

CITY OF KILLEEN, TEXAS



**2019
APPLICATION FOR
FUNDING**

**Community Development
Block Grant (CDBG)
and
Home Investment Partnerships
Act (HOME)
Programs**

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WWW.KILLEENTEXAS.GOV/APPLY

Preface



Annually, through a direct allocation from the U.S. Department of Housing and Urban Development (HUD), the City of Killeen receives two formula grants - Community Development Block Grant (CDBG) and Home Investment Partnerships Program (HOME) funds.

The CDBG program is a flexible program that provides communities with resources to address a wide range of unique community development needs. Beginning in 1974, the CDBG program is one of the longest continuously operated programs at the Department of Housing and Urban Development (HUD). **The program is authorized under Title 1 of the Housing and Community Development Act of 1974, Public Law 93-383, as amended; 42 U.S.C.-5301 et seq.** CDBG is an important tool for helping local governments tackle serious challenges facing their communities. The CDBG program works to ensure decent affordable housing, to provide services to the most vulnerable in our communities, and to create jobs through the expansion and retention of businesses. For more than 40 years, the CDBG program has made a difference in the lives of millions of people and their communities across the Nation principally by assisting to low- and moderate-income persons and families.

The HOME program, was created under **Title II of the Cranston-Gonzalez National Affordable Housing Act** of 1990 (the Home Investment Partnerships Act), as amended with program regulations at **24 CFR Part 92** (as of August 23, 2014), represented a historic affirmation of the Federal Government's commitment to providing decent, safe, and affordable housing for all Americans and to alleviating the problems of excessive rent burdens, homelessness, and deteriorating housing stock nationwide. HOME was designed to ensure that each community is able to use the assistance in ways that respond best to its unique circumstances by funding a broad range of activities, including new construction, rehabilitation/reconstruction, assistance to new homebuyers, and tenant-based rental assistance. Through HOME, the Federal Government is investing in the future of local nonprofit housing groups, requiring an annual reservation of at least 15% of its annual allocation to fund housing that will be owned, developed, or sponsored by entities designated as community housing development organizations (CHDOs).

Although this application and its contents intend to incorporate the current or impending federal, state, or local regulations, statutory requirements, laws, and executive orders governing these two grant programs, it is not all inclusive. At any such time additional information or requirements are imposed by the grant programs on any project/activity/program-funded in whole or in part with the City of Killeen Community Development Block Grant (CDBG) and/or Home Investment Partnerships Act (HOME) program funds the recipient is obligated to comply with those requirements as if they were stated herein.

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APPLICATION AVAILABILITY and DEADLINE FOR RECEIPT

Beginning at 3:00 p.m. on February 25, 2019 the FY2019 (2019-20) Killeen Community Development Department Application for Community Development Block Grant (CDBG) and Home Investment Partnerships Act (HOME) program funding is available at: www.killeentexas.gov/apply

Applicants wishing to submit an application for funding (AFF) an eligible project for the fiscal year 2019 (beginning Oct. 2019 – Sept. 2020) must submit the appropriate Application (Project) forms, Budget forms, and Certifications along with any other required documents listed for the proposed project and applicant type.

Applications must be submitted via electronic transmission (email only) on the specified forms and received by 3:00 p.m., FRIDAY, MARCH 29, 2019 to:

cdbg.homeapps@killeentexas.gov

Proof of submission of an application shall not be deemed proof of receipt by the City. The City's computer system is the official time keeping device for application submission. The City is not responsible for entries not received due to difficulty accessing the internet, service outage or delays, computer difficulties and other technological problems.

Applications that arrive after the deadline will not be considered.

Paper submissions will not be accepted.

SECTION I

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

ALLOCATION OF CDBG PROGRAM FUNDS

Through a direct allocation from HUD, the City of Killeen annually receives Community Development Block Grant (CDBG) Program funds. With receipt of these funds and in keeping with the CDBG Program laws and regulations, the City of Killeen is allowed to use a **maximum of twenty percent (20%)** of the annual allocation for eligible and reasonable planning and administrative costs associated with the CDBG Program. In addition, a **maximum of fifteen percent (15%)** of the annual allocation may be reserved for **public service** activities undertaken by **eligible entities**. The remaining funds are available for other, non-public service type, **eligible activities** to be undertaken by **eligible entities**. The funding cycle is consistent with the federal fiscal year – October to September therefore; preparation begins in the spring with final funding approval in the fall.

All City of Killeen CDBG funds are allocated through a competitive process. The process begins with **Community Planning Meetings**, followed by the publication of a **Notice of Funds Availability (NOFA)** and requests for proposals for **eligible activities** from **eligible entities**. The process continues with presentation of proposed **eligible activities** (projects/programs) by **eligible entities** to the Community Development Advisory Committee (CDAC) [the CDAC is a 10-member committee of citizens appointed by the Killeen City Council]. CDAC prioritizes the proposals in accordance with the **National Objectives** and **eligible activities** that will benefit low- and moderate-income persons through **Area Benefit, Limited Clientele**, or by **Urgent Need**. CDAC prepares their recommendations and presents those priority proposals, through two Public Hearings, to the Killeen City Council. Upon Council approval, the proposed projects/programs/activities are submitted to HUD for final approval, which is generally granted in late September or early October. Community Development Division Staff prepares and executes grant agreements and the approved proposals from eligible entities can begin their project/program/activity.

All proposals submitted for funding must be made by an eligible entity, meet the criteria of an eligible activity, meet one of the CDBG National Objectives, be consistent with the City of Killeen 2015-2019 Consolidated Plan, and be approved by HUD.

CDBG NATIONAL OBJECTIVES – A PROGRAM PRIORITY

HUD awards grants to entitlement community grantees to carry out a wide range of community development activities directed toward revitalizing neighborhoods, economic development, and providing improved community facilities and services. Entitlement communities develop their own programs and funding priorities through the **citizen participation** process. However, grantees must give maximum feasible priority to activities, which the **beneficiaries** are **low- and moderate-income persons**. A grantee may also carry out activities, which aid in the prevention or elimination of slums or blight. Additionally, grantees may fund activities when the grantee certifies that the activities meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs (Example: public services provided to deal with major catastrophes or emergencies such as floods and earthquakes.).

To be considered for CDBG funding from the City of Killeen, a project/program must meet one (1) of the three (3) National Objectives:

- Benefit low and moderate (L/M) income persons; or
- Aid in the prevention or elimination of slums or blight; or
- Meet other community development needs that the Killeen City Council has established as having a particular urgency because existing conditions pose a serious immediate threat to the health or welfare of the community and other financial resources are not available to meet such needs.

CDBG funds may not be used for activities that do not meet one of these broad national objectives.

MEASURING PERFORMANCE OF CDBG FUNDED ACTIVITIES

An outcome performance measurement system has been developed for the four CPD formula grant programs for the Community Development Block Grant (CDBG) Program, HOME Investment Partnerships Program (HOME), Emergency Shelter Grants (ESG), and the Housing Opportunities for Persons with AIDS Program (HOPWA).

The implementation of the outcome performance measurement system and its use by grantees will enable HUD to collect information on the outcomes of activities funded with CPD formula grant assistance. This data will be entered into the Integrated Disbursement and Information System (IDIS) and will be aggregated at the national level to provide HUD with the information necessary to show the national results and benefits of the expenditure of federal funds using these four CPD formula grant programs.

The outcome performance measurement system has three overarching objectives: (1) Creating Suitable Living Environments, (2) Providing Decent Affordable Housing, and (3) Creating Economic Opportunities. There are also three outcomes under each objective: (1) Availability/Accessibility, (2) Affordability, and (3) Sustainability. Thus, the three objectives, each having three possible outcomes, will produce nine possible “outcome/objective statements” within which to categorize formula grant activities.

The intent [of the activity] will determine which of the three objectives best describes the purpose of the activity.

The three objectives are:

- **Suitable Living Environment** - In general, this objective relates to activities that are designed to benefit communities, families, or individuals by addressing issues in their living environment.
- **Decent Housing** - The activities that typically would be found under this objective are designed to cover the wide range of housing possible under HOME, CDBG, HOPWA or ESG. This objective focuses on housing programs where the purpose of the program is to meet individual family or community needs and not programs where housing is an element of a larger effort, since such programs would be more appropriately reported under Suitable Living Environment.
- **Creating Economic Opportunities** - This objective applies to the types of activities related to economic development, commercial revitalization, or job creation and/or opportunities through programs and financial resources that provide assistance and improvement of human performance, motivation, and productivity; bettering the conditions under which people live, learn and work.

Similarly, once the objective for the activity is determined, then one of the three outcome categories will reflect what the activity is seeking to achieve. It is important that the data are not diluted by too much information therefore; it is encouraged to appropriately fit the activity with one of the three outcomes established.

The three outcome categories are:

- **Availability/Accessibility.** This outcome category applies to activities that make services, infrastructure, public services, public facilities, housing, or shelter available or accessible to low-and moderate-income people, including persons with disabilities. In this category, accessibility does not refer only to physical barriers, but also to making the affordable basics of daily living available and accessible to low and moderate income people where they live.
- **Affordability.** This outcome category applies to activities that provide affordability in a variety of ways in the lives of low- and moderate-income people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care.
- **Sustainability: Promoting Livable or Viable Communities.** This outcome applies to projects where the activity or activities are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefit to persons of low- and moderate-income or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhoods.

Each outcome category can be connected to each of the overarching objectives, resulting in nine groups of outcome/objective statements under which the City of Killeen will report the activity or project data to document the results of the funded activities or projects. Each activity will provide one of the following statements [although sometimes an adjective such as new, improved, or corrective may be appropriate to refine the outcome statement]:

- ~ Accessibility for the purpose of creating suitable living environments

- ~ Accessibility for the purpose of providing decent affordable housing
- ~ Accessibility for the purpose of creating economic opportunities
- ~ Affordability for purpose of creating suitable living environments
- ~ Affordability for the purpose of providing decent affordable housing
- ~ Affordability for the purpose of creating economic opportunities
- ~ Sustainability for the purpose of creating suitable living environments
- ~ Sustainability for the purpose of providing decent affordable housing
- ~ Sustainability for the purpose of creating economic opportunity

There are certain data elements commonly reported by all programs. Reporting data elements required for CDBG include:

- Amount of money leveraged (from other federal, state, local, and private sources) per activity;
- Number of persons, households, units, or beds assisted, as appropriate;
- Income levels of persons or households by: 30 percent, 50 percent, 60 percent, or 80 percent of area median income, per applicable program requirements. However, if a CDBG activity benefits a target area, that activity will show the total number of persons served and the percentage of low/mod persons served.
- Race, ethnicity, and disability for persons, households, units or beds assisted, as appropriate.

The standardized “outcome performance measurement system” provides for a uniform reporting format, and therefore the achievements of the CPD grant programs can be aggregated for each grantee locally and for all grantees at the national level.

The City of Killeen has established expected outcomes from the three performance objectives. Entities submitting proposals will select one objective and one outcome for the proposed project/activity/program submitted.

Performance Reporting

Performance measurement and outcome (*output*) reporting by the entity is required each quarter throughout the program year with a culmination of all performance and outcome reported in the Consolidated Annual Performance and Evaluation Report (CAPER). The CAPER conveys outcomes/output in direct correlation to an entity’s funding application, with annual performance being measured against actual outcome/output and the outcome (proposed and defined) in the entity’s application and grant agreement for funding.

Minimally, the required quarterly reporting, *regardless of project/activity progress*, will consist of two main reports (as identified below).

- 1) **Quarterly Performance Report** – with indicators based on the project/activity and outcome (e.g. Scope of Service, Goals, Quarterly Results, Description of outcome results to date, and a Narrative explaining problems, or accomplishments pertaining to the performance objectives).
 - Employee activity will also be required if the entity receives funding for personnel or staff related costs.

2) **Beneficiary and Client Characteristics Report**, which identifies the number of persons/households assisted, race, ethnicity, disability, age, income level, number of persons in household, etc.)

Quarterly reports will be due no later than the **15th day** of the month following the end of each reporting quarter. The City will withhold any or all payments otherwise due or requested by the entity for incomplete, delinquent, or neglect until the entity fully cures or performs the reporting obligation. Additionally, the City will not be liable for costs incurred or expenditures made by the entity, during the default period of performance reporting.

Certain activities funded in whole or in part by CDBG will require a 10 year Performance Measurements Agreement. The Agreement will stipulate the scope in which the funds were provided and the term of benefit to the Killeen community and the identified beneficiaries. A pro-rata return of the CDBG funding will be included for the duration of the 10 year term along with disposition instructions. If you have questions regarding this information please contact Community Development Staff.

CDBG ELIGIBLE ENTITIES

Eligible entities of the City of Killeen Community Development Block Grant Funds (CDBG) are those entities that qualify according to [24 CFR 570.500\(C\)](#) and the **City Of Killeen Grants Administration Manual, as amended**.

Eligible entities include:

- **Public Service Agencies** - A public service agency is an association or corporation, duly organized to promote and undertake community development activities on a **not for profit*** basis within a neighborhood.
- **Neighborhood Based Non-Profits** - An organization is considered to be neighborhood based if the majority of either its membership, clientele, or governing body are residents of the neighborhood where activities assisted with CDBG funds are to be carried out.
- **Faith-Based and Religious Organizations** - A faith-based / religious organization represents that it is, or may be deemed to be, a religious or denominational institution or organization or an organization operated for religious purposes which is supervised or controlled by or in connection with a religious or denominational institution or organization.
- **City Departments** – A City Department is any department or division of the City of Killeen with a specialized function and/or responsibility to the principal branch of the official business, duties, or functions of the City.
- **Other (local) Governmental Entities** - A department, agency, special purpose district, or other instrumentality of a State or local government.

***A non-profit organization must have its 501(c)(3) or (4) IRS tax-exempt status at the time of submission of the Application for Funding.**

CDBG ELIGIBLE ACTIVITIES *continued*

Each year, not less than 70 percent of CDBG funds must be used for activities that benefit low- and moderate-income persons. In addition, each activity must be conducted within the corporate city limits of Killeen, serve the citizens of Killeen, and meet *one* of the National Objectives for the CDBG program.

Eligible activities include, but are not limited to:

- acquisition of real property;
- relocation and demolition;
- rehabilitation of residential and non-residential structures;
- construction, development, or improvement of public facilities and/or facility improvements, such as water and sewer facilities, streets, neighborhood centers, and the conversion of school buildings for eligible purposes;
- public and human services that are a new service; or an existing service that will deliver a quantifiable increase in the level of service that has been provided by the agency during the past year.
- activities relating to energy conservation and renewable energy resources; and
- provision of assistance to profit-motivated businesses to carry out economic development and job creation/retention activities.
- Preservation and expansion of the stock of decent, safe and affordable housing to the low and moderate income populations
- Economic development activities to increase the economic viability of low and moderate income neighborhoods and expand the opportunities for low and moderate income persons to obtain and retain meaningful employment

CDBG funds can be used by the grantee or other public or private **non-profit** entity for the acquisition, construction, reconstruction, rehabilitation or installation of public facilities and improvements, except for buildings for the general conduct of government, provided the improvements meet a national objective of the CDBG program. Reference [24 CFR 570.201\(C\)](#); or

CDBG INELIGIBLE ACTIVITIES

The CDBG program regulations identify certain activities as categorically ineligible. They also identify certain other activities that are ineligible unless they are carried out by a CBDO under the authority of [§570.204](#).

The following activities may not be assisted with CDBG funds under any circumstance:

- Buildings or portions thereof, used for the general conduct of government as defined at [§570.3](#) may not be assisted with CDBG funds. This does not include, however, the removal of architectural barriers involving any such building, which may be assisted under the category of Public Facilities and Improvements. Also, where acquisition of real property includes a building or other improvement that would be used for the general conduct of government, the portion of the acquisition cost attributable to the land may be assisted under the category of Acquisition of Real Property. Reference: [§570.207\(a\)\(1\)](#)

- General government expenses. Except as otherwise specifically authorized in [Subpart C of Part 570](#) or under [2 CFR Part 200](#), expenses required to carry out the regular responsibilities of the unit of general local government are not eligible for assistance under this part. Reference: [§570.207\(a\)\(2\)](#)
- Political activities. CDBG funds may not be used to finance the use of facilities or equipment for political purposes or to engage in other partisan political activities, such as candidate forums, voter transportation, or voter registration. However, a facility originally assisted with CDBG funds may be used on an incidental basis to hold political meetings, candidate forums, or voter registration campaigns, provided that all parties and organizations have access to the facility on an equal basis, and are assessed equal rent or use charges, if any. Reference: [§570.207\(a\)\(3\)](#)

The following activities may not be assisted with CDBG funds unless authorized as Special Economic Development Activities under [§570.203](#) or when carried out by a CBDO under the provisions of [§570.204](#).

- Purchase of equipment. The purchase of equipment with CDBG funds is generally ineligible.
 - Construction equipment. The purchase of construction equipment is ineligible, but compensation for the use of such equipment through leasing, depreciation, or use allowances pursuant to 2 CFR Part 200 as applicable for an otherwise eligible activity is an eligible use of CDBG funds. However, the purchase of construction equipment for use as part of a solid waste disposal facility is eligible under the category of Public Facilities and Improvements [see §570.201(c)].
 - Fire protection equipment. Fire protection equipment is considered for this purpose to be an integral part of a public facility. Thus, purchase of such equipment would be eligible under the category of Public Facilities and Improvements. This includes fire engines and specialized tools such as “jaws of life” and life-saving equipment as well as protective clothing worn by fire fighters [see §570.201(c)].
 - Furnishings and personal property. The purchase of equipment, fixtures, motor vehicles, furnishings, or other personal property not an integral structural fixture is generally ineligible. CDBG funds may be used, however, to purchase or to pay depreciation or use allowances (in accordance with 2 CFR Part 200 as applicable) for such items when necessary for use by a recipient or its subrecipients in the administration of activities assisted with CDBG funds, or when eligible as firefighting equipment, or when such items constitute all or part of a public service pursuant to §570.201(e). Also, these items are eligible when carried out by a for-profit business as part of CDBG assistance under the authority of §570.203(b). Reference: §570.207(b)(1)
- Operating and maintenance expenses. The general rule is that any expense associated with repairing, operating, or maintaining public facilities, improvements, and services is ineligible. Specific exceptions to this general rule are operating and maintenance expenses associated with public service activities [see §570.201(e)], interim assistance [see §570.201(f)], and office space for program staff employed in carrying out the CDBG program (see §570.206). For example, the use of CDBG funds to pay the allowable costs of operating and maintaining a facility used in providing a public service (e.g., salaries, rent) would be eligible

under §570.201(e), even if no other costs of providing the service that are assisted with such funds. Examples of operating and maintenance expenses that are generally ineligible include:

- Maintenance and repair of publicly-owned streets, parks, playgrounds, water and sewer facilities, neighborhood facilities, senior centers, centers for persons with disabilities, parking, and other public facilities and improvements. Examples of maintenance and repair activities for which CDBG funds may not be used include the filling of pot holes in streets, repairing of cracks in sidewalks, the mowing of grass in city or county parks, and the replacement of street light bulbs.
 - Payment of salaries for staff, utility costs, and similar expenses necessary for the operation of public works and facilities. Reference: §570.207(b)(2)
- New housing construction. See the discussion of this activity type under the earlier sections of this application entitled Construction of Housing and Special Activities by CBDOS. Reference: §570.207(b)(3)
 - Income payments. The general rule is that CDBG funds may not be used for income payments. For purposes of the CDBG program, “income payments” is defined as a series of subsistence-type grant payments made to an individual or family for items such as food, clothing, housing (rent or mortgage), or utilities, but excludes emergency grant payments made over a period of up to three consecutive months directly to the provider of such items or services on behalf of an individual or family. One time grants, emergency type grants, or loans for such purposes may be authorized under the category of Public Services [see §570.201(e)]. Reference: §570.207(b)(4)

Note: Certain activities, even if they would otherwise be eligible under the category of Special Economic Development Activities, cannot be assisted with CDBG funds if they are specifically ineligible under the provisions of the Public Benefit standards under §570.209. For example, assisting a business to create jobs that would cost more than \$50,000 in CDBG funds per job would be unallowable. Also, providing assistance to a professional sports team is not allowed.

CDBG PROJECT TIME LINES

Communities that receive entitlement funds from the CDBG program are required to use their funds in a timely manner. HUD will consider an entitlement community to be failing to carry out its CDBG activities in a timely manner if, the amount of entitlement grant funds available but not disbursed by the U.S. Treasury is more than 1.5 times the entitlement grant for its current program year [24 CFR §570.902(a)]. Therefore, the City of Killeen has established a specific length of time for completion of each activity in order to avoid forfeiture of the CDBG funding from HUD.

