

Community Development Block Grant

CFDA 14.228

CDBG Application Handbook FFY 2025



State of Alaska
Mike Dunleavy, Governor

Department of Commerce, Community, and Economic Development
Julie Sande, Commissioner

Division of Community and Regional Affairs

Community Development Block Grant Program

FFY 2025 Timeline

Completed Applications Due to DCCED Fairbanks Office December 8, 2025

IMPORTANT: See Page 18 for Application Submission Details

Award Announcement February 2026

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Note: Applicants are required to fill out the appropriate pages of the yellow Appendix Packet and attach it to the CDBG Application.

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Note: Applications must be submitted through the DGMS Portal.

Overview: How to use the Application Handbook

This Grant Application Handbook is designed to provide information about the State of Alaska Small Cities **Community Development Block Grant (CDBG) Program** and to provide instructions and forms for preparing and submitting a funding request. On October 1, 2025, the Department of Commerce, Community, and Economic Development (DCCED) distributes the letter notifying eligible applicants of the availability of this Handbook, the Application Packet, and its Appendix, beginning the 2025 funding cycle. (Instructions for the Application Packet can be found in Chapter IV.) Completed Application Packets **must be received** through the DGMS grants portal on **December 8, 2025**. A complete application including all necessary documents must be received by this deadline.

The CDBG Program is a flexible source of competitive funding for a broad range of community development activities. Grant funding is available for three project categories:

- ✓ **Community Development**
- ✓ **Planning**
- ✓ **Special Economic Development**

An applicant may apply for a maximum amount of **\$850,000** in grant funds during a funding cycle to address eligible community needs.

The CDBG Program Summary chapter is intended to provide applicants with basic information about the CDBG Program including its mission, goals, objectives, funding availability, eligibility guidelines, special requirements, and funding limitations. Prospective applicants should use this information to determine compatibility between CDBG Program priorities and the activities for which funding is being sought.

The Grant Selection, Award, and Project Initiation chapter describes the steps involved in grant selection, how awards are made, and the process for initiating grant agreements. With this information, prospective applicants will be able to plan their implementation schedules in anticipation of receiving a CDBG award. **Please note: If your project is already underway utilizing other funding and you are requesting CDBG funding, all work on the project must stop at the time of submitting the CDBG application.**

The Application Requirements and Instructions chapter provides the information needed to complete the Application Packet, including the narratives, forms, and certifications. Step-by-step instructions for completing the application component are included. The Rating Criteria chapter outlines the criteria upon which your application will be evaluated and selected.

To obtain additional information about the program, or to request assistance while completing an application, contact the CDBG Program staff listed on page 3 of this Grant Application Handbook.

A. PROGRAM MISSION

The overall mission of the State of Alaska CDBG Program is to enhance the quality of life for low and moderate income residents, particularly in rural Alaska. The CDBG Program fulfills this mission by acting upon its defined goals and objectives.

B. NATIONAL PROGRAM GOALS

The goals of the program are to:

- ensure that the state's CDBG funds will be used to principally benefit low and moderate income persons,
- provide financial resources to communities for public facilities, planning, and special economic development activities that encourage community self-sufficiency, reduce the costs of essential community services, and reduce or eliminate conditions that are detrimental to the health and safety of local residents, and
- assist in the creation or retention of jobs that primarily benefit low and moderate income persons.

Title I of the Housing and Community Development Act of 1974, as amended through October 1996, identifies the three National Objectives listed below:

- Principally benefit persons of low and moderate income
- Prevent or eliminate slums or blight
- Meet urgent community development needs which pose a serious and immediate threat to public health or safety

The State of Alaska has chosen to consider only those projects which meet the first national objective. Your project must meet the first objective in order to be considered for State of Alaska CDBG funding.

