tenant-based rental assistance programs
- Community Housing Development Organization (CHDO) operating expenses

INELIGIBLE ACTIVITIES

Generally, the following types of activities are ineligible for CDBG funding:

- Acquisition, construction, or reconstruction of buildings for the general conduct of government
- Certain income payments
- Construction of new housing by units of general local government
- Political activities

Generally, the following types of activities are ineligible for HOME funding:

- Financing of non-residential properties or project components
- Privately-owned special needs housing
- Projects in which housing is not the primary focus, such as alcohol and chemical dependency treatment facilities, correction facilities, medical treatment facilities, nursing homes, student housing and private foster care housing
- Refinancing of existing debt

CITIZEN ADVISORY COMMITTEE

Deciding who should receive funding is a difficult and time-consuming process. A volunteer group, the Citizen Advisory Committee, composed of City employees and community representatives will review applications and complete the voting process. Proposals will be reviewed by City staff and the Citizen Advisory Committee using the Project Review Criteria on page 2. Project votes guide the prioritization of projects, and those priority projects are presented to City Commission for final approval.

PRIORITIZATION FACTORS

Funding priority will be given to projects that:

- Are clearly defined as to scope, location, need, budget, and goals
- If a previous CDBG sub-recipient, has expended previous funds successfully
- Can begin immediately and finish within the contracted time
- Demonstrate the applicant has the capacity to carry out the project successfully
- Establish means for program evaluation and accomplishment tracking
- Have adequate community support and address an identified community need
- Impact a significant number and/or percentage of low- and moderate-income persons

- Maximize the use of outside funds and services
- Coordinate with other public and private efforts.

CDBG projects that are prepared to begin immediately (June-May) will be given additional consideration during the ranking process.

APPROVAL PROCESS

CDBG

Once the Citizen Advisory Committee has prioritized the projects, City staff will present funding recommendations to the City Commission for review. A public hearing will be held prior to going to the City Commission for final approval. Applicant and citizen comments will be accepted at the public hearing. Written comments may also be submitted to City staff. Following the hearing, notification will be provided to applicants regarding their project's funding status.

Any agency recommended for funding will undergo a thorough administrative review prior to contracting. In addition to an assessment of project feasibility, agencies may need to provide various policies and financial documentation to assure compliance with HUD requirements.

HOME

Projects best suited for HOME application will be selected from the CDBG applications and HOME applications by the City's CDBG program administrator, and the applicant contacted for permission to pursue a HOME application. Those, along with any direct applications for HOME funding, will go through an administrative review process.

After narrowing down the applications, 2 projects are brought to the Bismarck City Commission for a Pre-Application to submit to the North Dakota Department of Commerce (DCS) by August 1st. The final choice of project(s) depends on which is able to accomplish funding goals and is further along in progress by the time the final selection must be made.

In October/November, through administrative review, the final selection is made, and the application provides significant project and financial documentation in order to complete the necessary DCS application. The application is taken before the City Commission for final approval, and then must be submitted to DCS by December 1st, at which point it enters DCS' approval process.

LINKS

If you have more questions, the following some helpful links:

1. https://files.hudexchange.info/resources/documents/CDBG_Guide_National_Objectives_Eligible_Activities.pdf
2. <https://www.hudexchange.info/resource/687/playing-by-the-rules-a-handbook-for-cdbg-subrecipients-on-administrative-systems/>
3. <https://www.hudexchange.info/resource/19/basically-cdbg-training-guidebook-and-slides/>
4. <https://www.hudexchange.info/resource/5334/cdbg-income-limits/> -- select the most recent FY CDBG Income Limits, then find "Bismarck, ND HUD Metro FMR Area"
5. <https://www.hudexchange.info/programs/cdbg/>
6. https://www.hud.gov/sites/documents/19760_2009HOMERENTALPO.PDF
Information on HOME rental projects. Additional information on HOME eligible activities on the HUD website.