The following represents the maximum time line allowed for each type of project/program/activity:

<p><u>MUST</u> be completed within the fiscal year funded (October 1 to September 30)</p>	<p><u>MUST</u> be completed within 18 months beginning the first day of the fiscal year funded.</p>	<p><u>MUST</u> begin no later than three (3) months from the first day of the fiscal year funded (January 1), with full project completion within 18 months after initial funding.</p>
<ul style="list-style-type: none"> ● Acquisition of Real Property ● Clearance, Relocation, and Demolition ● Public Services ● Code Enforcement (Administration) ● Homeownership Assistance ● Energy Conservation/Renewable Energy Resources 	<ul style="list-style-type: none"> ● Public Facilities and or Facility Improvements ● Rehabilitation-Residential, Commercial/ Industrial, and Other ● Construction of Housing 	<ul style="list-style-type: none"> ● Architectural Barrier Removal ● Economic Development and Special Economic Development ● Special Activities by CBDO's ● Micro-Enterprise Assistance ● Preservation/Expansion of affordable housing (reconstruction)

PROJECT TYPE DESCRIPTIONS

ACQUISITION OF REAL PROPERTY

The statute and regulations authorize the use of CDBG funds by a grantee or a public or private nonprofit entity to acquire real property in whole or in part by purchase, long-term lease, donation, or otherwise. In order to be considered acquisition, a permanent interest in the property must be obtained. Long-term leases are considered to constitute a permanent interest for this purpose if the lease is for a period of 15 years or more. More specifically, CDBG funds may be used under this category by:

The grantee (City of Killeen), any other public agency, a public nonprofit entity, or a private nonprofit entity to acquire real property for any public purpose. This precludes the acquisition cost attributable to a building that will be used for the general conduct of government and the acquisition of property to be used for political activities. Reference: [§570.207\(a\)\(1\)](#); [§570.207\(a\)\(3\)](#); [§570.201\(a\)](#)

Real property to be acquired may be: Land, Air rights, Easements, Water rights, Rights-of-way, Buildings and other real property improvements, or other interests in the real property. Costs that may be paid for with CDBG funds under this category include the cost of surveys to identify the property to be acquired, appraisals, the preparation of legal documents, recordation fees, and other costs that are necessary to effect the acquisition.

Real property acquisition under this category does not include: The costs of moveable equipment, furnishings, or machinery if this is the principal purpose of the activity, since such items are not real property.

Under certain circumstances, CDBG funds may be provided to private individuals and private for-profit entities to acquire property to be rehabilitated, if the property is then rehabilitated and used or sold for residential purposes. Reference: [§570.202\(b\)\(1\)](#)

Private non-profit entities may use CDBG funds to acquire real property for commercial or industrial uses, and private for-profit entities may also do so when appropriate for an economic development project. References: [§570.203\(a\) and \(b\)](#)

If property acquired with CDBG funds, or any interest therein, is subsequently transferred to another entity, the property or interest must be sold to the entity at the current fair market value unless the property will be used for an activity, which meets a CDBG national objective. Sale proceeds would be considered program income and would have to be returned to the City of Killeen.

The purchase of real property by the grantee or other entities under this eligibility category is subject to the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. Among other things, this could mean that persons displaced as a result of the acquisition must be provided with financial assistance. Temporary easements, acquisition from another public agency, and voluntary offers in response to a public solicitation are exempt from Uniform Act requirements. Reference: [§570.606](#).

PROJECT TIME LINE: Acquisition of Real Property activities must be completed within the fiscal year funded and follow on benefits to low income beneficiaries must take place within 60 days following the completion of the acquisition and/or rehabilitation.

Acquisition of real property may qualify as meeting a national objective in any of the ways shown in the chart below.

NATIONAL OBJECTIVES for ACQUISITION OF REAL PROPERTY		
OBJECTIVE	QUALIFIES IF	EXAMPLE
L/M INCOME AREA BENEFIT	The property will be used for an activity the benefits of which are available to all the residents in a particular area that is primarily residential, and at least 51% of those residents (or fewer if the exception criteria apply) are L/M income persons.	Purchasing land to be used as a park serving a primarily residential neighborhood that is predominantly L/M income.
L/M INCOME LIMITED CLIENTELE	The property will be used for an activity the benefits of which will be limited to a specific group of people, at least 51% of whom are L/M income persons.	Buying a building to be converted into a shelter for the homeless.
L/M INCOME HOUSING	The property will be used for housing to be occupied by L/M income persons.	Buying an apartment house to provide dwelling units to L/M income households at affordable rents, where at least 51% of the units will be occupied by L/M income households.
L/M INCOME JOBS	The property acquired is to be used for an economic development project that will create or retain permanent jobs at least 51% of which will benefit L/M income persons.	Acquiring vacant property that is planned to be used for a commercial purpose, and will be made available for that purpose only if the business commits to provide at least 51% of the new permanent jobs that will be created to L/M income persons.

SLUM or BLIGHTED AREA	The acquired property is in an area designated by the grantee as a slum or blighted area, and the property will be used in a manner, which addresses one or more of the conditions, which contributed to the deterioration of the area.	Using CDBG funds to acquire several deteriorated buildings located in a slum/blight area for rehabilitation or demolition.
SPOT BLIGHT	The acquisition of property is located outside a designated slum/blight area and the acquisition is a prerequisite for clearance, which will eliminate specific conditions of blight or physical decay on a spot basis.	The acquisition of a dilapidated property being used as a “crack house” for the purpose of eliminating that use, which is detrimental to public health and safety, through demolition and clearance.
URGENT NEEDS	The acquisition is part of an activity designated to alleviate existing conditions and the grantee certifies that those conditions are a serious and immediate threat to the health or welfare of the community, they are of recent origin or recently became urgent, the grantee is unable to finance the activity on its own, and other sources of funds are not available.	Acquisition of property located in a flood plain which was severely damaged by a recent flood.

~ Entities submitting a proposal requesting acquisition of a property, in whole or in part by purchase, long-term lease, donation, or otherwise, must obtain a permanent interest in the property. A long-term lease is considered to constitute a permanent interest for this purpose if, the lease is for a period of fifteen years or more. **The National Objective for an acquisition activity is determined entirely on the use of the acquired real property following its acquisition.**

Applicant must provide evidence of cash assets equal to six (6) months or more for operations expenses and identify a revenue source to ensure long term compliance in meeting a required National Objective.

Applicant is limited to one application for one eligible activity associated with acquisition. Additional CDBG funds may be allowed for rehabilitation of the property acquired however no additional CDBG funds will be allowed for operations or personnel associated with the acquisition activity. All proposed projects must be accompanied by a project cost estimate, from a design professional, for the total project budget.

See Section VII for submitting the required project cost estimate from a design professional and for submitting the required documents associated with proof of assets.

PUBLIC FACILITIES and IMPROVEMENTS

CDBG funds may be used by the grantee or other public or private nonprofit entities for the: Acquisition (including long term leases for periods of 15 years or more), Construction, Reconstruction, Rehabilitation (including removal of architectural barriers to accessibility), or Installation of public improvements or facilities (except for buildings for the general conduct of government). Reference: [§570.201\(c\)](#)

The regulations define the terms “public facilities” or public improvements.” However, in the CDBG program, these terms are broadly interpreted to include all improvements and facilities that are either publicly owned or that are traditionally provided by the government, or owned by a nonprofit, and operated so as to be open to the general public. This would include neighborhood facilities, firehouses, public schools, and libraries. Public improvements include streets, sidewalks, curbs and gutters, parks,

playgrounds, water and sewer lines, flood and drainage improvements, parking lots, utility lines, and aesthetic amenities on public property such as trees, sculptures, pools of water and fountains, and other works of art. The regulations specify that facilities that are designed for use in providing shelter for persons having special needs are considered to be public facilities (and not permanent housing), and thus are covered under this category of basic eligibility. Such shelters would include nursing homes, convalescent homes, hospitals, shelters for victims of domestic violence, shelters and transitional facilities/housing for the homeless, halfway houses for run-away children, drug offenders or parolees, group homes for the developmentally disabled, and shelters for disaster victims.

In the CDBG program, site improvements of any kind that are made to property that is in public ownership are considered to be a “public improvement” eligible for assistance under this category. The location of Public Improvements is subject to the identified low-income census tracts contained within the corporate city limits of the jurisdiction. New housing constructed on the property directly assisted with CDBG funds would not be eligible under program rules.

Public facilities and improvements not eligible under this category include: Costs of operating or maintaining public facilities/improvements; Costs of purchasing construction equipment; Costs of furnishings and other personal items such as uniforms; or New construction of public housing. Reference [§570.207\(b\)\(2\)](#), [§570.207\(b\)\(1\)\(i\)](#), [§570.207\(b\)\(1\)\(iii\)](#), [§570.207\(b\)\(3\)](#)

PROJECT TIME LINE:

Public Facilities and Improvements activities MUST be completed within 18 months beginning the first day of the fiscal year funded.

Public Facilities and Improvements may qualify as meeting a national objective in any of the ways shown in the chart below.

NATIONAL OBJECTIVES for PUBLIC FACILITIES and IMPROVEMENTS		
OBJECTIVE	QUALIFIES IF	EXAMPLE
L/M INCOME AREA BENEFIT	The public facility or improvement will be used for a purpose the benefits of which are available to all the residents in a particular area that is primarily residential, and at least 51% of those residents (or less if grantee qualifies to use the exception rule) are L/M income persons.	Paving of gravel streets and the installation of curbs, gutters, and sidewalks in a predominantly L/M income neighborhood.
L/M INCOME LIMITED CLIENTELE	The public facility or improvement will be used for an activity designed to benefit a particular group of persons at least 51% of whom are L/M income persons.	Rehabilitation of a building to be used as a center for training severely disabled persons to enable them to live independently.
L/M INCOME HOUSING	The public facility or improvement exclusively assists in the provision of housing to be occupied by L/M income persons.	Site improvements on publicly-owned land to serve a new apartment structure to be rented to L/M income households at affordable rents.

L/M INCOME JOBS	The provision of a particular public improvement needed by one or more businesses to allow creation or retention of jobs, primarily for L/M income persons.*	Rebuilding a public road adjacent to a factory to allow larger and heavier trucks access to the facility, determined to be necessary for plant expansion and the creation of new jobs, where the business agrees to fill 51% of the jobs with L/M income persons.†
SLUM or BLIGHTED AREA	The public facilities and improvements are located in a designated slum or blighted area and are designed to address one or more conditions, which contributed to the deterioration of the area.	Reconstruction of a deteriorated public park located in an area designated by the grantee as slum or blighted pursuant to CDBG rules.
SPOT BLIGHT	The public facilities or improvements are for the historic preservation or rehabilitation of blighted or decayed public facilities/improvements located outside of a designated slum or blighted area. Rehabilitation must be limited to the extent necessary to eliminate specific conditions detrimental to public health and safety.	Rehabilitation/restoration of a severely deteriorated building of historic significance that is being used as a museum that is located outside a designated slum or blighted area (and does not serve a L/M income area).
URGENT NEEDS	The acquisition, construction, or reconstruction of a public facility or improvement designed to alleviate existing conditions and the grantee certifies that those conditions are a serious and immediate threat to the health or welfare of the community, the conditions are of recent origin, and there is no other known source of funds it can use to implement the activity.	Reconstruction of a publicly-owned hospital that was severely damaged by a tornado.

† In certain cases, the area served by a public improvement that enables a business to create or retain jobs may also include other properties (e.g., bringing new water or sewer service to a fringe area of a community that will not only help a business to locate there but that also will bring that new water/sewer service to houses that are located in that area). When, overall, the properties served by the public improvement are primarily residential, the benefits to the residents must also be considered. Therefore, the assisted public improvement in such a case must not only meet the L/M Income Benefit based on the Jobs criteria but must also meet the Area Benefit criteria Reference: [§570.208\(d\)\(3\)](#)

~ A facility owned by a nonprofit entity may qualify for assistance only if the facility is made available to the *general-public*. A facility must be open for use by the *general-public* during all normal hours of operation.

~ Fees charged by the entity shall not be excessive or cause an effect that precludes low-and moderate- income persons from using the facilities assisted with CDBG funding.

Applicant must provide evidence of cash assets equal to six (6) months or more for operations expenses and identify a revenue source to ensure long term compliance in meeting a required National Objective.

Applicant is limited to one application for one eligible activity associated with a public facility and/or public improvement. All proposed projects must be accompanied by a project cost estimate, from a design professional, for the total project budget.

See Section VII for submitting the required project cost estimate from a design professional and for submitting the required documents associated with proof of assets.

CLEARANCE/DEMOLITION

Under this category, CDBG funds may be used for: Demolition of buildings and improvements; Removal of demolition products (rubble) and other debris; Physical removal of environmental contaminants or treatment of such contaminants to render them harmless; and Movement of structures to other sites. Reference: [§570.201\(d\)](#)

Where activities under this category are integral to the construction of a building or improvement on the cleared property, and where such construction is also to be assisted with CDBG funds, the clearance activities may be treated as a part of the construction costs and need not be qualified separately under the program.

PROJECT TIME LINE: Clearance/Demolition activities must be completed within the fiscal year funded.

[Please see Community Development Staff for additional qualifying criteria.](#)

PUBLIC SERVICES

Under this category, CDBG funds may be used to provide public services (including labor, supplies, materials and other costs), provided that each of the following criteria is met:

The public service must be either:

- ~ A new service; or
- ~ A quantifiable increase in the level of a service above that which has been provided, by or on behalf of the unit of general local government through funds raised by such unit or received by such unit from the State in which it is located, during the 12 months prior to submission of the grantee's applicable Action Plan. (This requirement is intended to prevent the substitution of CDBG funds for recent support of public services by the grantee using local or State government funds.)

An exception to this limitation may be granted by HUD if it is determined that the level of service from the previous period has decreased for reasons beyond the unit of local government's control. Reference: [§570.201\(e\)](#)

The amount of CDBG funds obligated within a program year to support public service activities under this category **may not exceed 15% of the total grant awarded to the grantee for that year.**

Public services include, but are not limited to: child care, health care, job training (including training a qualified pool of candidates for unspecified jobs [see Special Economic Development Activities and Special Activities by CBDOs categories], Recreation programs, Education programs, Public safety services, Fair housing activities (but see Program Administration category), Services for senior citizens, Services for homeless persons, Drug abuse counseling and treatment, Energy conservation counseling and testing, Homebuyer down payment assistance, and welfare (but excluding provision of income payments described at [§570.207\(b\)\(4\)](#)).

Paying the cost of operating and maintaining that portion of a facility in which the service is located is also considered to fall under the basic eligibility category of Public Services, even if such costs are the only contributions made by CDBG for those services.

The following Public services are not eligible under this category: Political activities; [[§570.207\(a\)\(3\)](#)] Ongoing grants or non-emergency payments (defined as more than 3 consecutive months) to individuals for their food, clothing, rent, utilities, or other income payments [[§570.207\(b\)\(4\)](#)]

Purchase or lease of personal property for a public service - The purchase or lease of furnishings, equipment, or other personal property needed for an eligible public service may be paid for with CDBG funds. Reference: [§570.207\(b\)\(1\)\(iii\)](#)

PROJECT TIME LINE: Public Services activities MUST be completed within the fiscal year funded.

Public service activities may qualify as meeting a national objective in any of the ways shown in the chart below.

NATIONAL OBJECTIVES for PUBLIC SERVICES		
OBJECTIVE	QUALIFIES IF	EXAMPLE
L/M INCOME AREA BENEFIT	The public service is available to all the residents in a particular primarily residential area, and at least 51% of those residents (or less if the exception criteria are applicable) are L/M income persons.	Increased police and fire protection services in a predominantly L/M income neighborhood.
L/M INCOME LIMITED CLIENTELE	The public service is limited to a specific group of people, at least 51% of whom are L/M income persons. Services qualifying under this category serve a specific clientele, rather than providing service to all the persons in a geographic area.	Provision of meals to the homeless. (Most public services qualify under this category.)
L/M INCOME HOUSING	NOT APPLICABLE	NOT APPLICABLE
L/M INCOME JOBS	NOT APPLICABLE	NOT APPLICABLE
SLUM or BLIGHTED AREA	The public service is provided within a designated slum or blighted area, and is designed to address one or more conditions which contributed to the deterioration of the area.	Provision of crime prevention counseling to residents of a designated slum/blight area.
SPOT BLIGHT	NOT APPLICABLE	NOT APPLICABLE
URGENT NEEDS	The public service is designed to alleviate existing conditions that pose a serious and immediate threat to the health or welfare of the community, they are of recent origin or recently became urgent, and the grantee is unable to find other available funds to support the activity.	Additional police protection to prevent looting in an area damaged by a tornado

Applicant is limited to one application for one eligible activity under the Public Service category. Applicant must provide evidence of cash assets equal to three (3) months or

more for operations expenses and identify a revenue source to ensure viability of the project during submittal and reimbursement of associated costs under the eligible project.

See Section VII for submitting the required documents associated with proof of assets.

REHABILITATION

CDBG funds may be used to finance the costs of rehabilitation as shown below. All proposed projects must be accompanied by a project cost estimate, from a design professional, for the total project budget.

Eligible types of property

Residential—Residential property, whether privately or publicly owned. This does not include manufactured housing at this time.

Commercial/industrial—Commercial or industrial property, but where such property is owned by a for-profit, rehabilitation under this category is limited to exterior improvements of the building and the correction of code violations. (Further improvements for such buildings may qualify under the category of Special Economic Development Activities.)

Other—Nonprofit-owned, nonresidential buildings and improvements that are not considered to be public facilities or improvements under [§570.201\(c\)](#) of the CDBG program regulations.

Note: Additions to existing buildings may be assisted under this category when they are incidental to the rehabilitation of the property, and may be provided as a part of other rehabilitation if the addition does not materially increase the size or function of the building.

Eligible types of assistance

Costs—Costs of labor, materials, supplies and other expenses required for the rehabilitation of property, including repair or replacement of principal fixtures and components of existing structures (e.g., the heating system)‡.

Financing—Grants, loans, loan guarantees, interest supplements and other forms of financial assistance may be provided under this category. (A grantee may make a “lump sum draw down” for the purpose of financing rehabilitation of privately-owned properties. See [§570.513](#) for details.)

Refinancing—Loans for refinancing existing indebtedness secured by a property being rehabilitated with CDBG funds, if such refinancing is determined by the grantee to be necessary or appropriate to achieve its community development objectives.

Property acquisition—Assistance to private individuals and entities (whether profit or not-for-profit) to acquire for the purpose of rehabilitation and to rehabilitate properties for use or resale for residential purposes.

Security devices—Installation costs of sprinkler systems, smoke detectors and dead bolt locks, and other devices for security purposes.

Insurance—The costs of initial homeowner warranty premiums and, where needed to protect the grantee’s interest in properties securing a rehabilitation loan, hazard insurance premiums as well as flood insurance premiums for properties covered by the Flood Disaster Protection Act of 1973, as amended, pursuant to [§570.605](#).

Conservation—Costs required to increase the efficient use of water (e.g., water saving faucets and shower heads) and improvements to increase the efficient use of energy in structures through such means as installation of storm windows and doors, insulation, and modification or replacement of heating and cooling equipment.

Water and sewer—Costs of connecting existing residential structures to water distribution lines or local sewer collection lines.

Tools—Costs of acquiring tools to be lent to owners, tenants and others who will use the tools to carry out rehabilitation.

Barrier removal—Costs to remove material and architectural barriers that restrict the mobility and accessibility of elderly and severely disabled persons to buildings and improvements that are eligible for rehabilitation under this category.

Landscaping, sidewalks, and driveways—The costs of installation or replacement of landscape materials, sidewalks, and driveways when incidental to other rehabilitation of the property.

Renovation of closed buildings—The conversion of a closed building from one use to another (e.g., the renovation of a closed school building to residential use).

Historic preservation—This category also authorizes the costs of preserving or restoring properties of historic significance, whether privately- or publicly-owned, except that buildings for the general conduct of government may not be restored or preserved with CDBG assistance.

Historic properties are those sites or structures that are either listed in or eligible to be listed in the National Register of Historic Places, listed in a State or local inventory of historic places, or designated as a State or local landmark or historic district by appropriate law or ordinance.

Lead-based paint hazard evaluation and reduction -The costs of evaluating and treating lead-based paint may be undertaken under this category whether alone or in conjunction with other rehabilitation.