C. STATE PROGRAM OBJECTIVES

The following objectives guide the distribution and use of funds:

- Potential for long-term positive impact and increase in community self-sufficiency
- Reduction of clear and imminent threats and conditions detrimental to the health and safety of local residents

- Construction and improvement of public facilities and the reduction of maintenance and operation costs
- Development and use of design, engineering, architectural, or feasibility plans as appropriate
- Economic development—including business development, job creation, and planning
- Evidence of strong local support, i.e., inclusion in a local community, economic, or capital improvement plan
- Use of local resources in combination with CDBG funding

D. ESTIMATED AMOUNT OF FUNDS AVAILABLE AND DISTRIBUTION

It is estimated that the State of Alaska will distribute approximately \$2.6 million in federal CDBG funds from the Federal Fiscal Year 2025 CDBG allocation. These funds will be distributed on a competitive basis to highly rated applicants.

The funds available under the competitive grant program will be targeted toward Community Development and Planning activities that address the health and safety needs of low and moderate income residents, or that support future community/economic development and community self-sufficiency.

Note: *There is a statutory limitation on the amount of Planning funds which DCCED may award each year.*

E. ELIGIBLE APPLICANTS

Eligible CDBG applicants are:

*Any municipal government entity as defined by Title 29 of the Alaska Statutes, i.e., home rule, first, second, and third class boroughs, unified municipalities, and first and second class cities, which exercise powers consistent with the proposed project, **except the Municipality of Anchorage.***

An eligible applicant, as defined above, may submit a CDBG application in cooperation with a non-municipal entity such as a Native Village Council or a non-profit corporation organized under Alaska Statute (AS) 10.20, which is in good standing with the State of Alaska. The proposed project must principally benefit low and moderate income residents of the municipal government entity. A Cooperative Agreement (see Appendix F) is required between all parties.

Two or more eligible applicants, as defined above, may submit a joint CDBG application if they have identified a mutual need which may be addressed more appropriately together rather than individually. A Joint Application Agreement (see Appendix E) would be required between all parties.

F. ELIGIBLE PROJECT CATEGORIES & ACTIVITIES

The State of Alaska CDBG Program may be used to fund projects in three categories: **Community Development, Planning, and Special Economic Development**. The following summary, identifying the common types of eligible activities in each category, is for general reference only. A complete list of eligible and ineligible activities can be found in Title I of the Housing and Community Development Act of 1974, as amended.

Each applicant is expected to consult with CDBG Program staff about project eligibility prior to submission of an application. It is important that applications be submitted under the appropriate category.

Community Development

Under Section 105(a)(2),(4),(5),(14)&(15), CDBG grant funds may be used for:

Public Facilities

- | | |
|-----------------------------------|-----------------------------------|
| ✓ Health Clinics | ✓ Acquisition |
| ✓ Daycare Centers | ✓ Construction |
| ✓ Homeless Shelters | ✓ Reconstruction |
| ✓ Water & Sewer Systems | ✓ Installation |
| ✓ Solid Waste Disposal Facilities | ✓ Improvements |
| ✓ Flood & Drainage Facilities | ✓ Electrical Distribution Lines |
| ✓ Docks & Harbors | ✓ Fuel & Gas Distribution Systems |

Transportation Improvements

- | | |
|-----------------------|--------------------|
| ✓ Local Service Roads | ✓ Barge Facilities |
| ✓ Boardwalks | ✓ Airports |

Access to Public Facilities & Structures

- | | |
|---|--|
| ✓ Removal of architectural barriers in conjunction with current renovations | ✓ Improve access for handicapped & elderly persons |
|---|--|

Real Property

- | | |
|--------------------|--------------|
| ✓ Acquisition | ✓ Clearance |
| ✓ Building Removal | ✓ Demolition |
| ✓ Improvements | |

Fire Protection Facilities & Equipment

- | | |
|----------------|------------------|
| ✓ Acquisition | ✓ Rehabilitation |
| ✓ Design | ✓ Purchase |
| ✓ Construction | |

Note: Community Development activities do not include the purchase of any personal property or any equipment unless it is attached to a facility or building and considered an “integral structural feature.” Fire protection equipment is the only exception.