Rehabilitation services—Staff costs and related expenses required for outreach efforts for marketing the program, rehabilitation counseling, screening potential applicant households and structures, energy auditing, preparing work specifications, loan underwriting and processing, inspections, and other services related to assisting owners, tenants, contractors, and other entities who are participating or seeking to participate in rehabilitation activities eligible under this category; under the Section 312 of the Housing Act of 1964, as amended; under Section 810 of the Act; or under Section 17 of the United States Housing Act of 1937.

Rehabilitation does not include: Creation of a secondary housing unit attached to a primary unit; Installation of luxury items, such as a swimming pool; Costs of equipment, furnishings, or other personal property not an integral structural fixture, such as: a window air conditioner; or a washer or dryer (but a stove or refrigerator is allowed); or Labor costs for homeowners to rehabilitate their own property.

‡Complying with National Objectives - **Section 105(c)(3)** of the authorizing statute, the Housing and Community Development Act of 1974, requires that, in order for an activity that involves the acquisition or improvement of property for housing to qualify as benefiting L/M income persons, the housing must be occupied by such persons. Even though a particular housing activity may provide a clear benefit to an area containing predominantly L/M Income residents, it cannot qualify on that basis. Instead, the housing must be occupied by L/M Income households.

PROJECT TIME LINE: Rehabilitation activities MUST be completed within 18 months beginning the first day of the fiscal year funding.

Rehabilitation activities may qualify as meeting a national objective in any of the ways shown in the chart below.

NATIONAL OBJECTIVES for REHABILITATION		
OBJECTIVE	QUALIFIES IF	EXAMPLE
L/M INCOME AREA BENEFIT	Rehabilitation of a building to be used for a purpose that will benefit all the residents of a qualifying L/M income primarily residential area.	Facade improvements to a commercial structure serving a predominantly L/M income primarily residential area.
L/M INCOME LIMITED CLIENTELE	NOT APPLICABLE	NOT APPLICABLE
L/M INCOME HOUSING	Rehabilitation of housing to be occupied by L/M income persons. Rental units must be occupied at affordable rents.	Conversion of an abandoned warehouse into rental housing for L/M income households at affordable rents. Also improvements to a single family residence used as a place of business provided the improvements generally benefit the unit's residential occupants.
L/M INCOME JOBS	Rehabilitation of nonresidential property that will create or retain jobs for L/M income persons.	Correction of code violations that will enable a business to survive and retain jobs the majority of which are held by L/M income persons.
SLUM or BLIGHTED AREA	Rehabilitation of residential structures located in a designated slum or blighted area; the structure to be rehabilitated is considered substandard under local definition before rehabilitation, and all deficiencies making the structure substandard are corrected before less critical work is undertaken. Reference: §570.208(b)(1)(iv)	Rehabilitation of substandard housing located in a designated blighted area and where the housing is expected to be brought to standard condition and sold to non-L/M income households.
SPOT BLIGHT	Rehabilitation of a structure located outside a designated slum or blighted area, where the rehabilitation is limited to the extent necessary to eliminate specific conditions of blight or decay that are detrimental to public health and safety. Rehabilitation of the deteriorated exterior of an abandoned building located in an area that has not been designated as slum or blighted and where the rehabilitation is limited to removal of the exterior blight.	Rehabilitation of plumbing in a building located in an area that has not been designated as slum or blighted and where rehabilitation is limited to corrections of code violators that are detrimental to public health and safety.
URGENT NEEDS	The rehabilitation is part of an activity designed to alleviate existing conditions for which the grantee certifies are a serious and immediate threat to the health or welfare of the community, the conditions are of recent origin or recently became urgent, the grantee is unable to finance the activity on its own, and other sources of funds are not available.	Rehabilitation of housing that has been badly damaged by an earthquake.

~ Entities submitting a proposal requesting rehabilitation to real property must own the property or have a long-term lease of at least fifteen years, provide proof of ownership or lease at the time the proposal is submitted, and the property must be

located within the corporate city limits of Killeen. If the facility to be rehabilitated is a commercial property, an asbestos survey must be performed. If asbestos is present, the hazard must be abated and a clearance test must be conducted and conclude with the asbestos hazard being removed before any building permits can be issued. If the cost of rehabilitation to the facility exceeds a combined total (all funding sources) of \$50,000, the project may be subject to the Texas Accessibility Standards (TAS) whereby accessibility features for mobility impaired persons will be required to be incorporated into the rehab activity. If the facility to be rehabilitated is to be used for housing and the facility was constructed prior to 1978, the facility must be tested for lead-based paint by a State Certified Lead Paint Inspector. If the facility is confirmed to contain lead hazards exceeding acceptable levels, the lead must be abated and a clearance test must be conducted and conclude with the lead hazard being removed. Entities may include the cost of an asbestos survey, or lead paint inspection-abatement-clearance testing as part of architectural, engineering, surveying, and pre-development costs however, these actions may not be performed until after the grant agreement is executed at the beginning of the program year.

Applicant must provide evidence of cash assets equal to six (6) months or more for operations expenses and identify a revenue source to ensure long term compliance in meeting a required National Objective.

Applicant is limited to one application for one eligible activity associated with rehabilitation. All proposed projects must be accompanied by a project cost estimate, from a design professional, for the total project budget.

See Section VII for submitting the required project cost estimate from a design professional

CONSTRUCTION OF HOUSING

Under this category, CDBG funds may be used in certain specified circumstances to finance the construction of new permanent residential structures. The following identifies those limited circumstances:

- ~ Grantees may use CDBG funds in a housing construction project that has received funding through a Housing Development Grant (a HODAG). Reference: [§570.201\(m\)](#)
- ~ Grantees may construct housing of last resort under [24 CFR Part 42](#), (This is housing that the grantee has determined must be constructed in order to provide suitable replacement housing for persons to be displaced by a contemplated CDBG project, subject to the Uniform Act, and where the project is prevented from proceeding because the required replacement housing is not available otherwise.) Reference: [§570.207\(b\)\(3\)](#)

Note: Other than these two situations, new housing construction is ineligible under the CDBG program, unless carried out under the authority of the basic eligibility category, “Special Activities by CBDOs. [A CBDO is a Community Based Development Organization]

Conversion: It should be noted that the cost of converting an existing nonresidential structure to residential is not generally considered to constitute new construction under the CDBG program and is thus covered under the basic eligibility category of Rehabilitation. However, in some cases, the conversion may involve construction that goes beyond the envelope of the non-residential structure. Where this is the case, the

grantee should consult with the local HUD field office to ensure that the extent of such construction would not constitute new construction of housing and thus be ineligible for CDBG assistance. Reference: [§570.202](#)

All proposed projects must be accompanied by a project cost estimate, from a design professional, for the total project budget.

PROJECT TIME LINE: Construction of Housing activities MUST be completed within 18 months beginning first day of the fiscal year funded.

New housing construction activities may qualify as meeting a national objective in any of the ways shown in the chart below.

NATIONAL OBJECTIVES for CONSTRUCTION of HOUSING		
OBJECTIVE	QUALIFIES IF	EXAMPLE
L/M INCOME AREA BENEFIT	NOT APPLICABLE	NOT APPLICABLE
L/M INCOME LIMITED CLIENTELE	NOT APPLICABLE	NOT APPLICABLE
L/M INCOME HOUSING	The new housing will be occupied by L/M income households. Rental units must be occupied at affordable rents.	New construction of “last resort” housing needed for a L/M income household being displaced by a CDBG-assisted project.
L/M INCOME JOBS	NOT APPLICABLE	NOT APPLICABLE
SLUM or BLIGHTED AREA	New housing qualifies if: (1) The new housing is located with a designated slum or blighted area, and (2) Development of new housing addresses one of the conditions, which contributed to the deterioration of the area.	Luxury apartments constructed with HODAG assistance on a site in a designated slum/blight area.
SPOT BLIGHT	NOT APPLICABLE	NOT APPLICABLE
URGENT NEEDS	The new housing is needed to respond to a threat to the health or welfare of the community of recent origin and no other funding is available to meet the threat and the new construction is eligible (or the statutory waiver Authority for Presidentially-declared disasters is exercised.	Housing needed to replace units completely destroyed by a flood and needed to be built in a new location.

Applicant is limited to one application for one eligible activity associated with new housing construction. All proposed projects must be accompanied by a project cost estimate, from a design professional, for the total project budget.

See Section VII for submitting the required project cost estimate from a design professional

CODE ENFORCEMENT

Code enforcement involves the payment of salaries and overhead costs directly related to the enforcement of state and/or local codes. **CDBG funds may be used for code enforcement only in deteriorating or deteriorated areas where such enforcement,**

together with public or private improvements, rehabilitation, or services to be provided, may be expected to arrest the decline of the area. Reference: [§570.202\(c\)](#)

CDBG funds may be used to pay the salaries of inspectors enforcing codes in a blighted area being renewed through comprehensive treatment. The Uniform Relocation and Real Property Acquisition Policies Act of 1970 (URA) and section 104(d) of the Housing and Community Development Act of 1974 (section 104(d)) are not automatically triggered by code enforcement activities, however applicants should be mindful that in some cases the URA and section 104(d) *could* apply; City of Killeen CDBG funds are not eligible to pay for URA or section 104(d) compliance required in connection with code enforcement activities.

Code enforcement does not include: Inspections for the purpose of processing applications for rehabilitation assistance and overseeing such rehabilitation [such inspections may be eligible under the Rehabilitation category and they are not limited by the restrictions on the eligibility of code enforcement]; Correcting code enforcement violations identified during inspections.

Code enforcement expenditures are not to be included in costs subject to the 20% limit on planning and administration, even though all expenditures are for staff and related costs because they are considered to be an activity delivery cost.

[Please see Community Development Staff for additional information.](#)

ECONOMIC DEVELOPMENT and SPECIAL ECONOMIC DEVELOPMENT ACTIVITIES

PREFACE - The purpose of this preface is to distinguish the concept of “economic development” from the term “special economic development activities” as used in the CDBG program. “Economic development” is generally thought of in two ways within the context of CDBG activities: the very broad concept of the term as distinguished from “special economic development activities” as that term is used at [24 CFR 570.203](#).

“Economic development” can be interpreted very broadly to include all endeavors aimed at sustaining or increasing the level of business activity. Under this broad concept, most CDBG activities could, under the right circumstances, be viewed as economic development. For example, the level of business activity in a jurisdiction could be helped through development of a community economic development plan, improvements to the public infrastructure, through better housing, or an enhanced level of public services.

In contrast, the term “special economic development activities” is used in the CDBG program to identify three types of activities described below and at [§570.203\(a\), \(b\), and \(c\)](#) of the regulations.

CDBG funds may be used for the following special economic development activities:

~ Commercial or industrial improvements carried out by the grantee or a nonprofit subrecipient, including: • acquisition, • construction, • rehabilitation, •

reconstruction, or • installation of commercial or industrial buildings or structures and other related real property equipment and improvements.

~ Assistance to private for-profit entities for an activity determined by the grantee to be appropriate to carry out an economic development project. This assistance may include, but is not limited to: • grants; • loans; • loan guarantees; • interest supplements; • technical assistance; or • any other form except for those described as ineligible in [§570.207\(a\)](#), such as political activities.

~ Economic development services in connection with the above subcategories, including outreach efforts to market available forms of assistance, screening of applicants, reviewing and underwriting applications for assistance, preparation of agreements, management of assisted activities, and the screening, referral, and placement of applicants for employment opportunities generated by CDBG-eligible economic development activities. The costs of providing necessary job training for persons filling those positions may also be provided. Reference: [§570.203\(a\), \(b\) and \(c\)](#)

[Please see Community Development Staff for additional information.](#)

MICRO ENTERPRISE ASSISTANCE

Under this category, grantees and other public or private organizations may use CDBG funds to facilitate economic development through the establishment, stabilization, and expansion of micro enterprises. Reference: [§570.201\(o\)](#)

This category authorizes the use of CDBG funds to provide financial assistance of virtually any kind to an existing micro enterprise or to assist in the establishment of a micro enterprise.

Definitions:

“**Micro enterprise**” means a business having five or fewer employees, one or more of whom owns the business.

“**Person developing a micro enterprise**” means any person who has expressed an interest and who is, after an initial screening, expected to be actively working towards developing a business that is expected to be a micro enterprise at the time it is formed.

[Please see Community Development Staff for additional information.](#)

SPECIAL ACTIVITIES BY COMMUNITY BASED DEVELOPMENT ORGANIZATIONS (CBDOs)

A qualified CBDO can only carry out the following three (3) types of eligible projects:

~ Neighborhood revitalization: Activities undertaken under this provision must be of sufficient size and scope to have an impact on the decline of a designated geographic location within the jurisdiction of the grantee (but not the entire jurisdiction of an entitlement community unless it has a population of 25,000 or

less). The activities to be considered for this purpose are not limited to those funded (or to be funded) with CDBG assistance.

- ~ Community Economic Development: This type of project must include activities that increase economic opportunity, principally for low- and moderate-income persons, or that are expected to create or retain businesses or permanent jobs within the community. Housing activities may be included within this project type if they can clearly link the need for affordable housing accessible to existing or planned jobs, or otherwise address the Consolidated Plan's definition of "expanded economic opportunity" at [24 CFR Part 91.1\(a\)\(1\)\(iii\)](#).
- ~ Energy Conservation: Activities carried out under this provision are clearly designed to conserve energy for the benefit of residents within the grantee's jurisdiction. An example of this type of project may involve the construction of energy efficient housing where substantial savings in heating and/or cooling costs can expect to be realized.

The authority conveyed under this category requires that the CBDO "carry out" the funded activities. This means that the CBDO will undertake the activity directly or through contracts with an entity other than the grantee. In any case where the CBDO provides CDBG funds to another entity, it must be clear that the CBDO has a direct and controlling interest in how and where the activities are undertaken. The purpose of this restriction is to ensure that the grantee itself is not playing a major and controlling interest in the funded activities. Perhaps the "litmus test" for this purpose is whether the entity has the authority, independent of the grantee, to stop the project if something is going wrong.

[Please see Community Development Staff for additional information.](#)

HOMEOWNERSHIP ASSISTANCE

Under the provisions at [§570.201\(n\)](#), grantees and their subrecipients may provide financial assistance to low- and moderate-income households to assist them in the purchase of a home.

[Please see Community Development Staff for additional information.](#)

RECONSTRUCTION

Reconstruction became explicitly eligible for CDBG assistance as a result of a legislative change under section 225 of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (P.L. 104-234, enacted April 26, 1996). This change [in section 105(a)(4) of the Housing and Community Development Act of 1974 as amended] broadens grantees' ability to use CDBG funds for "reconstruction" of properties. Grantees have thus been able to make use of this provision since enacted.

While the statute does not define the term "reconstruction," for CDBG purposes, it is generally **defined as meaning the rebuilding of a structure on the same site in substantially the same manner**. Deviations from the original design are permitted for reasons of safety or if otherwise impractical. The structure to be reconstructed may be residential or nonresidential, and either publicly- or privately-owned.

For reconstruction involving housing, the number of housing units on a site may not be increased, but the number of rooms per unit may be increased or decreased. [Note that any decrease in the number of units on a site may require compliance with the one-for-one replacement of L/M income dwelling units at 24 CFR part 42, subpart C.]

Note that reconstruction is also permitted elsewhere in the regulations under Public Facilities and Improvements [§570.201(c)], Privately Owned Utilities [§570.201(1)], and Special Economic Development Activities [§570.203].

PROJECT TIME LINE: Reconstruction activities MUST begin no later than three (3) months from the first day of the fiscal year funded (January 1), with full project completion within 18 months after initial funding.

Applicant is limited to one application for one eligible activity associated with reconstruction. All proposed projects must be accompanied by a project cost estimate, from a design professional, for the total project budget.

See Section VII for submitting the required project cost estimate from a design professional

CDBG

PROGRAM RESOURCES – Leveraging and Matching

For over 30 years, the Community Development Block Grant (CDBG) Program has provided the Nation a comprehensive and flexible source of funding for empowering people to create viable urban communities. With the uncertainty of future congressional budget appropriations to the CDBG program, entities can no longer solely rely on this single funding source to benefit our low-and moderate-income citizens. Thus, all entities need to explore new and additional ways to combine their City of Killeen CDBG resources with those of other federal agencies, the State, and private sector resources to meet their project/program/activity needs – without leveraging of resources, significant opportunities are missed.

The City of Killeen requires entities, applying for its Federal funds [CDBG and HOME Program funds] to identify leveraging resources and contributions of matching funds for all proposed projects/programs/activities. See Section VII-Official Documents and Policies for required documentation.

Resource Leveraging - is the combination of other federal, state, and private sector funds made available to the entity, for the proposed CDBG project/program/activity. In some cases, the leveraged funds are contingent upon receipt of other funds which, when combined will provide for a completed project/program/activity.

Matching funds are those funds provided for a project/program/activity that **are not derived from another federal fund source**. The entity must be able to document the contribution of matching funds to the CDBG funded project/program/activity in order to count the contribution as matching funds. **Match counted for other Federal programs cannot be counted as CDBG match.**

Examples of types of MATCH

- Cash or cash equivalents from a non-federal source, local, public, or private source [no owner equity]
- Staff time or administrative costs associated with the CDBG project
- Value of waived taxes, fees, or charges associated with the CDBG assisted project
- Value of donated land or real property associated with the CDBG assisted project
- Cost of infrastructure improvements associated with the CDBG assisted project
- Value of donated materials, equipment, labor, and professional services associated with the CDBG assisted project
- Volunteer labor [for unskilled volunteers] associated with the CDBG assisted project
- Direct costs of supportive services to beneficiaries of the CDBG assisted project
- Direct cost of homebuyer counseling to families purchasing homes with CDBG assistance

Match can be earned for investments in the CDBG-assisted project/program/activity regardless of the match type.

OTHER FEDERAL LAWS, REGULATIONS, and EXECUTIVE ORDERS (CDBG)

THE CITY OF KILLEEN, ELIGIBLE ENTITIES, SUB-RECIPIENTS, AND CITY DEPARTMENTS RECEIVING/AWARDED FEDERAL FUNDS FROM THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM, MUST COMPLY WITH THE FOLLOWING FEDERAL LAWS, EXECUTIVE ORDERS AND REGULATIONS.

- Title IV of the Civil Rights Act of 1964 as amended (42 U.S.C. 200d et seq.) all **Texas State Statutes** and **City of Killeen Ordinances regarding enforcement of civil rights**
- The Fair Housing Act (42 U.S.C. 3601-3602) (24 CFR Part 100-115); Public Law 889-352 and 90-284 affirmatively furthering fair housing and Executive Order 11063 as amended and Federal Code Title 5 USCA 7142, Sub-Chapter 11, and State of Texas laws and statutes and City of Killeen ordinances regarding enforcement of Civil Rights and Section 109 of the Act
 - Equal Opportunity in Housing (executive Order 11063 as amended by Executive Order 12259)
 - Age Discrimination Act of 1975 as amended (42 U.S.C. 6101)
- ALL CDBG assisted projects require the recipient of the CDBG funds to recognize the CDBG funding for the project. All activities, facilities, and items utilizing the CDBG funds shall prominently be labeled as to the funding source(s). Recipients of CDBG funding will include reference to the support provided by the CDBG funds in all publications and all project sites with the following reference:
 - ~ Documents - on the front cover, title page, etc.: the appropriate Killeen CDBG/HOME logo and any additional required language in accordance with applicable federal regulation.

~ On Project Site – at the street, information poster, etc.: the appropriate Killeen CDBG/HOME logo and any additional required language in accordance with applicable federal regulation.

- Americans with Disabilities Act (42 I.S.C. 12131; 47 U.S.C. 155, 201, 218, and 225)
- Design and construction requirements at 24 CFR 100.205 which implement the Fair Housing Act (42 U.S.C. 3601-19)
- Section 504 of the Rehabilitation Act of 1973 (for any recipient or subrecipient principally involved in housing or social services, **ALL activities of the agency--not just those directly receiving federal assistance--are covered under Section 504.**)
- Employment and contracting; Equal Employment Opportunity Executive Order 11246 as amended
- Section 3 of the Housing and Urban Development Act of 1968; Employment and contracting opportunities Executive Order (E.O.) 11246, amended by E.O. 11375, 11478, 12086, 12107 and 13279, Section 109 of the Act
- Minority/Women's business Enterprise Executive Orders 11625, 12432 and 12138 prescribe procedures acceptable to HUD for a minority outreach program to ensure the inclusion, to the MAXIMUM EXTENT POSSIBLE, of minorities and women, and entities owned by minorities and women in ALL contracts using CDBG funds. (24 CFR 85.36(e))
- Labor requirements require compliance with regulations on wage and labor standards for all construction contracts in excess of \$2,000 and for new construction or rehabilitation/ reconstruction with eight (8) or more housing units of residential **property*** [single-family homeowner properties are excluded].

* *Property* is not limited to a specific building.

Examples of 8+ unit properties may include: 5 townhouse buildings side-by-side which consist of 2 units each; 3 apartment buildings each consisting of 5 units and located on one tract of land; 8 single-family (not homeowner) houses located on contiguous lots.

Special Note - When CDBG funds are used for a portion of the construction, in conjunction with other funding sources, *labor standards* are applicable to the entire construction work.

Specific compliance with the following:

- Davis Bacon and Related Acts (40 U.S.C. 276(a)-7)
- Contract Work Hours and Safety standards Act as amended (40 U.S.C. 327-333)
- Copeland (anti-kickback) Act (40 U.S.C. 276(c))
- Fair Labor Standards Act of 1938 as amended (29 U.S.C. 201 et. seq.)
- Contracting and Procurement Standards of 2 CFR part 200 including Conflict of Interest provisions and employment of approved contractors, directly or indirectly, who have been debarred, suspended or placed on ineligibility status to contract with programs utilizing federal funds.
- Environmental Reviews in accordance with 24 CFR 58 for all CDBG funded projects

- National Flood Insurance Program policies -Section 202 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4106)
 - Site and Neighborhood standards in compliance with Title VI of the Civil Rights Act-1964, the Fair Housing Act and Executive Order 11063 and 24 CFR 983.6(b)
 - Lead Based Paint Requirements of Title X of the Housing and Community Development Act of 1992, as amended, sections 1012 and 1013 (24 CFR Part 35)
 - Displacement, Relocation, Acquisition, and Replacement of Housing policies in accordance with The Act and provisions of the Uniform Relocation Act
 - Use of debarred, suspended or ineligible contractors or subrecipients
 - Uniform administrative requirements and cost principles, and audit requirements for federal awards
 - Conflict of interest policies
 - E.O. 12372 Intergovernmental Review of Federal Programs
 - Eligibility restrictions for certain resident aliens.
 - Architectural Barriers Act and the Americans with Disabilities Act
 - Use of funds for sectarian religious purposes as described in 24 CFR Part 92 et al.
 - Compliance with confidentiality clauses of 42 CFR part 2.
 - Drug Free Facilities
- Organizations that are religious or faith-based are eligible, on the same basis as any other organization. Neither the federal government nor a state or local government receiving funds under a HUD funded program shall discriminate against an organization on the basis of the organization's religious character or affiliation.

A religious organization or entity that participates in the HUD-funded programs will retain its independence from federal, state, or local governments, and may continue to carry out its mission, including the definition, practice, and expression of its religious beliefs. No HUD-funded programs shall directly support any inherently religious activities, such as worship, religious instruction, or proselytization.

Faith-based organizations may use space in their facilities, without removing religious art, icons, scriptures, or other religious symbols. In addition, the religious organization shall retain its authority over its internal governance, and it may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents.

Organizations successful in receiving an award of funds may not engage in inherently religious activities, such as worship, religious instruction, or proselytization, as part of the programs or services funded under this part. If an organization conducts such

activities, the activities must be offered separately, in time or location, from the programs or services funded under this part and participation must be: voluntary; the organization shall not, in providing assistance, discriminate on the basis of religion or religious beliefs, there shall be no religious test for admission for services; there shall be no requirement for attendance of religious services; there shall be no inquiry as to a client's religious preference or affiliation for the HUD-funded programs or services.

- The rules and requirements for CDBG have several additional broad federal rules that must be adhered to in the course of administering the program. The City of Killeen is responsible for implementing these rules. Owners, developers, sponsors, CHDO's and other nonprofits must also be aware of the application of the rules to ensure a project or activity's compliance.
- The entity will meet all requirements of the **Americans with Disabilities Act of 1990 (ADA)**, and comply with all applicable rules and regulations which would be imposed on the City of Killeen as a public entity; be cognizant of all applicable requirements of the **ADA** and to defend, indemnify and hold harmless the City of Killeen, its officials, agents and employees from any and all claims, actions, suits, or proceedings (of any kind) brought as a result of any actions or omissions of the eligible entity or its agents in violation of the **ADA**.
- All entities will comply with the **CITY OF KILLEEN GRANTS ADMINISTRATION MANUAL**, as amended and adhere to these requirements in preparing the application and throughout the course of the eligible activity, in the event funding is allocated. These administrative requirements do not replace, nullify, or void any grant/contract agreements previously authorized by the City of Killeen.

~ ~ ~ NOTE ~ ~ ~

CDBG funds are disbursed for Public Service Programs/Projects on a reimbursement basis ONLY!

Costs associated with Acquisition, Rehabilitation, Clearance/ Demolition, Code Enforcement, Construction of Housing, Homeownership Assistance, Public Facilities and Improvements, and Other Eligible Activities will be disbursed by the City of Killeen Community Development Division, on behalf of the subrecipient, to the appropriate entity - Funds will not be expended prior to the first day of the fiscal year funded or the first date the grant agreement between the City and the applicant entity is actually executed, whichever is later.

Contact Community Development Division Staff for details and the possible financial impact to the proposed project regarding any of the following:

- ~ Demolition of any occupied or unoccupied dwelling unit or any household being required to either move or pay increased housing costs (including housing occupied by tenants and being purchased with homebuyer's assistance).

- ~ Construction /Rehabilitation project costs affected by labor standards (Davis-Bacon Federal Wage) requirements.
- ~ Housing Rehabilitation projects affected by HUD's Lead-Based Paint regulations.
- ~ City of Killeen and professional service cost for any changes in zoning, platting, variances, etc.

SECTION II

Home Investment Partnerships Act

ALLOCATION OF HOME FUNDS

Through a direct allocation from the U.S. Department of Housing and Urban Development (HUD), the City of Killeen receives Home Investment Partnerships Act Program funds annually. With receipt of these funds and in keeping with the HOME Program objectives, the City of Killeen can use up to a **maximum of ten percent (10%)** of the annual allocation for eligible and reasonable planning and administrative costs associated with the HOME Program.

However, a **minimum of fifteen percent (15%)** of the annual allocation must be reserved for activities undertaken by qualified **Community Housing Development Organizations¹ (CHDOs)**.

The remaining funds are available for eligible projects through allocation from the annual Application for Funding process.

Applicants are limited to one application for one eligible activity under this program.

HOME PROGRAM OBJECTIVES

The HOME program is the Federal Government's commitment to providing decent, safe, and affordable housing for all Americans and was designed with the intent of alleviating the problems of excessive rent burdens, homelessness, and deteriorating housing stock nationwide. In addition to expanding the supply of decent and affordable housing the HOME program's goal is to strengthen public and private partnerships and operate in ways that incorporates community housing development organizations, subrecipients, developers, and owners to respond to each community's unique housing circumstances.

Specific objectives include:

- Provide decent affordable housing to lower-income households
- Removal of physical barriers in housing for individuals with disabilities
- Expand the capacity of non-profit housing providers
- Strengthen the ability of State and Local governments to provide housing
- Leverage private-sector participation

¹ For further explanation on Community Housing Development Organizations (CHDOs) see the section entitled Eligible Entities.

MEASURING PERFORMANCE OF HOME FUNDED ACTIVITIES

An outcome performance measurement system has been developed for the four Community Planning D formula grant programs for the Community Development Block Grant (CDBG) Program, HOME Investment Partnerships Program (HOME), Emergency Shelter Grants (ESG), and the Housing Opportunities for Persons with AIDS Program (HOPWA).

The implementation of the outcome performance measurement system and its use by grantees will enable HUD to collect information on the outcomes of activities funded with CPD formula grant assistance. This data will be entered into the Integrated Disbursement and Information System (IDIS) and will be aggregated at the national level to provide HUD with the information necessary to show the national results and benefits of the expenditure of federal funds using these four CPD formula grant programs.

The outcome performance measurement system has three overarching objectives: (1) Creating Suitable Living Environments, (2) Providing Decent Affordable Housing, and (3) Creating Economic Opportunities. There are also three outcomes under each objective: (1) Availability/Accessibility, (2) Affordability, and (3) Sustainability. Thus, the three objectives, each having three possible outcomes, will produce nine possible "outcome/objective statements" within which to categorize formula grant activities.

The intent [of the activity] will determine which of the three objectives best describes the purpose of the activity.

The three objectives are:

- **Suitable Living Environment** - In general, this objective relates to activities that are designed to benefit communities, families, or individuals by addressing issues in their living environment.
- **Decent Housing** - The activities that typically would be found under this objective are designed to cover the wide range of housing possibilities under HOME, CDBG, HOPWA or ESG. This objective focuses on housing programs where the purpose of the program is to meet individual family or community needs and not programs where housing is an element of a larger effort, since such programs would be more appropriately reported under Suitable Living Environment.
- **Creating Economic Opportunities** - This objective applies to the types of activities related to economic development, commercial revitalization, or job creation and/or opportunities through programs and financial resources that provide assistance and improvement of human performance, motivation, and productivity; bettering the conditions under which people live, learn and work.

Similarly, once the objective for the activity is determined, then one of the three outcome categories will reflect what the activity is seeking to achieve. It is important that the data are not diluted by too much information therefore; it is encouraged to appropriately fit the activity with one of the three outcomes established.

The three outcome categories are:

- **Availability/Accessibility.** This outcome category applies to activities that make services, infrastructure, public services, public facilities, housing, or shelter available or accessible to low- and moderate-income people, including persons with disabilities. In this category, accessibility does not refer only to physical barriers, but also to making the affordable basics of daily living available and accessible to low and moderate income people where they live.
- **Affordability.** This outcome category applies to activities that provide affordability in a variety of ways in the lives of low- and moderate-income people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care.
- **Sustainability: Promoting Livable or Viable Communities.** This outcome applies to projects where the activity or activities are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefit to persons of low- and moderate-income or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhoods.

Each outcome category can be connected to each of the overarching objectives, resulting in a total of nine groups of outcome/objective statements under which the City of Killeen will report the activity or project data to document the results of the funded activities or projects. Each activity will provide one of the following statements [although sometimes an adjective such as new, improved, or corrective may be appropriate to refine the outcome statement]:

- ~ Accessibility for the purpose of creating suitable living environments
- ~ Accessibility for the purpose of providing decent affordable housing
- ~ Accessibility for the purpose of creating economic opportunities
- ~ Affordability for purpose of creating suitable living environments
- ~ Affordability for the purpose of providing decent affordable housing
- ~ Affordability for the purpose of creating economic opportunities
- ~ Sustainability for the purpose of creating suitable living environments
- ~ Sustainability for the purpose of providing decent affordable housing
- ~ Sustainability for the purpose of creating economic opportunity

There are certain data elements commonly reported by all programs. Reporting data elements required for HOME include:

- Amount of money leveraged (from other federal, state, local, and private sources) per activity;
- Number of persons, households, units, or beds assisted, as appropriate;
- Income levels of persons or households by: 30 percent, 50 percent, 60 percent, or 80 percent of area median income, per applicable program requirements.
- Race, ethnicity, and disability for persons, households, units, or beds assisted, as appropriate.

The standardized “outcome performance measurement system” provides for a uniform reporting format, and therefore the achievements of the CPD grant programs can be aggregated for each grantee locally and for all grantees at the national level.

The City of Killeen has established expected outcomes from the three performance objectives. Entities submitting proposals will select one objective and one outcome for the proposed project/activity/program submitted.

The following OBJECTIVES and OUTCOMES for proposed HOME project/activity/program apply according to the table below.

Project/Activity/Program Type	OBJECTIVE	OUTCOME
New Construction of Housing - Ownership	DECENT HOUSING	IMPROVED AFFORDABILITY
Housing Construction - Rental	DECENT HOUSING	IMPROVED AFFORDABILITY
Rehabilitation Housing	DECENT HOUSING	IMPROVED SUSTAINABILITY
Homeownership Assistance	DECENT HOUSING	IMPROVED AVAILABILITY/ACCESSIBILITY
Tenant Based Rental Assistance	SUITABLE LIVING ENVIRONMENT	IMPROVED AFFORDABILITY

Performance Reporting

Performance measurement and outcome (*output*) reporting by the entity is required each quarter throughout the fiscal year with a culmination of all performance and outcome reported in the Consolidated Annual Performance and Evaluation Report (CAPER). The CAPER conveys outcomes/output in direct correlation to an entity’s funding application, with annual performance being measured against actual outcome/output and the outcome (proposed and defined) in the entity’s application and contract for funding.

HUD will direct additional reporting indicators, as necessary, to meet the Government Performance Results Act and the President’s Management Agenda. Minimally, the required quarterly reporting, *regardless of project/activity progress*, will consist of three main reports (as identified below).

- 1) **Match Log** (contributions to affordable housing through cash, in-kind contributions, professional services, etc.)
- 2) **Quarterly Performance Report** with indicators based on the activity and outcome (e.g. Number of: households assisted, units made 504-accessible, units meeting Energy Star standards, persons stabilized, affordable units, units made lead safe, etc.)
- 3) **Client Beneficiary Report** (race, ethnicity, income level, number of persons in household, etc. for each person in each unit assisted.)

Quarterly reports will be due no later than the 15th day of the month following the end of the reporting quarter. The City will withhold any or all payments otherwise due or requested by the entity for incomplete, delinquent, or neglect until the entity fully cures or performs the reporting obligation. Additionally, the City will not be liable for costs incurred or expenditures made by the entity, during the default period of performance reporting.

MATCHING FUNDS REQUIREMENT

The City of Killeen HOME Program requires eligible entities to provide a matching contribution in an amount equal to **NO LESS THAN 25%** of the total HOME funds expended, for project or activity costs, in a fiscal year. MATCH is the local, non-federal contribution to the partnership between the community and the eligible entity engaged in an eligible HOME project or activity. It is a permanent contribution to affordable housing, however it **IS NOT** leveraging.

Eligible Entities applying for HOME Funds are required to provide match credit equal to 25% of the total HOME funds requested. The Narrative Summary and Project Budget should reflect the amount of MATCH credit being provided as well as the credit source and supportive documentation [support/commitment letters].

Examples of eligible Sources of MATCH

- Cash or cash equivalents from a non-federal source [no owner equity]
- Value of waived taxes, fees or charges associated with HOME projects
- Value of donated land or real property
- Cost of infrastructure improvements associated with HOME projects
- A percentage of the proceeds of single or multi-family housing bonds issued by state, state instrumentality or local government
- Value of donated materials, equipment, labor and professional services
- Sweat equity, including owners sweat equity
- Direct costs of supportive services to residents of HOME projects
- Direct cost of homebuyer counseling to families purchasing homes with HOME assistance

Match can be earned for investments in HOME-assisted projects, partially-assisted HOME projects, and mixed-use projects [mixed used projects are where some units are HOME-assisted and some are not] and Assistance to tenants [non federal funds used to assist tenants receiving HOME TBRA with utility deposit payments].

Match counted for other Federal programs cannot be counted as HOME match.

HOME funds cannot be used to match other federally funded programs unless specifically authorized by statute, regulation, or authorized issuance by HUD.

Leveraging - is the combination of other federal, state, and private sector funds made available to the entity, for the proposed HOME project/program/activity. In some cases, the leveraged funds are contingent upon receipt of other funds which, when combined will provide for a completed project/program/activity

ELIGIBLE ENTITIES

Subrecipient: A public agency or nonprofit organization contracted by the City of Killeen, through the annual AFF process, to administer a portion of the HOME Program allocation under an eligible activity category. It may or may not also qualify as a CHDO. A public agency or nonprofit organization that receives HOME funds solely as a developer or owner of housing is not considered a subrecipient.

Developers, Owners, Sponsors: Individuals, for-profit entities, and nonprofits can participate in the HOME Program as owners, developers, or sponsors of housing. *When a CHDO uses HOME funds as owners, developers, or sponsors, this use of HOME funds counts toward the 15% CHDO set-aside.*

CHDOs: A Community Housing Development Organization or CHDO is a private, nonprofit organization that meets a series of qualifications prescribed in the HOME regulations. The Community Development Division evaluates the organizations' capacity and qualifications in accordance with the HOME program rule to determine whether minimum qualifying criterion is met allowing a local designation as a CHDO. CHDOs may also be involved in the HOME Program as subrecipients; however, the use of HOME funds in this capacity is considered a CHDO activity and is not counted toward the minimum 15% set-aside.

~NOTE~

A CHDO is a private, nonprofit organization that meets a series of qualifications prescribed in the HOME regulations at 24 CFR Part 92.2

An entity must be designated by the PJ as a CHDO, prior to submitting an application for an activity to use the CHDO set aside funds.

Organizations wishing to become a locally designated Community Housing Development Organization (CHDO) should contact the Community Development Staff.

ELIGIBLE HOME ACTIVITIES

All new construction, including reconstruction, must comply with the property standards detailed at 92.251(a)(2)(i-v). Rehabilitation activities must meet 92.251(b). Other eligible activities must also meet applicable requirements at 92.251 (c) through (f). All activities are subject to subsidy layering whereby the HOME investment will not present a total greater than necessity for completing the project.

HOME BUYER ACTIVITIES

The acquisition of real property to be used for; and the new construction or reconstruction of, single-family detached/stand-alone dwellings for owner occupancy. This activity may focus on a special purpose or specific housing need. The applicant entity must have written policies related to underwriting, responsible lending and

refinancing, and subsidy layering. The households/participants must attend approved housing/home buying and financial education/counseling programs provided by the entity or another eligible service provider.

HOMEOWNER REHABILITATION ACTIVITIES

Assistance to existing homeowners with the repair, rehabilitation, or reconstruction of owner-occupied single-family housing units. Work performed on the housing unit must ensure that the rehabilitation actions bring about compliance with the applicable state or local code. Special purpose repairs [weatherization, emergency or handicap accessibility] may be undertaken when combined with a more comprehensive scope of work that results in the unit meeting current existing local building code as well as the entire property meeting the Uniform Physical Conditions Standards (UPCS) as established by HUD. Rehabilitation actions must be conducted in accordance with the Community Development Department Housing Rehabilitation Construction Standards and Specifications.

RENTAL HOUSING ACTIVITIES

The acquisition of real property to be used for; and the new construction or reconstruction of multi-family (including Single Room Occupancy), rental-housing units. This activity may focus on a special purpose or specific housing need. The households/participants should attend self-sufficiency education programs provided by the entity or another eligible service provider. Cross-cutting local requirements for minimum unit/property standards will apply depending upon the actual activity type.

TENANT-BASED RENTAL ASSISTANCE (TBRA) ACTIVITIES

Financial assistance, to income eligible individuals, households, or families as participants, to be used for rental subsidy and/or security deposits for tenants; portability of assistance is not allowed beyond the corporate city limits. TBRA is specifically designed to serve the general objective of making housing more affordable for a wide range of low-income households within the community. This activity may focus on a special purpose or specific housing need if the specific category is identified in the participating jurisdiction's consolidated plan as having unmet need and the preference is needed to narrow the gap in benefits and services received by such persons. Each housing unit occupied by a HOME assisted tenant must meet standards established by the City and/or the Housing Quality Standards (HQS) as established by HUD.

The tenant household income must be determined as very low- (50% of the AMI) before the [initial] assistance is provided; continued annual income eligibility determinations must also be conducted for continued assistance. The eligible entity may require the family to participate in a self-sufficiency program as a condition of selection for assistance however the family's failure to continue participation in the self-sufficiency program may not be used as the basis for terminating the assistance; renewal of the assistance may be conditioned on participation in the program. Self-sufficiency programs may be provided by the entity or another eligible public service provider. Goals of self-sufficiency programs incorporate comprehensive training and education that will lead the family to economic self-sufficiency and removal from public assistance. Such programs may include, but are not limited to: job training and

opportunities to secure permanent employment, education, and personal financial management. A waiver may be granted for targeted populations, i.e. Elderly, mentally disabled, etc.

There must be a minimum amount of tenant participation [tenant paid portion] in the monthly rent payment so the program does not bear the expense of the entire monthly rent and utility allowance for any one individual/family receiving assistance. The minimum contribution shall be set by the City and/or negotiated between the City and the subrecipient.

Security deposit assistance may only be provided to tenant households that have adequate income to support and sustain their household monthly expenses. Follow-on case management confirming household independence will be required of the applicant entity. Security deposit assistance is limited to a maximum of two times the monthly rental rate for the unit, or the amount charged by the property owner/manager, whichever is less.

Rental housing, and TBRA assistance must comply with the annual participation requirements at 92.216.

Proposed housing projects, excluding Tenant Based Rental Assistance, must be accompanied by a project cost estimate, from a design professional, for the total project budget.