Planning

Under Section 105(a)(12), CDBG grant funds may be used for:

- ✓ Data Collection
- ✓ Analysis
- ✓ Plan Preparation
- ✓ Marketing Studies
- ✓ Feasibility Studies
- ✓ Community Economic Development Plans
- ✓ Community Land Use Plans
- ✓ Capital Improvement Plans
- ✓ Plan Updates

Note: Planning activities do not include engineering, architectural, and design costs related to a specific project activity. These activities may be eligible under the Community Development category.

Special Economic Development

“Special Economic Development,” as used in the CDBG Program, must meet the criteria below. See “Unique Requirements of Special Economic Development Projects” on page 9 for more information about the specific requirements for projects under this funding category.

Under Section 105(a)(14) CDBG grant funds may be used for:

- ✓ Commercial or Industrial Improvements
- ✓ Carried out by Grantee or Non-Profit Recipient
- ✓ Involving Commercial or Industrial Buildings, Structures, and Other Real Property Equipment & Improvements
- Includes:
 - ✓ Acquisition
 - ✓ Construction
 - ✓ Reconstruction
 - ✓ Rehabilitation
 - ✓ Installation

Under Section 105(a)(17), CDBG funds may be used for:

- ✓ Assistance (through eligible applicant) to an identified private, for-profit entity or entities
- The project must:
 - ✓ Create and maintain jobs for low or moderate income persons
 - ✓ Assist businesses that provide goods or services needed by and affordable to low and moderate income residents

Special Economic Development Projects must fit under one of those two categories.

If your project is not for the purpose of acquisition, construction, reconstruction, rehabilitation, or installation of commercial or industrial buildings, structures, and other real property equipment and improvements, OR it is not for the purpose of providing assistance to an identified private for-profit entity **IT IS NOT** appropriate to submit it under the Special Economic Development category.

Note: The examples provided under each of the three funding categories are for general information only and are not intended to be all-inclusive. Each community is encouraged to consult with CDBG Program staff about project eligibility and structure.

Unique Requirements of Special Economic Development Projects

The State of Alaska primarily targets Community Development and Planning projects, but it will also consider Special Economic Development projects. Projects considered under this category assist commercial, industrial, or other businesses and organizations that provide an overall economic benefit to low and moderate income communities. Special Economic Development projects have unique requirements which are outlined below. We highly recommend you contact our office if you plan to apply under this category.

If you are applying under this category, you must document in your application that your project provides a public benefit using the following criteria:

1. Creates or retains at least **one full-time equivalent permanent job per no more than \$50,000 of CDBG funding used**; or
2. Provides goods or services to residents of an area in which the number of low- and moderate-income persons served equals **no more than \$1,000 of CDBG funds used per resident**.

If your project serves to both create jobs and provide goods and services, it only has to meet one of the criteria listed above.

Under **no circumstances** will CDBG funds be used to fund projects that include any of the following activities:

1. General promotion of the community as a whole (as opposed to the promotion of specific areas and programs)
2. Assistance to professional sports teams
3. Assistance to privately-owned recreational facilities serving predominantly higher-income clientele, where the benefit to members clearly outweighs employment or other benefits to low- and moderate-income persons
4. Acquisition of land for which the specific proposed use has not been identified
5. Assistance to a for-profit business while that business or any other business owned by the same individual or entity has unresolved findings or noncompliance related to previous CDBG funding

Applicants under this category should conduct a **financial evaluation** of their project using the below suggested criteria:

1. Are project costs reasonable?
2. Are all sources of project financing committed?
3. To the extent practicable, are CDBG funds not being substituted for non-federal financial support?
4. Is the project financially feasible?
5. To the extent practicable, will the owner's equity investment not be unreasonably high?
6. To the extent practicable, will the CDBG funds be disbursed in proportion to other funds?

*Above are only some of the requirements of Special Economic Development applications. Please **contact our office** if you plan to apply under this category.*

G. INELIGIBLE PROJECT ACTIVITIES

The following activities are not eligible for CDBG funding:

- ☒ **Equipment:** The purchase or repair of motor vehicles, equipment (including computer equipment), personal property, or furnishings not permanently attached to a building, except when such vehicles or equipment are utilized for fire protection.
- ☒ **Government Buildings:** Government buildings such as courthouses, city halls, borough administrative buildings, city offices and other buildings used for the general conduct of government, except for the removal of architectural barriers.
- ☒ **Regular Government Operations:** The ongoing responsibilities of general local government.
- ☒ **Maintenance and Operation:** Operation and maintenance expenses of public or community facilities.
- ☒ **Political Activities:** Use of facilities or equipment for political purposes or to engage in other partisan political activities.