Applicants are limited to one application under the HOME program eligible categories.

HOME PROGRAM AFFORDABILITY PERIOD REQUIREMENTS

To ensure that HOME investments yield affordable housing over the long term, HOME imposes rent and occupancy requirements over a specific length of time, known as the "affordability period". The HOME Program Final Rule requires all HOME assisted units to be occupied by income-eligible households.

The "affordability period" is also relative to the cost of housing both at initial occupancy and over established timeframes and ensures that the occupants of the unit are not burdened with excessive payments. The affordability period ensures that the HOME assisted unit remains affordable to the occupants for the specified length of time, which is determined by the total amount of HOME funds used or the type of the eligible project, therefore affordability period requirements will vary depending upon the nature of the HOME activity.

Homebuyer –Acquisition (purchase) Assistance: the amount of HOME funds provided totaling up to and including \$7,500, requires the unit(s) to remain affordable for five (5) years from the date the activity [purchase] is complete. A Recapture clause is incorporated into the real property deed of trust and a promissory note is executed.

Rehabilitation of Owner Occupied units: the amount of HOME funds is limited to 75% of the “after rehab value, not to exceed 95% of the area median purchase price as established by HUD” of the real property improvement of owner occupied (minimum - most recent 5 years occupied by owner) housing. Units with existing Secondary or Junior liens (i.e., reverse mortgages, home equity loans, etc.) are not allowed on property to be assisted.

New Construction/Reconstruction of Homeowner units, regardless of the amount of HOME funds provided, regulations require the UNIT(s) to remain affordable for fifteen (15) years from the date the activity, construction/reconstruction, is complete.

New Construction/Reconstruction of Rental units, regardless of the amount of HOME funds provided, regulations require the UNIT(s) to remain affordable for twenty (20) years from the date the activity, construction/reconstruction, is complete.

New Construction/Reconstruction of Homebuyer units: New Construction- the amount of HOME funds provided may not exceed \$110,000. The unit must remain affordable for not less than 15 years regardless of repayment of the HOME investment. Reconstruction- the amount of HOME funds provided totaling up to and including \$110,000, the unit(s) must remain affordable for fifteen(15) years. ALL Homebuyer units require a Recapture Clause (provided by the City) in the mortgage document specifying the affordability period identified above.

Security Deposit/Tenant Based Rental Assistance does not have an affordability period however; annual verification of tenant income eligibility and unit inspection is required, ensuring that the household and unit continue to meet HOME requirements. A tenant Based Rental Assistance program must be consistent with the needs of the community and justified under local market conditions.

City of Killeen HOME Program AFFORDABILITY PERIOD REQUIREMENTS		
ACTIVITY	MINIMUM AFFORDABILITY PERIOD	AMOUNT OF HOME FUNDS PER UNIT
<u>Rental</u>		
New Construction or Reconstruction	20 years from date of project completion	ALL
<u>Homebuyer</u>		
Acquisition Assistance	5 YEARS	≤\$7,500 MAXIMUM
New Construction Reconstruction of existing	15 YEARS 15 YEARS	<\$110,000 MAXIMUM

<u>Home Owner</u>		
Rehabilitation (owner occupied units only)	NONE	FUNDS LIMITED TO 75% OF THE "AFTER REHAB VALUE" AND NOT EXCEED 95% OF THE AREA MEDIAN PURCHASE PRICE ESTABLISHED BY HUD.
Reconstruction of owner occupied housing units	15 YEARS	<\$110,000 MAXIMUM

INELIGIBLE HOME ACTIVITIES

- Provide project reserve accounts, except as provided in § 92.206(d)(5), or operating subsidies;
- Provide tenant-based rental assistance for the special purposes of the existing section 8 program, in accordance with section 212(d) of the Act; Provide non-federal matching contributions required under any other Federal program;
- Provide assistance authorized under section 9 of the 1937 Act (Public Housing Capital and Operating Funds);
- Provide assistance to eligible low-income housing under 24 CFR part 248 (Prepayment of Low Income Housing Mortgages), except that assistance may be provided to priority purchasers as defined in 24 CFR 248.101;
- Provide assistance (other than tenant-based rental assistance or assistance to a homebuyer to acquire housing previously assisted with HOME funds) to a project previously assisted with HOME funds during the period of affordability established by the participating jurisdiction in the written agreement under § 92.504. However, additional HOME funds may be committed to a project up to one year after project completion (see § 92.502), but the amount of HOME funds in the project may not exceed the maximum per-unit subsidy amount established under § 92.250.
- Pay for the acquisition of property owned by the participating jurisdiction, except for property acquired by the participating jurisdiction with HOME funds, or property acquired in anticipation of carrying out a HOME project; or
- Pay delinquent taxes, fees or charges on properties to be assisted with HOME funds.
- Pay for any cost that is not eligible under §§ 92.206 through 92.209.
 - Participating jurisdictions may not charge monitoring, servicing and origination fees in HOME-assisted projects. However, participating jurisdictions may charge nominal application fees (although these fees are not an eligible HOME cost) to project owners to discourage frivolous applications. Such fees are applicable credits under OMB Circular A-87.

HOME PROJECT TIME LINES

Communities that receive entitlement funds from the HOME program are required to use their funds in a timely manner. HUD will recapture a PJs HOME funds if it fails to carry out its HOME activities in a timely manner including funds not committed within 24

months of the initial allocation date or any amounts remaining after five years after the initial allocation for any fiscal year. Therefore, the City of Killeen has established a specific length of time for completion of each activity in order to avoid recapture of the HOME funding by HUD.

The following represents the maximum time line allowed for each type of project/program/activity:

MUST be committed within the first 3 months of fiscal year funds allocated	MUST be completed within 18 months after the first date funds are committed	MUST have complete expenditure of funds within 2 years from initial date funds were committed
<ul style="list-style-type: none"> ● All Activities 	<ul style="list-style-type: none"> ● Rehabilitation/Reconstruction ● Construction of Housing (rental or ownership) ● Transitional Housing ● Tenant Based Rental Assistance ● Acquisition Assistance (1st Time Homebuyer) 	<ul style="list-style-type: none"> ● All Activities

OTHER FEDERAL LAWS, REGULATIONS, AND EXECUTIVE ORDERS

- The rules and requirements for HOME have several additional broad federal rules that must be adhered to in the course of administering the program. The City of Killeen is responsible for implementing these rules. Owners, developers, sponsors, CHDOs and other nonprofits must also be aware of the application of the rules to ensure a project or activity's compliance.
- The entity will meet all requirements of the **Americans with Disabilities Act of 1990 (ADA)**, and comply with all applicable rules and regulations which would be imposed on the City of Killeen as a public entity; be cognizant of all applicable requirements of the **ADA** and to defend, indemnify and hold harmless the City of Killeen, its officials, agents and employees from any and all claims, actions, suits, or proceedings (of any kind) brought as a result of any actions or omissions of the eligible entity or its agents in violation of the **ADA**.
- All entities will comply with the **CITY OF KILLEEN GRANTS ADMINISTRATION MANUAL, as amended** and adhere to these requirements in preparing the application and throughout the course of the eligible activity, in the event funding is allocated. These administrative requirements do not replace, nullify or void any grant/contract agreements previously authorized by the City of Killeen.

THE CITY OF KILLEEN, ELIGIBLE ENTITIES AND SUB-RECIPIENTS RECEIVING/AWARDED FEDERAL FUNDS FROM THE HOME

INVESTMENT PARTNERSHIPS PROGRAM, MUST COMPLY WITH THE FOLLOWING FEDERAL LAWS, EXECUTIVE ORDERS AND REGULATIONS.

- Title IV of the Civil Rights Act of 1964 as amended (42 U.S.C. 200d et seq.) all **Texas State Statutes** and **City of Killeen Ordinances regarding enforcement of civil rights**
 - The Fair Housing Act (42 U.S.C. 3601-3602) (24 CFR Part 100-115)
 - Equal Opportunity in Housing (executive Order 11063 as amended by Executive Order 12259)
 - Age Discrimination Act of 1975 as amended (42 U.S.C. 6101)
 - Affirmative marketing procedures and requirements for ALL HOME assisted housing, specifically requiring procedures implemented for informing the public, owners and potential tenants about compliance with fair housing laws; a description of what owners, developers, and sponsors will do to affirmatively market the housing assisted with HOME funds; a description of what owners, developers, and sponsors will do to inform persons not likely to apply for housing without special outreach; maintenance of records to document actions taken to affirmatively market HOME assisted units and to assess marketing effectiveness; a description of how efforts will be assessed and what corrective actions will be taken where requirements are not met.
 - Americans with Disabilities Act (42 I.S.C. 12131; 47 U.S.C. 155, 201, 218, and 225)
 - Design and construction requirements at 24 CFR 100.205 which implement the Fair Housing Act (42 U.S.C. 3601-19)
 - Section 504 of the Rehabilitation Act of 1973 (for any recipient or subrecipient principally involved in housing or social services, **ALL of the activities of the agency--not just those directly receiving federal assistance--are covered under Section 504.**)
 - Employment and contracting; Equal Employment Opportunity Executive order 11246 as amended
 - Section 3 of the Housing and Urban Development Act of 1968
 - Minority/Women's business Enterprise Executive Orders 11625, 12432 and 12138 prescribe procedures acceptable to HUD for a minority outreach program to ensure the inclusion, to the **MAXIMUM EXTENT POSSIBLE**, of minorities and women, and entities owned by minorities and women in ALL contracts using HOME funds. (24 CFR 85.36(e))
 - Labor requirements require compliance with regulations on wage and labor standards for the construction of housing (reconstruction or new) that **CONTAIN** 12 or more HOME assisted units.

Specific compliance with the following:

- Davis Bacon and Related Acts (40 U.S.C. 276(a)-7)
- Contract Work Hours and Safety standards Act as amended (40 U.S.C. 327-333)
- Copeland (anti-kickback) Act (40 U.S.C. 276(c))
- Fair Labor Standards Act of 1938 as amended (29 U.S.C. 201 et. seq.)
- Contracting and Procurement Standards of 2 CFR 200 including Conflict of Interest provisions and employment of approved contractors, directly or

- indirectly, who have been debarred, suspended or placed on ineligibility status to contract with programs utilizing federal funds.
- Environmental Reviews in accordance with 24 CFR 58 for all HOME funded projects
 - Section 202 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4106)
 - Site and Neighborhood standards in compliance with Title VI of the Civil Rights Act-1964, the Fair Housing Act and Executive Order 11063 and 24 CFR 983.6(b)
 - Lead Based Paint Requirements of Title X of the Housing and Community Development Act of 1992, as amended, sections 1012 and 1013 (24 CFR Part 35)
 - Relocation subject to the provisions of the Uniform Relocation Act
- Organizations that are religious or faith-based are eligible, on the same basis as any other organization. Neither the federal government nor a state or local government receiving funds under HUD funded programs shall discriminate against an organization on the basis of the organization's religious character or affiliation.

A religious organization or entity that participates in the HUD-funded programs will retain its independence from federal, state, or local governments, and may continue to carry out its mission, including the definition, practice, and expression of its religious beliefs. No HUD-funded programs shall directly support any inherently religious activities, such as worship, religious instruction, or proselytization.

Faith-based organizations may use space in their facilities, without removing religious art, icons, scriptures, or other religious symbols. In addition, the religious organization shall retain its authority over its internal governance, and it may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents.

Organizations successful in receiving an award of funds may not engage in inherently religious activities, such as worship, religious instruction, or proselytization, as part of the programs or services funded under this part. If an organization conducts such activities, the activities must be offered separately, in time or location, from the programs or services funded under this part and participation must be: voluntary; the organization shall not, in providing assistance, discriminate on the basis of religion or religious beliefs, there shall be no religious test for admission for services; there shall be no requirement for attendance of religious services; there shall be no inquiry as to a client's religious preference or affiliation for the HUD-funded programs or services.

DEFINITIONS

Action Plan: The one-year portion of the Consolidated Plan (see below). It includes the PJ's annual application for HOME funds.

Activity/Activities are those actions that are determined eligible to receive an allocation of funds, in whole- or in part, through the Community Development Department and are used in delivering the City's community development objectives (i.e., Public Services, Housing, Public Improvements, Public Facility Improvements, Code Enforcement, etc.).

Adjusted Income: Adjusted income is annual (gross) income reduced by deductions for dependents, elderly households, medical expenses, handicap assistance expenses and childcare (these are the same adjustment factors used by the Section 8 Program). Adjusted income is used in HOME to compute the actual tenant payment in TBRA programs and the low HOME rent in rental projects in which rents are based on 30% of a family's adjusted gross income.

Affordability: The requirements of the HOME Program that relate to the cost of housing both at initial occupancy and over established timeframes, as prescribed in the HOME Final Rule. Affordability requirements vary depending upon the nature of the HOME assisted activity (i.e., homeownership or rental housing).

Allocation means an award, bequest, concession, contract, donation, endowment, grant, subsidy, or any other source of funding entrusted to and/or by the City of Killeen for a specific use and/or identified for use in delivering the City's community development objectives.

Allocation of HOME funds: The amount of HOME funds allocated by formula to participating jurisdictions (PJs) to operate the program. Once designated a PJ, the jurisdiction remains a PJ for subsequent years unless HUD revokes its designation.

Annual Income: The HOME Program allows the use of one of three definitions of annual income: Section 8 annual income; annual income as reported on the U.S. Census long form; and adjusted gross income as defined for reporting on IRS Form 1040.

Area Benefit available to all the residents in a particular area, and at least 51% of those residents are low/mod income persons according to the U.S. Census Bureau.

Buildings for the general conduct of government - means city halls, county administrative buildings, State capitol or office buildings or other facilities in which the legislative, judicial or general administrative affairs of the government are conducted. Such term does not include such facilities as neighborhood service centers or special purpose buildings located in low and moderate income areas that house various non-legislative functions or services provided by government at decentralized locations.

CDBG funds - means Community Development Block Grant funds, including funds received in the form of grants under [subpart D, E](#), or [570.405](#) of this part, funds awarded under section [108\(q\)](#) of the Housing and Community Development Act of 1974, loans guaranteed under [subpart M](#) of this part, urban renewal surplus grant funds, and program income as defined in [570.500\(a\)](#).

CPD – means the U.S. Department of Housing and Urban Development’s Office of Community Planning and Development.

Citizen Participation Plan - A plan that must be developed by all PJs to describe and document efforts that will be undertaken to provide for and encourage citizens to participate in the development of the Consolidated Plan, any substantial amendments to the Consolidated Plan, and the performance report.

Commercial building - means any building other than a residential building, including any building constructed for industrial or public purposes

Commitment: Commitment means one of three things: (1) The PJ has executed a legally binding agreement with a State recipient, subrecipient, or contractor to use a specific amount of HOME funds to produce affordable housing or provide tenant-based rental assistance; or (2) has executed a written agreement reserving a specific amount of funds for a CHDO; or (3) has met requirements to commit to a specific local project as defined below.

Commitment to a specific local project: Commitment to a specific local project means that a legally binding agreement was executed meeting one of the following sets of requirements:

(1) For rehabilitation or new construction projects, the PJ (or other entity) and the project owner will execute an agreement for an identifiable project under which construction can reasonably be expected to start within 12 months of the agreement date. If the project is owned by the PJ or state recipient, the project must be set up in the disbursement and information system and construction reasonably expected to start within 12 months of the set-up date. (2) If the project consists of acquisition of standard housing by the PJ, the agreement must be a binding contract for the sale of an identifiable property and the property title must be transferred to the PJ (or other entity) within six months of the date of the contract. (3) If the project involves the acquisition of standard housing and the PJ is providing HOME funds to a purchaser, under the agreement, the title of the property must be transferred to the purchaser within six months of the agreement date. (4) If the project consists of TBRA, the PJ must enter into a rental assistance contract with the owner or the tenant in accordance with the provisions of 24 CFR Part 92.209.

Community Based Development Organization (CBDO) is an organization that: (1) is an association or corporation organized under State or local law to engage in community development activities (which may include housing and economic development activities) primarily within an identified geographic area of operation within the City of Killeen; **and** (2) has as its primary purpose the improvement of the physical, economic or social environment of its geographic area of operation, by addressing one or more

critical problems of the area, with particular attention to the needs of persons of low and moderate income; **and** (3) is either nonprofit or for-profit, provided that any monetary profits to its shareholders or members must be only incidental to its operations; **and** (4) maintains at least 51% of its governing body's membership for low- to moderate-income residents of its geographic area of operation, owners or senior officers of private establishments and other institutions located in and serving its geographic area of operation, or representatives of low- and moderate-income neighborhood organizations located in its geographic area of operation; **and** (5) is not an agency or instrumentality of the City of Killeen and does not permit more than one-third of the membership of its governing body to be appointed by, or to consist of, elected or other public officials or employees or officials of an ineligible entity (even though such person may be otherwise qualified under(c)(1)(iv) of 24 CFR 570.204); **and** (6) except as authorized above, requires the members of its governing body to be nominated and approved by the general membership of the organization or by its permanent governing body; **and** (7) is not subject to requirements under which its assets revert to the recipient upon dissolution; **and** (8) is free to contract for goods and services from vendors of its own choosing; **or** (9) the entity is organized per Section 301 (d) of the Small Business Investment Act of 1958 (15 U.S.C. 681 (d)), including those that are profit making; **or** (10) is a Small Business Administration (SBA) approved Section 501 State Development Company or Section 502 Local Development Company, or an SBA Certified Section 503 Company under the Small Business Investment Act of 1958, as amended; **or** (11) is a Community Housing Development Organization (CHDO) under 24 CFR 92.2, designated as a CHDO by the HOME investment Partnership Program by the City of Killeen, with a geographic area of operation of no more than one neighborhood and has received HOME funds under 24 CFR 92.300 or is expected to receive HOME funds as described in and documented in accordance with 24 CFR 92.300 (e).

Community Development Advisory Committee (CDAC)- refers to the body appointed by the Killeen City Council to review and make recommendations pertaining to matters of the Community Development Department and its community development objectives; a ten (10) member committee of Killeen citizens appointed by the Killeen City Council who broadly represent the diversity of the community. Insofar as practical, the committee includes residents of low- and moderate-income areas. General duties of the Community Development Advisory Committee include: (1) Holding neighborhood-planning meetings to solicit community input and assess needs; (2) Assist in the assessment and determination of community needs at both citywide and neighborhood levels and in the development of realistic goals and objectives to meet these needs; (3) Assist in the evaluation and recommendation of proposals from community organizations requesting funding and assistance; (4) Assist in the development of specific project proposals for community development in the Consolidated Plan; (5) Assist in the development of goals for housing assistance by type and location and make recommendation to the City Council; (6) Assist in the monitoring of current program activities and the evaluation of past program performance; (7) Assist in the implementation of CDBG and HOME programs and modifications as determined by community assessment and HUD program requirements.

Community Development Block Grant Program (CDBG) - A Federal program created under the Housing and Community Development Act of 1974. This program provides

grants funds to local and State governments to be used to develop viable urban communities by providing decent housing with a suitable living environment and expanding economic opportunities to assist low- and moderate-income residents.

Community Housing Development Organization (CHDO): A private, nonprofit organization that meets a series of qualifications prescribed in the HOME regulations. A participating jurisdiction must set aside at least 15 percent of its annual HOME allocation for eligible CHDO activities. CHDOs must have preapproval prior to submitting an application for funding.

Community Development Programs shall refer to Community Development Block Grant (CDBG) Program, Home Investment Partnerships (HOME) Program or City General Fund projects.

Community Planning Meeting: The City of Killeen Community Development Advisory Council will collaborate with residents, business people, and other community stakeholders to create the City of Killeen Annual Action Plan, as directed by the City Council and the City of Killeen Five Year Consolidated Strategic Plan. The goal of this effort is to create a shared vision of the future development of the community and to set policies and guidelines to implement that vision.

Complete Eligible Proposal is a proposal submitted in the prescribed format and on the prescribed form(s) for the delivery of the City's community development programs.

Consolidated Plan: A plan prepared in accordance with the requirements set forth in 24 CFR Part 91 which describes community needs, resources, priorities and proposed activities to be undertaken under certain HUD programs, including HOME.

Consolidated Plan – City of Killeen - A document written by the local government describing the housing needs of the low- and moderate-income residents, outlining strategies to meet the needs and listing all resources available to implement the strategies. This document is required to receive HUD Community Planning and Development funds.

Consortium: Geographically contiguous units of general local government consolidated to be in a single unit of general local government for HOME Program purposes when certain requirements are met.

Department shall refer to the City of Killeen Community Development Department.

Design Professional: A term used generally to refer to architects; civil, structural, mechanical, electrical, plumbing, and heating, ventilating, and air-conditioning engineers; interior designers; landscape architects; and others whose services have either traditionally been considered "professional" activities, require licensing or registration by the state, or otherwise require the knowledge and application of design principles appropriate to the problem at hand.

Director shall refer to the Executive Director of the City of Killeen Community Development Department or his/her authorized representative.

Draw-Down: The process of requesting and receiving HOME funds. PJs and authorized state recipients draw down funds from a line of credit established by HUD.

Entitlement amount - means the amount of funds, which a metropolitan city is entitled to receive under the Entitlement grant program, as determined by formula set forth in [Section 106](#) of the Act.

Estimate: The anticipated cost of materials, labor, equipment, or any combination of these for a proposed construction project.

Final Rule: The Final HOME Rule was published at 24 CFR Part 92 on September 16, 1996 and became effective on October 16, 1996. It was amended on [August 23, 2013](#).

Formal Competitive Procurement (FCP) process – required for all projects with a total value over \$50,000; requires formal notice to bidders, advertisement of the bidding process, public bid opening conducted by the Grantee, and public bid award by the Grantee’s governing body. Includes; specifications with federal, state, and local compliance, bid packet issuance and bidder list, bid meeting(s) and submittal, bid evaluation, and contract development.

General Public - means pertaining to, or affecting a population or a community as a whole.

Grantee - means the State or other entity named in the notice of grant award as the recipient.

Group Home: Housing occupied by two or more single persons or families consisting of common space and/or facilities for group use by the occupants of the unit, and (except in the case of shared one-bedroom units) separate private space for each family.

HOME-Assisted Units: Refers to the units within a HOME project for which rent, occupancy and/or resale restrictions apply. The number of units designated as HOME-assisted affects the maximum HOME subsidies that may be provided to a project.

HOME Funds: All appropriations for the HOME Program, plus all repayments and interest or other returns on the investment of these funds.

HOME Investment Trust Fund: The term given to the two accounts - one at the Federal level and one at the local level - that "hold" the PJ’s HOME funds. The Federal HOME Investment Trust Account is the U.S. Treasury account for each participating jurisdiction. The local HOME Investment Trust Fund account includes repayments of HOME funds, matching contributions and payment of interest or other returns on investment.

Household: One or more persons occupying a housing unit.

HUD: the U.S. Department of Housing and Urban Development.

Informal Competitive Procurement (ICP) process – suitable for consumable supplies and eligible equipment purchases previously approved in the approved project budget, construction/improvement projects with total contract amounts of \$50,000 and less. Requires a minimum of three (3) informal, written estimates of which two must be from HUBs; project specifications; and presented by the vendor/contractor with a date of the estimate, the contractor's business name, business address, business telephone number, business contact person (first and last name), estimate expiration date, and the line item description(s) and identification of material, quantity, and fixed firm price for each line item, with the total quote amount being over \$5,000 – less than \$50,000.

Insular Areas: Guam, the Northern Mariana Islands, the United States Virgin Islands and American Samoa.

Integrated Disbursement and Information System (IDIS): IDIS is the draw down and reporting system for the four CPD formula grant programs: CDBG, HOME, ESG, and HOPWA.

Jurisdiction: A state or unit of general local government.

Lease - means an agreement between the entity/applicant and property owner, giving rise to the relationship of lessor and lessee for the use of real property for a specified term of at least one year or longer under the conditions set forth in the lease document.

Limited Clientele (LMC) is limited to a specific group of people (i.e., senior citizens or the homeless), at least 51% of who are low/mod income persons. Services qualifying under this category serve a specific clientele, rather than providing service to all the persons in a geographic area

Low- and moderate-income household (LHH) means a household having an income equal to or less than the Section 8 low-income limit established by HUD. Unrelated individuals will be considered as one-person families for this purpose. Please refer to the current Income Limits attachment included in this application.

Low- and moderate-income person is defined as a member of a family having an income equal to or less than the Section 8 Housing Assistance Payments Program low income limit established by the U.S. Department of Housing and Urban Development. Please refer to the current Income Limits attachment included in this application.

Low Income means a household whose income does not exceed 80 percent of the median income for the area, as determined by HUD, with adjustments for smaller or larger families. HUD may establish income ceilings higher or lower than 80 percent of the median for the area median on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

Low-Income Families: Families whose annual incomes do not exceed 80 percent of the median income for the area (adjusted for family size).

Low Income Area (LMA): a Census Tract and or Block Group within a Census Tract where 51% or more of the population is considered to be low income.

Match: Match is the local contribution to the HOME Program -- the local, non-Federal contribution to the partnership. The annual local match contribution must equal not less than 25 percent of the HOME funds drawn down for projects in that fiscal year.

National Objectives - the aims, derived from national goals and interests, toward which a national policy or strategy is directed and the efforts and resources are applied.

New Construction: The creation of new dwelling units. Any project which includes the creation of new or additional dwelling units in an existing structure is considered new construction.

Nonprofit organization - means any nonprofit organization (including a State or locally chartered, nonprofit organization) that:

- Is organized under State or local laws;
- Has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual;
- Has a functioning accounting system that is operated in accordance with generally accepted accounting principles, or has designated an entity that will maintain such an accounting system; and
- Has among its purposes significant activities related to providing services or housing to economically disadvantaged persons.
- Has received a declaration from the Internal Revenue Service

Notice of Funds Availability (NOFA) – means an announcement of the availability of City of Killeen HUD grant funding, awarded on a competitive basis that is intended to make grant funds available to eligible entities who serve the citizens of Killeen for the purpose of enhancing the City’s ability in implementing a shared vision of community development.

Participating Jurisdiction (PJ): The term given to any state, local government or consortium that has been designated by HUD to administer a HOME Program. HUD designation as a PJ occurs if a state or local government meets the funding thresholds, notifies HUD that they intend to participate in the program and has a HUD-approved Consolidated Plan.

Performance Agreement – means a legal document executed by the City with any entity that uses CDBG funds for a public facility or improvement. The document will contain specific clauses and conditions requiring compliance with a scope of service and performance measures for the duration of not less than ten (10) years commencing upon completion. The Agreement will also contain a Deed of Trust and Promissory Note executed as a lien against the real property improved with CDBG funds. The deed will contain a prorate return with a minimum 120month compliance and disposition requirements.

Person with disabilities - means a household composed of one or more persons, at least one of whom is an adult, who has a disability.

Program Income: Gross income received by the PJ, state recipient, or a subrecipient directly generated from the use of HOME funds or matching contributions.

Project (HOME program): A site or an entire building or two or more buildings, together with the site or sites on which the building or buildings is located, that are under common ownership, management and financing and are to be assisted with HOME funds, under a commitment by the owner, as a single undertaking. The HOME Final Rule eliminated the requirement that all buildings fall within a four block radius.

Project completion: All necessary title transfer requirements and construction work have been performed; the project complies with all HOME requirements; the final draw-down has been disbursed for the project; and the project completion information has been entered in the disbursement and information system established by HUD. For TBRA, project completion means the final draw-down has been disbursed for the project.

Project Cost: the total project cost, which includes the cost of construction, professional compensation, land, furnishings and equipment, financing, and other charges.

Property - means real property consisting of vacant land or buildings, or a portion thereof; one or more buildings on an undivided lot or on contiguous lots or parcels, which are commonly-owned and operated as one rental, cooperative, or condominium project.

Public building -means any building, which is open to the public during normal business hours.

Reasonable cost – a cost that would be incurred by an ordinarily prudent person in the conduct of competitive business.

Reconstruction (also rehabilitation): The rebuilding, on the same lot, of housing standing on a site at the time of project commitment. The number of housing units on the lot may not be changed as part of the reconstruction project, but the number of rooms per unit may change. Reconstruction also includes replacing an existing substandard unit of manufactured housing with a new or standard unit of manufactured housing. Costs include: the labor, materials, tools, and other costs of improving buildings, other than minor or routine repairs.

Rehabilitation - means the labor, materials, tools, and other costs of improving buildings, other than minor or routine repairs.

Renovation - means rehabilitation that involves costs of 75 percent or less of the value of the building before rehabilitation with City of Killeen CDBG funds.

Residential building - means any building, which is constructed for residential occupancy.

Single-Room Occupancy (SRO): Housing consisting of single-room dwelling units that is the primary residence of its occupant or occupants. The unit must contain food preparation and/or sanitary facilities if the project involves new construction, conversion of non-residential space, or reconstruction. If the units do not contain sanitary facilities, the building must contain sanitary facilities shared by the tenants.

State Recipient: State PJs can award their HOME funds to units of local government to run HOME locally. Any unit of local government designated by a state to receive HOME funds is called a “state recipient.” The state is responsible for ensuring that HOME funds allocated to state recipients are used in accordance with the HOME regulations and other applicable laws.

Subrecipient (CDBG)- A public agency or nonprofit organization selected by a participating jurisdiction to administer a portion of the grantee’s CDBG funds.

Subrecipient (HOME)- A public agency or nonprofit organization selected by a PJ to administer all or a portion of the PJ’s HOME Program. A public agency or nonprofit organization that receives HOME funds solely as a developer or owner of housing is not a subrecipient.

Supportive Services - Services provided to citizens to facilitate independence. Examples include case management, medical or psychological counseling and supervision, childcare, transportation, and job training.

Target Population: One or more specific groups or combination of groups of people to which degrees of special service needs exist or imply a special service need is present with a concentration of programs that respond to alleviating impediments faced by those specific groups. *Some examples include – frail and non-frail elderly, persons with physical, mental, or behavioral disabilities, persons with HIV/AIDS, persons with drug or alcohol addictions; persons who lack affordable living quarters, persons who are homeless, victims of domestic violence, or unaccompanied youth.*

Targeting: Requirements of the HOME Program relating to the income or other characteristics of households that may occupy HOME-assisted units.

Tenant-Based Rental Assistance (TBRA): A form of direct rental assistance in which the recipient tenant may move from a dwelling unit with a right to continued assistance. Includes security and utility deposits associated with the rental of dwelling units.

Total Development Cost - The sum of all costs for site acquisition, relocation, demolition, rehabilitation, construction and equipment, interest, and carrying charges.

Transitional housing - means a project that has as its purpose facilitating the movement of homeless individuals and families to permanent housing within a reasonable amount of time (usually 24 months). Transitional housing includes housing primarily designed to serve deinstitutionalized homeless individuals and other homeless individuals with mental or physical disabilities and homeless families with children.

UNIT is considered to be:

- ~**PERSONS** for Public Services Applications and Code Enforcement Applications
- ~**ONE (1)** for each Acquisition, Facility Improvement/Rehabilitation, Clearance/Demolition
- ~**ONE (1)** household for Housing Construction, Transitional or Tenant Based Rental Assistance, Homeownership Assistance, Architectural Barrier Removal
- ~**ONE (1)** for Economic Development LOAN-Commercial Rehab

Urgent Need is part of an activity designed to alleviate existing conditions and the grantee certifies that those conditions are a serious and immediate threat to the health and welfare of the community, they are of recent origin or recently became urgent, the grantee is unable to finance the activity on its own and other sources of funds are not available (used in association with natural disasters; disasters designated by the chief executive officer/governing body of the City)

Value of the building - means the monetary value assigned to a building by an independent real estate appraiser, or as otherwise reasonably established by the grantee or the State recipient.

Very-Low-Income Families: Families whose annual incomes do not exceed 50 percent of the median income for the area (adjusted for family size).

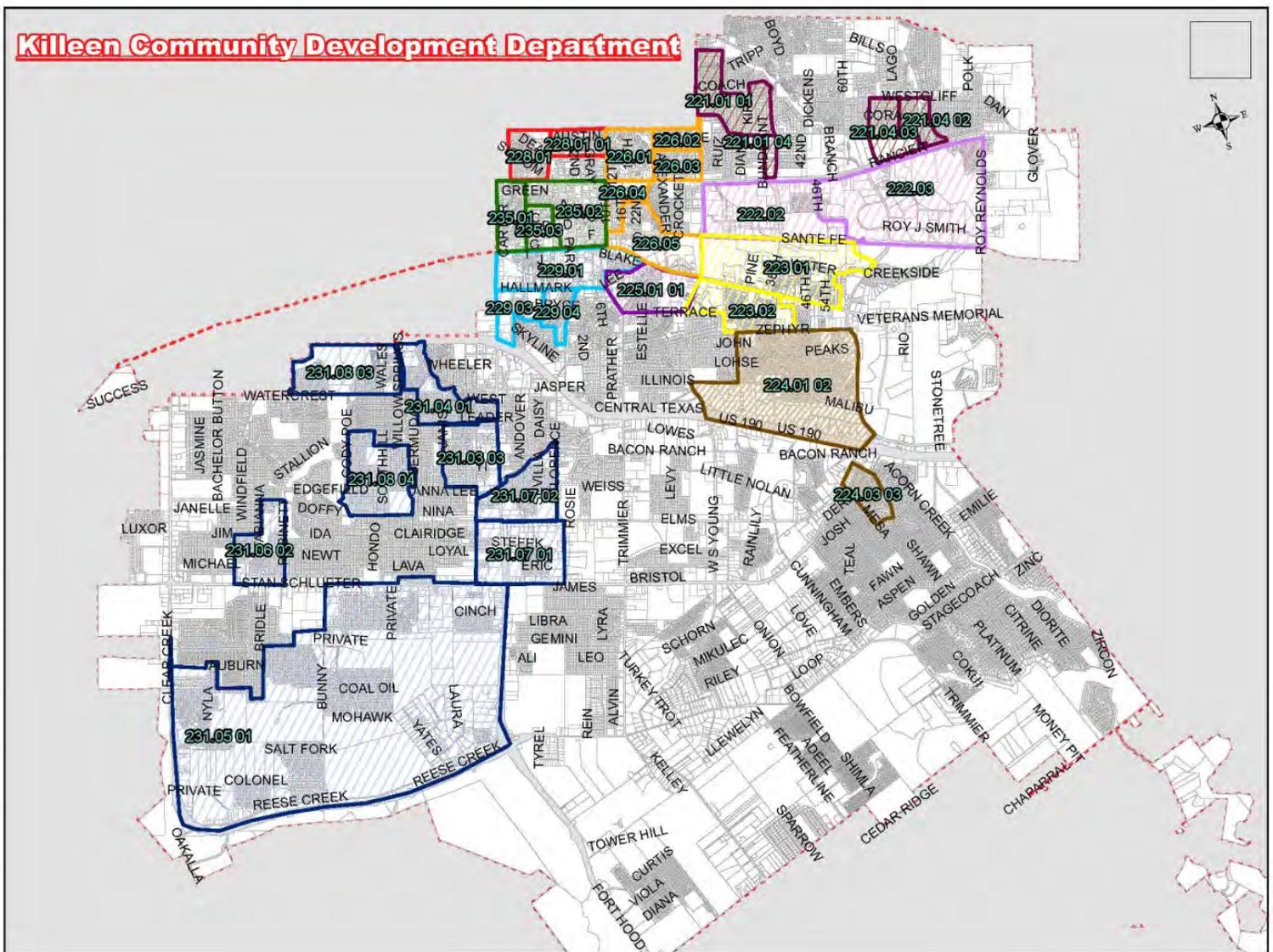
ATTACHMENTS

- City of Killeen Low Income Census Tracts Map and Data
- CDBG Income Limits
- HOME Income Limits

CITY OF KILLEEN LOW INCOME CENSUS TRACT MAP



Killeen Community Development Department
Low Income Census Tracts/Block Groups
American Community Survey 2008-2012 estimates (February 2016)



CITY OF KILLEEN “LOW INCOME CENSUS TRACTS”

DATA -

US CENSUS AMERICAN COMMUNITY SURVEY- 2011-2016 ESTIMATES
(DATA RETRIEVED FEBRUARY 20, 2019-CPD MAPPING TOOL)

CENSUS TRACT	BLOCK GROUP	PERCENT LOW-MOD
221.01	1	54.38
	4	85.0
221.04	3	53.41
	2	59.02
222	2	55.39
	3	56.25
223	1	83.89
	2	60.85
224.01	2	52.44
224.03	3	77.19
225.01	1	77.74
226	1	59.89
	2	67.66
	3	83.40
	4	60.26
	5	100.00
228.01	1	60.23
	3	77.43
	4	60.26
229	1	53.22
	3	71.43
	4	91.93
231.03	3	53.30
231.04	1	52.93
231.05	1	65.15
231.06	2	54.72
231.07	1	52.38
	2	65.26
231.08	3	55.47
	4	70.26
235	1	53.62
	2	82.76
	3	58.20



FY 2018 INCOME LIMITS DOCUMENTATION SYSTEM

[HUD.gov](#) [HUD User Home](#) [Data Sets](#) [Fair Market Rents](#) [Section 8 Income Limits](#) [MTSP Income Limits](#) [HUD LIHTC Database](#)

FY 2018 Income Limits Summary

Selecting any of the buttons labeled "Explanation" will display detailed calculation steps for each of the various parameters.

FY 2018 Income Limit Area	Median Family Income Explanation	FY 2018 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
Killeen-Temple, TX HUD Metro FMR Area	\$59,700	Extremely Low Income Limits (\$)*) Explanation	12,550	16,460	20,780	25,100	29,420	33,740	37,050*	39,450*
		Very Low (50%) Income Limits (\$)*) Explanation	20,900	23,900	26,900	29,850	32,250	34,650	37,050	39,450
		Low (80%) Income Limits (\$)*) Explanation	33,450	38,200	43,000	47,750	51,600	55,400	59,250	63,050

NOTE: HUD generally uses the Office of Management and Budget (OMB) area definitions in the calculation of income limit program parameters. However, to ensure that program parameters do not vary significantly due to area definition changes, HUD has used custom geographic definitions for the **Killeen-Temple, TX HUD Metro FMR Area**.

The **Killeen-Temple, TX HUD Metro FMR Area** contains the following areas: Bell County, TX; and Coryell County, TX.

Effective April 1, 2018

Effective April 1, 2018

HOME INCOME LIMITS

U.S. Department of Housing and Urban Development Eff: JUNE 1, 2019

Killeen-Temple-Fort Hood, TX HUD Metro FMR
AMI \$59,7000 – 4 persons

% Area Median Income Limits	Annual Income by total number of household members							
	1	2	3	4	5	6	7	8
30%	12550	14350	16150	17900	19350	20800	22200	23650
50%	20900	23900	26900	29850	32250	34650	37050	39450
60%	25080	28680	32280	35820	38700	41580	44460	47340
80%	33450	38200	43000	47750	51600	55400	59250	63050

SECTION III

PROJECT APPLICATION FORM INSTRUCTIONS (CDBG and HOME)

GENERAL DESCRIPTION

1. Type of Submission – check the appropriate box that describes the type of submission for this application;

Nonprofit Entity Application = a nonprofit organization including faith based entities that has a 501(c)(3) or (4) designation by the Internal Revenue Service.

Internal City Department = a department/division within the internal structure of the City of Killeen.

Single Entity = a for profit entity, individual, developer, owner, Other unit of government

2. Application Fund Source – check the appropriate box for the grant fund program for the project.

3. Lead Applicant Information – Complete each box with the requested information.

Legal Name of the applicant

Applicant web page

The DUNS number for the applicant

(City) Department; (City) Division

Address – list both physical and mailing

Application Contact Information

Telephone, Fax, Email

4. Employer Identification Number – enter the entity’s Employer Identification Number

5. Type of Lead Applicant – select the type of lead applicant from the choices in drop down box. *if choice is not present, enter the type and contact the Community Development Director for approval.

6. Amount of Funding Requested –

a. Enter the amount of funding requested for this project.

b. Enter the amount of Matching Funds Required for this project. (see Project Budget Total budget form - Tab 6 for CDBG, Tab 5 for HOME)

- c. Enter the total units proposed for this project.
- d. Enter the cost per unit for this project. (see Budget Form)

7. Signature of Authorized Representative

- The Authorized Representative must “electronically sign” the application
- If City Department/Division – Department/Division Director must “electronically sign” the application prior to ACM/CM Approval and “e-Signature”

PROJECT DESCRIPTION

8. Project Name – enter the project name

9. Project Status – check the box identifying the project status –

New=not funded in the last year by this grant program;

Existing = funded by this grant program within the last year. Indicate the increase in services over the current year performance agreement total.

10. Describe how the proposed project will meet the needs of the Killeen community.

Site Source – site the source, study, data, etc. used to determine the need.