The above listing of ineligible activities is not intended to be considered all-inclusive. Please contact CDBG Program staff if you have any question about project eligibility or the correct funding category.

H. SPECIAL REQUIREMENTS & FUNDING LIMITATIONS

The following special requirements and funding limitations apply to all CDBG applications. Actions necessary to address these special requirements are detailed in the Appendices or the application packet instructions as appropriate.

- ✓ **Minimum Benefit:** Each CDBG grant activity proposed must meet the National Objective of benefiting populations or targeting areas which consist of at least 51% low and moderate-income persons, as defined by **2024 HUD LMI data, based on 2016-2020 American Community Survey (ACS)**. See Appendix B1 - B3 for detailed instructions and forms for use in determining if your project meets this requirement. **Your project cannot be considered for funding if this requirement is not satisfied. You must submit Appendix B1 with your application.** If you are applying under the Special Economic Development category, you must also submit Appendix B2.
- ✓ **Public Benefit Standards:** Each CDBG assisted economic development activity proposed under the Special Economic Development category and some activities proposed under the Community Development section, must ensure that a minimum level of public benefit is obtained from expenditure of CDBG funds. These public benefit standards are on page 9 of this Handbook.
- ✓ **Single-Purpose Projects:** CDBG funds will address **single-purpose projects** only. If more than one activity is proposed, each must directly relate to and address the single need identified.

- ✓ **Phased Projects:** CDBG will fund **each phase of a project only once**. DCCED will only consider funding projects which demonstrate, at time of application, **that adequate funding to complete the project is secured** and that there is **a direct benefit to low and moderate income residents** as a result of CDBG participation. Planning requests which may later identify a need for implementation funds are not considered phased projects.
- ✓ **Priority Consideration:** Applicants who received CDBG funding for project design, engineering, feasibility, and/or planning within two years **may** receive priority consideration if adequate funding is both available and documented to complete the project.
- ✓ **Past Recipients:** A past recipient of CDBG funds may not be considered for award of additional CDBG funds until: (a) a minimum of 75% of the non-administrative funds have been expended and reported to DCCED and, in the judgment of the DCCED, the previously funded project is substantially complete; or (b) the project is complete and all reporting requirements met. Applicants with prior year grants are encouraged to verify expenditure levels with CDBG Program staff. Expenditure levels will be computed based on expenditures reported as of November 30, 2025.
- ✓ **Maximum Number of Applications:** An eligible applicant may submit only one CDBG application in response to this solicitation.
- ✓ **Maximum Grant Amount:** An eligible applicant may apply for a maximum of **\$850,000** in CDBG funds in response to this solicitation.
- ✓ **Administrative Cost Limit:** For an eligible CDBG activity such as administration, costs charged to administration will be allocated as direct costs and/or indirect costs, consistent with the OMB Cost Principles ([2 CFR Part 200 Subpart E](#)). The maximum amount for Administrative Costs is 5% of the total amount of CDBG funds requested in the application. The State CDBG Program has an administration financial ceiling of 3%. A request for administrative costs must be explained in the budget section of the application.
- ✓ **Resolution with Certifications of Compliance:** Each applicant must pass a resolution **authorizing submittal of the CDBG application within a six-month period prior to acceptance of the CDBG application**. (See Appendix A, Authority to Participate Form) The resolution must authorize an individual to sign the application certifying compliance with specific applicable state and federal requirements. (See Application Cover Page)
- ✓ **Statement of Assurances & Certifications:** Each applicant's Chief Elected Official or other authorized certifying official must sign and submit with the application a Statement of Assurances and Certifications. (See Appendix C, Statement of Assurances & Certifications)
- ✓ **Citizen Participation Plan & Public Hearing:** Each applicant **must** hold at least two public hearings. The first shall be held **within six months prior to the original acceptance date of the application**, with the purpose of reviewing the community's development and housing needs; accepting proposals, citizen views, and comments on the proposed project; and electing to seek

CDBG funding for the chosen project. Each applicant is required to provide citizens with an overview of the types of project that can be funded with the CDBG program and the amount of funding available.