11. Project/Program Description – Mark the appropriate box associated with the persons that will benefit from the proposed project: LMC=low/mod income clientele; LMA=project will serve persons/households in a designated low-income area; or LHH = low income households activity (see Definitions)

-Enter a concise description of the need or problem to be addressed; the proposed beneficiaries the project will serve (as per the type project proposed; the work to be performed; the services to be provided; and the goals and objectives expected

12. Specific Use of Funds Requested – identify the specific use of the funds requested (what the CDBG/HOME funds will be used for)

13. Funding Sources/Other Revenue; % CDBG/HOME Funds - Identify the source and amount of all other “committed” federal, State, and local funds that will be contributed to the project. “Committed” means that the funding is in the budget and authorized for the purpose indicated. Do not use abbreviations when identifying funding sources. Enter the overall percent of the project that will be funded by CDBG/HOME funds.

14. Income Population Served - Select the income population the project will serve; Enter the “expected total #” of units to be served; Enter the “% LMI” units; Enter the “% Killeen Residents” to be served.

15. Special/Target Populations - Select the target population, as applicable, the project will serve; Enter the “expected total #” of units to be served; Enter the “% LMI” units; Enter the “% Killeen Residents” to be served. If the project does not have a “target population” leave blank.

16. Project Performance Measurements - Objectives/Outcomes

Performance Measurements – Select one objective and one outcome from the drop down choices for this project. (See information on page 6 for selecting the proper performance measurements)

17a. Describe How Beneficiaries are Notified of the Program - enter a description of how the applicant will inform the community/intended low-income population of the project proposed on this application.

17b. Describe How Beneficiary and Program Eligibility is Determined - enter a description of the process in which the beneficiary is determined as a low-income [individual, household, family, etc.] and the documents that will be collected to substantiate the determination.

18. Describe the Length of Participation by the beneficiary – enter a description of the length the beneficiary is expected to be assisted by this application and whether or not the beneficiary will need continued assistance beyond this grant request.

**19. Project Coordination and Sustainability Strategy –
City Departments only -**

- a. Describe the applicant’s strategy for the proposed project and how the project will enhance the quality of life for the community as a whole OR for the area the project will be located.
- b. Identify the comparable goal(s), as established in the City’s Vision 2030 Strategic Plan, and describe how the project supports the goal(s) and overall progress in completing the vision of the strategic plan.

All Other applicants -

- a. Describe the applicant’s strategy for coordinating beneficiary assistance among other service providers in the community to reduce the expense of duplication of services. Indicate how the coordination will move people more quickly through the system identifying and assisting those persons with the greatest need.
- b. Describe the applicant’s strategy to sustain this project beyond this grant application. Do not indicate “will continue to apply for grants”.

PROJECT DETAIL & TYPE

20. Project Physical Location -

- a. Enter the complete physical address of the project (office/service location)
- If the project will operate City Wide-check the box and enter the Physical Address where the beneficiary information (files) will be maintained.

Select the Census Tracts/Block Groups where the project/program will take place.

- b. Physical Address (for Acquisition, New Construction, Facility or Public Improvement, or Housing – provide information for each separate location identifying each physical

address or boundary of a target area) List and provide a description detailing the location of the proposed project (number, street, zip code): include the specific Target Neighborhood(s) or Special District(s) if any; identify the target area boundaries (N, E, S, W).

21. Project Type –

- Check the appropriate Fund Source box – either CDBG or HOME program;
- Select from the options of broad categories the appropriate type of project proposed under this application then from the drop down box- select the specific type of activity being proposed.
 - if “other eligible...” is selected – select one of the listed eligible activities.

In the event the proposed project is not listed, contact Community Development Staff prior to entering information in the category of “Other Eligible Activity”

22. Other Funding Committed for This Project –

- from the information listed in #13 above
- indicate other funding that is committed for this project – “committed” means that the funding is in the budget and authorized for the purpose indicated.
 - Enter the name of the source, the amount of funding from that source, the specific use/purpose of the funding, and indicate the funding commitment document number*.

Funding commitments must accompany this application; in-kind contributions will be submitted on the form and frequency prescribed by the city.

Applicant will be required to provide a copy of the commitment document*

**Scan the document you have listed and name the document according to the following format: Applicant/Agency Initials_F22_Item Number (1-4)*

Example: CIS_F20_1 or COKCD_F20_2, etc.

23. Project Requirements

For projects other than Public Services – indicate the status of site control of the proposed property and necessary components required for the project.

- For Site Control – indicate whether the project site is:
 - Leased – by the applicant

- Owned – by the applicant

- Purchase Pending – applicant has entered into a valid real estate purchase contract/agreement

- Occupied by Other – site is currently occupied by another entity or household.

Responses other than owned (by applicant) require further clarification of eligibility by CD Staff prior to application submittal.

Necessary Project Components –

Facility Improvement projects valued at \$50,000 or greater require specific engineering and plans review for compliance with ADA rules.

Design or Conceptual Drawings - Indicate who will be providing those items – applicant or project budgeted.

-Applicant means the applicant is paying for these requirements with other agency funds;

-Project Budgeted means the cost will be part of the proposed budget submitted and part of the funding requested under CDBG.

Incomplete projects will require repayment, by the applicant, of funds expensed on the incomplete project.

Describe the actions necessary to achieve project implementation through completion – i.e., rehabilitation, construction components, etc.

NOTE – all items must be reflected on the appropriate project budget form(s) under the appropriate source.

24. Project Start/Completion Date - enter the project start and project completion date based upon the specific project/activity timeline.

25. Project Performance Accomplishments - for each quarter, enter the number of new units to be assisted along with the number of units that will receive continued assistance from the previous quarter; Indicate the percent of the progress reasonably expected to be achieved, in the specific quarter.

IF project is new construction, residential rehabilitation, reconstruction, acquisition, facility improvements with extended timelines – as needed - continue to enter the information according to the maximum timeline, in the following two areas identified as Oct-Dec. and Jan-Mar.

26. Project In-Service Date (other than Public Service programs)-

Enter the “in-service” date which is the first date the applicant expects the project will provide beneficiaries with use of the facility and its programs/services. Do not enter

27. Project Staff/Management / Development Team/ Owners/ Developers – identify the key staff members that will administer and manage the proposed project.

-enter the name of the staff person;

-indicate the staff person’s responsibility/duties as associated with the proposed project;

-enter the number of years of experience or training the staff person has qualifying him/her for the position as it relates to the proposed project;

-enter the expected percent of time the staff person will work on the proposed project.

APPLICANT HISTORY

28. Mission Statement

– Enter the applicant’s mission statement; Describe how the project will meet the applicant’s mission

29. History in Killeen Community – describe the applicant’s history in serving the Killeen Community.

30a. Current Projects– complete the requested information as associated with the applicant’s current projects/programs, the population served, and the number of units assisted as of December 31st of the most recent calendar year.

30b. Current Project Funding Sources – Enter the amount and Source for the project name listed in 30a above.

30c. Previous Experience City of Killeen Funds – enter the 4-digit year, the project name, amount awarded, the balance remaining of unexpended funds as of December of the most recent year, and the number of units assisted as of December of the most recent year.

30d. Previous Experience with Use of State or Federal Funds – enter the 4-digit year, the project name, the amount awarded, the balance remaining of unexpended funds as of December of the most recent year, and the number of units assisted as of December of the most recent year. (Space through to insert the response)

30e. Project Support from Other Entity/Department – enter the entity name; enter the type of partnership from the description below;

Collaboration = one or more entities, city departments/divisions joining together in a shared vision to make possible that which cannot be accomplished individually - without the other [entity] (Coordinated Referral and Tracking Success).

Utilization = the applicant uses other programs to support accomplishing goals for the applicant’s project.

SECTION IV

CDBG BUDGET FORMS INSTRUCTIONS

INTRODUCTION

To assure prompt processing of your application submit the correct **budget forms** – if you have questions, contact CD staff immediately.

The CDBG Application for Funding Budget Forms is MS Excel format. The various budget types are specifically tabbed and numbered on individual worksheets. (*Example – Project Cover Page 1; PS Personnel Budget 2; Operating Budget 3; etc.*)

Each Applicant/Entity will be required to submit a Project Budget associated with their specific project; a Company [Applicant/Entity] Income and Expense Statement; and a Company [Applicant/Entity] Balance Sheet.

On each separate Budget Form, applicable to the proposed project, information will be entered regarding the - Total Units/Households to be assisted through the project, the estimated amount of CDBG funds for the project, the amount of other Federal Source funds for the project, and the amount of any Public or Private funding for the project. As amounts are entered into these columns, the remaining columns (Total Project Budget, % Other funding, Total % of CDBG funding, and Total % of all funding for project) will calculate automatically. In turn, these totals will be automatically transferred to worksheet 6- CDBG Request Total Budget. This tab is a one-page snapshot of the applicant's/entity's total project budget – CDBG funds requested, other funding sources, and the cost per unit for the project. For ease in maneuverability – use the “Tab” key or arrow keys to move through the cells.

The following details the instructions for each separate form. Although the cells are not numbered, the cell name corresponds to the cell that requires data input. Additionally, the only cells that require data input are colored “light blue”.

Should you experience any problems with the worksheets or do not have access to a computer with the MS Excel product software, please contact CD Staff for assistance.

BUDGET FORMS INSTRUCTIONS

Tab 1 – App Info Cover 1

(Applicant Information Cover sheet)

Enter the Lead Applicant's name and Project Name in the space provided. This information will automatically transfer to each applicable tab/sheet and does not have to be re-typed.

Tab 2– PS Personnel Budget 2

(Public Service Personnel Budget)

Each applicant/entity applying for **Personnel** costs will be required to complete and submit this sheet. All applicant/entities applying for personnel funds must have cash assets, committed to the

Personnel - specific position line item(s), equal to not less than three (3) months of the approved contracted budget.

~Instructions - Personnel~

Enter the total number of units/households to be assisted with the proposed activity.

Enter the number and title for each position of the project that you are requesting funding for

Enter the percent of time [0% - 100%] the position(s) will work on the CDBG funded project

Enter the estimated amount of CDBG funding for the positions you are requesting funding for

Enter the amount of funding for the project that will be provided by a Federal Source

Enter the amount of funding for the project that will be provided by Public and/or Private Sources

Self-calculating cells – Total Project Budget, % Other sources, % CDBG, and Total %

~Instructions - Fringe Benefits~

Self-calculating cells – FICA- Social Security Tax and Medicare Tax. These cells automatically calculate the amount required, by federal law, from the Personnel Total Project Budget cell from above.

Enter the estimated amount of CDBG funding for each category – Social Security Tax and Medicare Tax.

Enter the amount of funding for the project that will be provided by a Federal Source for - Social Security

Tax and Medicare Tax.

Enter the amount of funding for the project that will be provided by Public and/or Private Sources

Self-calculating cells – Total Project Budget, % Other sources, % CDBG, and Total %

State Unemployment Insurance

Enter the amount required for all positions requested in Personnel

Enter the estimated amount of CDBG funding for State Unemployment Insurance

Enter the estimated amount of funding that will be provided by a Federal Source

Enter the estimated amount of funding that will be provided by Public and/or Private Sources

Self-calculating cells – Total Project Budget, % Other sources, % CDBG, and Total %

Workers Compensation Insurance

Enter the amount required for all positions requested in Personnel

Enter the estimated amount of CDBG funding for State Unemployment Insurance

Enter the estimated amount of funding that will be provided by a Federal Source

Enter the estimated amount of funding that will be provided by Public and/or Private Sources

Self-calculating cells – Total Project Budget, % Other sources, % CDBG, and Total %

Other – Enter the benefit name (Health, Dental, Life Insurance, etc.)

Enter the amount required for all positions requested in Personnel

Enter the estimated amount of CDBG funding for State Unemployment Insurance

Enter the estimated amount of funding that will be provided by a Federal Source

Enter the estimated amount of funding that will be provided by Public and/or Private Sources

Self-calculating cells – Total Project Budget, % Other sources, % CDBG, and Total %

Budget Detail

Each applicant/entity applying for **Personnel** costs will be required to complete this information indicating the basis for determining the cost of the line item.

~Instructions ~

For each Personnel Expense entered above – indicate the basis for determining the cost of that specific line item. ~The Project Total **MUST** equal the amount of the PS Personnel Budget total

Self-calculating cells – Project Total

Tab 3 – Operating Budget 3
(Project Operating Budget)

Each applicant/entity applying for **Operating** costs will be required to complete this information indicating the basis for determining the cost of the line item. All applicant/entities applying for operations funds must have cash assets, committed to the Operations line item(s), equal to not less than three (3) months of the approved contracted budget.

Enter the number of Units/Household to be assisted if not previously entered on Tab 2 - PS Personnel Budget 2

DO NOT ENTER BULK DETAIL IN THE LINE ITEM “OTHER”; Specific detail must be entered if not represented in a previous category.

~Instructions ~

For each line item listed:

Enter the estimated amount of CDBG funding for the operations costs you are requesting funding for

Enter the amount of funding for the project that will be provided by a Federal Source

Enter the amount of funding for the project that will be provided by Public and/or Private Sources

Self-calculating cells – Total Project Budget, % Other sources, % CDBG, and Total %

Project Cost Detail

Each applicant/entity applying for **Operating** costs will be required to complete and submit this sheet which describes the item(s) listed above in the Operating Budget line items. Justify each line item of the Operating Budget indicating the basis for determining the cost of the line item.

~Instructions ~

Enter the Project/Activity Name

Enter the [Company] Applicant/Entity Name

For each Personnel or Operating Expense entered on Tabs 1 and 2 – indicate the basis for determining the cost of that specific line item. ~The Project Total **MUST** equal the amount of the Personnel Budget (Tab 1) and Operating Project Budget (Tab 2)

Self-calculating cells – Project Total

Tab 4 – AcqCD HistPublic Improvements 4
(Acquisition, Clearance/Demolition, Historic Preservation, Public Improvements)

Each applicant/entity applying for costs associated with **any of these funding categories/activity types** will be required to complete and submit this sheet. [When printed, this one sheet will print on two separate pages]

Acquisition requires a property appraisal within the most recent 3 months at the time of purchase and must receive prior approval by Killeen Community Development Department.

~Instructions ~

Enter the total number of units/households to be assisted with/through the project/activity

Trade Item – if the project contains costs associated with any line item represented, enter the costs associated with the line item:

Enter the estimated amount of CDBG funding for the line item you are requesting funding for

Enter the amount of funding for the project that will be provided by a Federal Source

Enter the amount of funding for the project that will be provided by Public and/or Private Sources

Self-calculating cells – Total Project Budget, % Other sources, % CDBG, and Total %

Site, Roads, Utilities – if the project contains costs associated with any line item represented, enter the costs associated with the line item:

Enter the estimated amount of CDBG funding for the line item you are requesting funding for

Enter the amount of funding for the project that will be provided by a Federal Source

Enter the amount of funding for the project that will be provided by Public and/or Private Sources

Self-calculating cells – Total Project Budget, % Other sources, % CDBG, and Total %

Professional Fees, Requirements - if the project contains costs associated with any line item represented, enter the costs associated with the line item:

MAXIMUM Architectural Fee= 12%; Engineering Fee = 6% of total construction budget.

Enter the estimated amount of CDBG funding for the line item you are requesting funding for

Enter the amount of funding for the project that will be provided by a Federal Source

Enter the amount of funding for the project that will be provided by Public and/or Private Sources

Self-calculating cells – Total Project Budget, % Other sources, % CDBG, and Total %

Hazardous Site - if the project contains costs associated with any line item represented, enter the costs associated with the line item:

Enter the estimated amount of CDBG funding for the line item you are requesting funding for

Enter the amount of funding for the project that will be provided by a Federal Source

Enter the amount of funding for the project that will be provided by Public and/or Private Sources

Self-calculating cells – Total Project Budget, % Other sources, % CDBG, and Total %

Other - if the project contains costs not associated with any line item represented, enter the costs associated with the line item description

DO NOT ENTER BULK DETAIL IN THIS SECTION

Enter the estimated amount of CDBG funding for the line item you are requesting funding for

Enter the amount of funding for the project that will be provided by a Federal Source

Enter the amount of funding for the project that will be provided by Public and/or Private Sources

Self-calculating cells – Total Project Budget, % Other sources, % CDBG, and Total %

Advertising – Bid – Projects having a total budget of \$2,000 or more will be subject to labor standards (Davis-Bacon and Related Acts) and will follow the City of Killeen Purchasing Policies. Each applicant/entity must include a minimum of **\$700.00 (total budget)** for advertising costs associated with a CDBG funded project/activity.

Enter the estimated amount of CDBG funding for the line item you are requesting funding for
Enter the amount of funding for the project that will be provided by a Federal Source
Enter the amount of funding for the project that will be provided by Public and/or Private Sources

Self-calculating cells – Total Project Budget, % Other sources, % CDBG, and Total %

See Section VII for submitting the required project cost estimate from a design professional

Tab 5 – HsgAcqConstRehabABR 5

(Housing - Acquisition, Construction, Reconstruction, Rehabilitation, Architectural Barrier Removal)

Each applicant/entity applying for costs associated with **these categories/activities** will be required to complete and submit this sheet. [When printed, this one sheet will print on two separate pages]

~Instructions ~

Enter the total number of units/households to be assisted with/through the project/activity.

Trade Item – if the project contains costs associated with any line item represented, enter the costs associated with the line item:

Enter the estimated amount of CDBG funding for the line item you are requesting funding for
Enter the amount of funding for the project that will be provided by a Federal Source
Enter the amount of funding for the project that will be provided by Public and/or Private Sources

Self-calculating cells – Total Project Budget, % Other sources, % CDBG, and Total %

Emergency & Minor Repair – if the project contains costs associated with any line item represented, enter the costs associated with the line item

- ~ Emergency Repairs are limited to a total of \$8,500; Repairs exceeding \$8,500 for any one housing unit must be calculated as a Minor Repair unit
- ~ Minor Repairs are those repairs associated with Mechanical, Plumbing, Electrical, and Structural components where the total cost of the combined repairs are greater than the threshold for Emergency Repairs (\$8,500), but are not greater than 1.75% of the most recent appraisal amount from the Bell County Appraisal District.

Manual Calculations – perform these calculations to arrive at an estimated amount for the projects costs associated with either and/or both categories – Emergency Repairs and Minor Repairs.

- **EMERGENCY REPAIRS** - Multiply the number of estimated housing units in need of Emergency Repairs by a maximum cost of \$8,500.
- **MINOR REPAIRS - AVERAGE** the value of homes in the area of service, from the most recent Bell County Appraisal District value to arrive at an ‘area average home value’; then, Multiply the area average home value by 1.75% - this is the average cost of minor repairs expected for each unit. Multiply the average cost of minor repairs total by the number of estimated housing units in proposed for the project.

Enter the estimated amount of CDBG funding for the line item you are requesting funding for
Enter the amount of funding for the project that will be provided by a Federal Source
Enter the amount of funding for the project that will be provided by Public and/or Private Sources

Self-calculating cells – Total Project Budget, % Other sources, % CDBG, and Total %

Architectural Barrier Removal (Handicapped Accessibility) – if the project contains costs associated with the removal of architectural barriers that restrict the mobility and ease of access to the dwelling for elderly and disabled occupants, multiply the number of housing units by a maximum cost of \$10,500 each.

Enter the estimated amount of CDBG funding for the line item you are requesting funding for
Enter the amount of funding for the project that will be provided by a Federal Source
Enter the amount of funding for the project that will be provided by Public and/or Private Sources

Self-calculating cells – Total Project Budget, % Other sources, % CDBG, and Total %

Site, Roads, Utilities – if the project contains costs associated with any line item represented, enter the costs associated with the line item:

Enter the estimated amount of CDBG funding for the line item you are requesting funding for
Enter the amount of funding for the project that will be provided by a Federal Source
Enter the amount of funding for the project that will be provided by Public and/or Private Sources

Self-calculating cells – Total Project Budget, % Other sources, % CDBG, and Total %

Professional Fees, Requirements - if the project contains costs associated with any line item represented, enter the costs associated with the line item:

MAXIMUM Architectural Fee= 12%; Engineering Fee = 6% of total construction budget.
Enter the estimated amount of CDBG funding for the line item you are requesting funding for
Enter the amount of funding for the project that will be provided by a Federal Source
Enter the amount of funding for the project that will be provided by Public and/or Private Sources

Self-calculating cells – Total Project Budget, % Other sources, % CDBG, and Total %

Hazardous Site - if the project contains costs associated with any line item represented, enter the costs associated with the line item:

Enter the estimated amount of CDBG funding for the line item you are requesting funding for
Enter the amount of funding for the project that will be provided by a Federal Source
Enter the amount of funding for the project that will be provided by Public and/or Private Sources

Self-calculating cells – Total Project Budget, % Other sources, % CDBG, and Total %

Other - if the project contains costs not associated with any line item represented, enter the detail name and costs associated with the line item description

DO NOT ENTER BULK DETAIL IN THIS SECTION

Enter the estimated amount of CDBG funding for the line item you are requesting funding for
Enter the amount of funding for the project that will be provided by a Federal Source
Enter the amount of funding for the project that will be provided by Public and/or Private Sources

Self-calculating cells – Total Project Budget, % Other sources, % CDBG, and Total %

Advertising – Bid – Projects having a total budget of \$2,000 or more will be subject to labor standards (Davis-Bacon and Related Acts) and will follow the City of Killeen Purchasing Policies. Each applicant/entity must include a minimum of **\$700.00 (total budget)** for advertising costs associated with a CDBG funded project/activity.

Enter the estimated amount of CDBG funding for the line item you are requesting funding for

Enter the amount of funding for the project that will be provided by a Federal Source
Enter the amount of funding for the project that will be provided by Public and/or Private Sources

Self-calculating cells – Total Project Budget, % Other sources, % CDBG, and Total %

See Section VII for submitting the required project cost estimate from a design professional

Tab 6 –Request Total Budget 6

(CDBG Request Total Budget)

This sheet will automatically calculate the amounts for the budget items associated with the amounts entered in association with your project/activity type.

DO NOT ENTER INFORMATION ON THIS TAB!

Tab 7 – Income and Expense Statement 7

(Income and Expense Statement 7)

Each applicant/entity applying for CDBG funds will be required to complete this sheet. [When printed, this one sheet will print on two separate pages]

~Instructions - Income

Enter the [Company] Applicant/Entity beginning date of the fiscal year as the **Month-Day-Year**

Enter the [Company] Applicant/Entity ending date of the fiscal year as the **Month-Day-Year**

Current/Estimated Project

~Estimated Project Budget Current Year - Enter the amount, for each line item listed, associated with the actual income for the Project through the end of the fiscal year [If this is a new project, then enter **-0-** for the line items.]

~Project Actual Current Year – Enter the amount, for each line item listed, associated with the actual income for the Project [If this is a new project, then enter **-0-** for the line items.]

~Project Estimated – Enter the amount, for each line item listed, associated with the proposed income for the Project for the period beginning October 1, 2019 and ending September 30, 2020.

Company Total

~Estimated Project Budget Current Year - Enter the amount, for each line item listed, associated with the [Company's] Applicant's/Entity's estimated income for the fiscal period

~Actual Current Year – Enter the amount, for each line item listed, associated with the [Company's] Applicant's/Entity's actual income for the fiscal period

~Project Estimated – Enter the amount, for each line item listed, associated with the [Company's] Applicant's/Entity's estimated budget income for the fiscal period

~Instructions - Expenses

Current/Estimated Project

~Estimated Project Budget Current Year - Enter the amount, for each line item listed, associated with the actual expenses for the Project through the end of the fiscal year [If this is a new project, then enter **-0-** for the line items.]

~Project Actual Current Year – Enter the amount, for each line item listed, associated with the actual expenses for the Project [If this is a new project, then enter -0- for the line items] income for the fiscal period .

~Project Estimated – Enter the amount, for each line item listed, associated with the proposed expenses for the Project for the fiscal period

Company Total

~Estimated Budget Current Year - Enter the amount, for each line item listed, associated with the [Company's] Applicant's/Entity's estimated expenses for the fiscal period

~Actual Budget Current Year – Enter the amount, for each line item listed, associated with the [Company's] Applicant's/Entity's actual expenses for the fiscal period

~Project Estimated – Enter the amount, for each line item listed, associated with the [Company's] Applicant's/Entity's estimated budget expenses for the fiscal period

Self-calculating cells – The line items listed at the bottom of the page – total Expenses, Total Income, and Net (+/-) will automatically calculate based upon the information data input in the cells above.

In the event that any of the “Net” cells appear as a negative number [Example: **(\$12,000.00)**] please contact the CD Staff immediately to discuss this situation.

Tab 8– Company Balance Sheet 8

Each applicant/entity applying for CDBG funds will be required to complete this sheet.

~Instructions ~

Current Year - Enter the [Company] Applicant/Entity **current year** Balance Sheet information through February 1, 2019

Prior Year – Enter the [Company] Applicant/Entity **prior year** ending date for the most recent year-end Balance Sheet information as Month-Day-Year

SECTION V

HOME BUDGET FORMS INSTRUCTIONS

INTRODUCTION

The HOME Application for Funding Budget Forms is MS Excel format. The various budget types are specifically tabbed and numbered on individual worksheets. (*Example – Project Budget Housing 2; Project Budget Housing Personnel 3; TBRA Budget 4;, etc.*)

Each Applicant/Entity will be required to submit a Project Budget associated with their specific project; a Company [Applicant/Entity] Income and Expense Statement; and a Company [Applicant/Entity] Balance Sheet. Matching funds equal to 25% of the total HOME funds requested are required for all HOME funded projects. (*i.e. HOME funds requested \$4,000, \$1,000 of “matching funds” from non-federal source(s) is required; verification will be made prior to grant agreement execution.*)

On each separate Budget Form, applicable to the proposed project, information will be entered regarding the - Total Units/Households to be assisted through the project, the estimated amount of HOME funds for the project, the amount of other Federal Source funds for the project, and the amount of any Public or Private funding for the project. As amounts are entered into these columns, the remaining columns (Match, Total Project Budget, % Other funding, Total % of HOME funding, and Total % of all funding for project) will calculate automatically. In turn, these totals will be automatically transferred to worksheet 5 - Project Budget Total. This tab is a one-page snapshot of the applicant’s/entity’s total project budget – HOME funds requested, other funding sources, amount of match associated with the project, and the cost per unit for the project. For ease in maneuverability – use the “Tab” key or arrow keys to move through the cells. Cells that contain a formula are “protected” and therefore cannot be changed or adjusted.

The following details the instructions for each separate form. Although the cells are not numbered, the cell name corresponds to the cell that requires data input. Additionally, the only cells that require data input are color shaded.

If you should experience any problems with the worksheets or do not have access to a computer with the MS Excel product software, please contact CD Staff for assistance. All projects submitted must be on the HOME program application forms.

BUDGET FORMS INSTRUCTIONS

Tab 1 – App Info Cover 1

(Applicant Information Cover sheet)

Enter the Lead Applicant's name and Project Name in the space provided. This information will automatically transfer to each applicable tab/sheet and does not have to be re-typed.

Tab 2 – Project Budget Housing 2

(Project Budget Housing)

Each applicant/entity applying for costs associated with **Housing – Construction, Reconstruction, or Rehabilitation** will be required to complete and submit this sheet. [When printed, this one sheet will print on two separate pages]

~Instructions ~

Top RIGHT - Enter the total **Number of Units/Households** to be assisted with/through the project/activity. Do not enter the number units/households on any other tab.

Trade Item – if the project contains costs associated with any line item represented, enter the costs associated with the line item:

Enter the estimated amount of HOME funding for the line item you are requesting funding for

Enter the amount of funding for the project that will be provided by a Federal Source

Enter the amount of funding for the project that will be provided by Public and/or Private Sources

Self-calculating cells – Match, Total Project Budget, % Other sources, % HOME, and Total %

Site, Roads, Utilities – if the project contains costs associated with any line item represented, enter the costs associated with the line item:

Enter the estimated amount of HOME funding for the line item you are requesting funding for

Enter the amount of funding for the project that will be provided by a Federal Source

Enter the amount of funding for the project that will be provided by Public and/or Private Sources

Self-calculating cells – Match, Total Project Budget, % Other sources, % HOME, and Total %

Professional Fees, Requirements - if the project contains costs associated with any line item represented, enter the costs associated with the line item:

MAXIMUM Architectural Fee= 12%; Engineering Fee = 6% of total construction budget.

Enter the estimated amount of HOME funding for the line item you are requesting funding for

Enter the amount of funding for the project that will be provided by a Federal Source

Enter the amount of funding for the project that will be provided by Public and/or Private Sources

Self-calculating cells – Match, Total Project Budget, % Other sources, % HOME, and Total %

Hazardous Site - if the project contains costs associated with any line item represented, enter the costs associated with the line item:

Enter the estimated amount of HOME funding for the line item you are requesting funding for

Enter the amount of funding for the project that will be provided by a Federal Source

Enter the amount of funding for the project that will be provided by Public and/or Private Sources

Self-calculating cells – Match, Total Project Budget, % Other sources, % HOME, and Total %

Other - if the project contains costs associated and not listed on any other line item represented, enter the description and costs associated with the line item.

DO NOT ENTER BULK DETAIL IN THIS SECTION

Enter the estimated amount of HOME funding for the line item you are requesting funding for

Enter the amount of funding for the project that will be provided by a Federal Source

Enter the amount of funding for the project that will be provided by Public and/or Private Sources

Self-calculating cells – Match, Total Project Budget, % Other sources, % HOME, and Total %

Advertising – Bid – Projects containing twelve (12) or more units will be subject to labor standards (Davis-Bacon and Related Acts) and projects having a total budget over \$50,000 or more will follow the City of Killeen Purchasing Policies. Each applicant/entity will include a minimum of **\$700.00** (total budget) for advertising costs associated with a HOME funded project/activity. [Keep in mind that the Match cell will automatically calculate at 10% of the requested HOME amount-be sure to adjust the other cells appropriately].

Enter the estimated amount of HOME funding for the line item you are requesting funding for

Enter the amount of funding for the project that will be provided by a Federal Source

Enter the amount of funding for the project that will be provided by Public and/or Private Sources

Self-calculating cells – Match, Total Project Budget, % Other sources, % HOME, and Total %

See Section VII for submitting the required project cost estimate from a design professional

Tab 3– ProjBudget Housing Personnel 3

(Project Budget Housing Personnel)

Each applicant/entity applying for **Personnel** costs specifically associated with the Project (Construction-New, Rehabilitation, Reconstruction) will be required to complete and submit this sheet. **Funding under this Budget Form is not associated with daily operations and applies only to a Project Manager/Management or Project Staff and can only be funded through completion of the construction phase of a completed unit(s).** Upon successful award, each personnel member will be required to report the value and detail of hours on a form prescribed by City.

~Instructions - Personnel~

On the top RIGHT - Enter the total number of units/households to be assisted with/through the project/activity * if you entered this number on the previous tab 2, disregard*

Enter the number and title for each position of the project that you are requesting funding for and is associated with the total number of units/households proposed.

Enter the percent of time [0% - 100%] the position(s) will work on the HOME funded project

Enter the estimated amount of HOME funding for the positions you are requesting funding for

Enter the amount of funding for the project that will be provided by an other Federal Source

Enter the amount of funding for the project that will be provided by Public and/or Private Sources

Self-calculating cells – Match, Total Project Budget, % Other sources, % HOME, and Total %

~Instructions - Fringe Benefits~

Self-calculating cells – FICA- Social Security Tax and Medicare Tax. These cells automatically calculate the amount required, by federal law, from the Personnel Total Project Budget cell from above.

Enter the estimated amount of HOME funding for each category – Social Security Tax and Medicare Tax.

Enter the amount of funding for the project that will be provided by a Federal Source for - Social Security

Tax and Medicare Tax.

Enter the amount of funding for the project that will be provided by Public and/or Private Sources

Self-calculating cells – Match, Total Project Budget, % Other sources, % HOME, and Total %

State Unemployment Insurance

Enter the amount required for all positions requested in Personnel

Enter the estimated amount of HOME funding for State Unemployment Insurance

Enter the estimated amount of funding that will be provided by a Federal Source

Enter the estimated amount of funding that will be provided by Public and/or Private Sources

Self-calculating cells – Match, Total Project Budget, % Other sources, % HOME, and Total %

Workers Compensation Insurance

Enter the amount required for all positions requested in Personnel

Enter the estimated amount of HOME funding for State Unemployment Insurance

Enter the estimated amount of funding that will be provided by a Federal Source

Enter the estimated amount of funding that will be provided by Public and/or Private Sources

Self-calculating cells – Match, Total Project Budget, % Other sources, % HOME, and Total %

Other – Enter the benefit name (Health, Dental, Life Insurance)

Enter the amount required for all positions requested in Personnel

Enter the estimated amount of HOME funding for State Unemployment Insurance

Enter the estimated amount of funding that will be provided by a Federal Source

Enter the estimated amount of funding that will be provided by Public and/or Private Sources

Self-calculating cells – Match, Total Project Budget, % Other sources, % HOME, and Total %

Personnel Cost Detail

Complete a description for every line item(s) listed above indicating the basis for determining the cost of the item. **Funding under this Budget Form is not associated with applicant's daily operations.**

~Instructions ~

For each Project Budget Personnel expense entered above – indicate the basis for determining the cost of that specific line item. ~The Project Total **MUST** equal the amount of the Project Budget Personnel (Tab 4).

Self-calculating cells – Project Total

Tab 4 –TBRA Budget 4

(Tenant Based Rental Assistance Budget or Security Deposit Assistance)

To be completed **only if requesting funds for Tenant Based Rental Assistance**; complete and submit this sheet which details the number of months a household is to be assisted and the number of estimated households that will receive assistance.

Funding under this activity does not allow administrative costs; calculate **ONLY the amount associated with actual assistance provided to the beneficiary.**

Security Deposit Assistance program will provide the eligible tenant household with Security deposit not to exceed the maximum allowed.

~Instructions ~

TBRA - For each separate bedroom size, calculate the number of months the TBRA is to be provided.

Calculate the number of households, according to bedroom size [according to the chart on the sheet] that will be assisted; enter the number in the appropriate cell.

Self-calculating cells – All cells that are not colored in “light blue” will self-calculate to determine the Total Estimated Costs.

Security Deposit Assistance – For each separate bedroom size assistance is expected, enter the number of households to be assisted.

Tab 5 – Project Budget Total 7
(HOME Project Budget Total)

This sheet will automatically calculate the amounts for the budget items associated with the amounts entered in association with your project/activity type.

DO NOT ENTER INFORMATION ON THIS TAB!

Tab 6 – Income and Expense Statement

Each applicant/entity applying for HOME funds will be required to complete this sheet. [When printed, this one sheet will print on two separate pages]

~Instructions - Income

Enter the [Company] Applicant/Entity beginning date of the fiscal year as the **Month-Day-Year**

Enter the [Company] Applicant/Entity ending date of the fiscal year as the **Month-Day-Year**

Current/Estimated Project

~Estimated Project Budget - Enter the amount, for each line item listed, associated with the actual income for the Project through the end of the fiscal year [If this is a new project, then enter **-0-** for the line items.]

~Project Actual Budget – Enter the amount, for each line item listed, associated with the actual income for the Project [If this is a new project, then enter **-0-** for the line items.]

~Project Estimated – Enter the amount, for each line item listed, associated with the proposed income for the Project for the period beginning October 1, 2019 and ending September 30, 2020.

Company Total

~Estimated Project Budget Current Year - Enter the amount, for each line item listed, associated with the [Company's] Applicant's/Entity's estimated income for the fiscal period

~Actual Current Year– Enter the amount, for each line item listed, associated with the [Company's] Applicant's/Entity's actual income for the fiscal period beginning

~Project Estimated – Enter the amount, for each line item listed, associated with the [Company’s] Applicant’s/Entity’s estimated budget income for the fiscal period

~Instructions - Expenses

Current/Estimated Project

~Estimated Project Budget - Enter the amount, for each line item listed, associated with the actual income for the Project through the end of the fiscal year [If this is a new project, then enter **-0-** for the line items.]

~Project Actual Budget – Enter the amount, for each line item listed, associated with the actual income for the Project [If this is a new project, then enter **-0-** for the line items.]

~Project Estimated – Enter the amount, for each line item listed associated with the proposed income for the Project for the fiscal period.

Company Total

~Estimated Project Budget Current Year - Enter the amount, for each line item listed, associated with the [Company’s] Applicant’s/Entity’s estimated expenses for the fiscal period

~Actual Current Year – Enter the amount, for each line item listed, associated with the [Company’s] Applicant’s/Entity’s actual expenses for the fiscal period beginning

~Project Estimated – Enter the amount, for each line item listed, associated with the [Company’s] Applicant’s/Entity’s estimated budget expenses for the fiscal period

Self-calculating cells – The line items listed at the bottom of the page – total Expenses, Total Income, and Net (+/-) will automatically calculate based upon the information data input in the cells above.

In the event that any of the “Net” cells appear as a negative number [*Example: (\$12,000.00)*] please contact the CD Staff immediately to discuss this situation.

Tab 7 – Company Balance Sheet

Each applicant/entity applying for HOME funds will be required to complete this sheet.

~Instructions ~

Current Year - Enter the [Company] Applicant/Entity **current year** Balance Sheet information through February 1, 2019

Prior Year – Enter the [Company] Applicant/Entity **prior year** ending date for the most recent year-end Balance Sheet information as **Month-Day-Year**

SECTION VI

INSTRUCTIONS

CERTIFICATIONS & REPRESENTATIONS FORMS

Certifications Forms

Each applicant/entity must complete the Certifications and submit along with the application for funding for both CDBG and HOME funding requests.

Complete the following forms:

- Governing Board Approval of Request
- Affidavit of Standards of Financial Management Systems
- Administrative Requirements
- Drug Free Workplace
- Americans with Disabilities (ADA) Compliance
- Representations and Certifications

Non-Profit Organization (NPO) supplement

located in the **Certifications document**

Each non-profit organization applicant/entity applying for CDBG/HOME funds will be required to complete the following forms:

Voluntary Board of Directors - indicating applicant has a voluntary board of directors
Board Member Roster -- a list of all current board members

- ~ Enter the non-profit organization's name and effective date of the board roster.
- ~ Enter the requested information about each Board Member.

SECTION VII

Official Documents/Policies submittal

This is a list of documents required to be submitted with each application. This set of documents will determine initial eligibility of the applicant type. Missing or incomplete responses will disqualify the applicant entity and proposed program/project

Contact CD Staff if you have questions prior to submitting your forms.

INSTRUCTIONS

When submitting these documents electronically with your application you will Name each document as follows: **AgencyInitialsDocumentNumber**

EXAMPLE - COKStreets07, or FIC02, GKFC12, COKCD18, etc.

City Departments submit only #7 and as applicable- #16, #17, #18 or #20.

For each entity/applicant, provide one (1) clear, legible copy of the document listed. In the event the document is not applicable, submit no document for that listed item number.

1. Board Minutes approving funding application- Dated and Signed by appropriate official
2. Articles of Incorporation
3. Texas Nonprofit Registration with the Secretary of State
4. Corporate Bylaws
5. Organizational Chart
6. IRS Designation - 501(c)(3) or (4)
7. Designation Letter for Federal Employer Identification Number(FEIN)/ Tax Identification Number (TIN)
8. Annual Budget (for current fiscal year and for next fiscal cycle)
9. Audit or Financial Statement for most recent fiscal year (within the prior 2 years)
10. Form 990 for the most recent fiscal year end (within the prior 2 years)
11. Accounting and Procurement Policies and Procedures
12. Personnel Policies and Procedures;
13. Volunteer Policies and Procedures
14. Applicable Licenses/Certifications
(copy of licenses/certification for personnel/staff/management if requesting personnel funding for licensee)
15. Travel Reimbursement Policy *(if requesting operations funds for travel)*
16. Certificate(s) of Insurance
(Officers/Directors Errors and Omissions, Organization Liability-locations, etc.)
17. Proof of Facility Ownership or Long Term Lease

(if Application is for Rehabilitation, Commercial Rehabilitation, or Public Service-Utilities Assistance funding the lease must be a minimum of 5 years)

18. Program Guidelines/Policies/Application - Applicant Beneficiary Eligibility criteria including income level qualifications, payments or fees for services
19. Program Evaluation Tools – Applicant evaluation tools for programs/services provided to program beneficiaries
20. Agreements of Collaboration; Memorandum of Understanding - detailing measurable results between the named entities
21. Partnership Agreement or Limited Liability Corporation (LLC) documents (as applicable)
22. Attach the project cost estimate from a design professional for any construction related proposal.
(the estimate must include: the Professional's Name, Business Name, Contact Number, Email, signature and date of estimate)
23. Attach proof of cash assets, as required, for support of the proposed project. Eligible proof documents are: Certified letter from financial institution, Financial Statement from applicant's auditor, Governing board action/resolution with proposed/adopted line item budget and source of revenue committed to the project cost
(the document(s) must include: the Certifying Official's/sOfficer's Name, Financial Institution Name and Address, Professional Auditor's Name and Business Name/Address, Resolution of the Governing Board with: date of official board meeting and resolution of commitment of funding for the project/line item, source of revenue and signature and date of the action)