! You must provide reasonable notice of the hearings and they must be held at times and locations convenient to potential or actual beneficiaries with accommodations for the handicapped. Additionally, public hearings must be conducted in a manner to meet the needs of non-English speaking residents where a significant number of non-English speaking residents can reasonably be expected to participate. **Documentation of this public hearing, in the form of meeting minutes which include confirmation that the public had the opportunity to comment and propose CDBG projects, must be submitted with the CDBG application.** See page 3 of the Application form for detailed instructions on meeting this requirement. !

A second public hearing must be held during the term of the project to review program performance. Additional public hearings may be required in the event of a substantial change in purpose, scope, location or beneficiaries of the project. You must provide documentation of all public hearings related to the CDBG activity in the form of meeting minutes submitted to the State.

- ✓ **Procurement:** CDBG projects must follow fair and equitable procurement standards in the acquisition of all services, supplies, and materials. The city/borough may use their own written procurement procedures, provided that the procurements conform to applicable federal law and regulations identified in [2 CFR Part 200 Subpart D](#) – Procurement Standards 318-326.
- ✓ **Building Code & Standards Enforcement:** Each CDBG grant activity that includes construction, renovation, rehabilitation, expansion, or modification of buildings and facilities for public or commercial purposes must be designed to comply with pertinent state and federal building standards and codes. DCCED reserves the right to review and require modification of construction plans for compliance with these standards. Applicants are required to submit evidence of State Fire Marshal approval of plans.
- ✓ **Davis-Bacon Wage Requirements:** Each CDBG activity that involves the use of **contracted labor**, must comply with Davis-Bacon and other federal labor standards requirements. All contracted labor must be paid the prevailing wage rate issued by the U.S. Department of Labor (DOL) for the specific geographic region in which the project is located. Davis-Bacon wage decisions are established by DOL and may be accessed online at: <https://sam.gov/content/home>. See Application Packet for further instructions on meeting labor requirements.

- ✓ **Insurance:** Each CDBG grant activity must be covered by any necessary liability insurance. In addition, the grantee and all contractors working on the project shall provide and maintain Workers' Compensation Insurance for all employees engaged in work under any CDBG agreement. Grantees must also require any contractor hired to work on the project to be licensed, bonded and insured for at least the amount of the project, and if appropriate provide and maintain Professional Liability Insurance. Evidence of insurance coverage will be requested once a project is awarded.
- ✓ **Environmental Review Requirements:** Each CDBG activity must obtain appropriate environmental clearances as required by 24 CFR Part 58 of National Environmental Policy Act (NEPA) and all related laws and authorities. DCCED will make a determination regarding the environmental requirements for each project and will notify each grantee about appropriate procedures after notification of award. **All project activity must stop at the time of submitting the application and until the Environmental Review Requirements are met, including project activities funded with non-CDBG funds.** For example, if your project is already underway using designated legislative, USDA, ICDBG, or any other funding, all project activity must stop at the time of submitting the application.
- ✓ **Leverage:** Each applicant for CDBG funds will be required to provide some matching funds if the application is to receive the maximum points in project review. Ideally, a minimum 25% match will be provided from other sources. CDBG funds will be targeted toward projects which demonstrate, at the time of application, that adequate funding to complete the project is both available and documented. **The source of all matching funds, whether cash or in-kind, must be identified and documented in the application in order for the applicant to receive the maximum points in review. If the source of cash match is another federal award, provide the Catalog of Federal Domestic Assistance (CFDA) number of that award.**
- ✓ **Site Control:** Each CDBG activity that involves the use of real property requires the applicant to document that he has the enforceable right to use the real property. This documentation may be in the form of a deed, lease (usually for not less than twenty years), easement, or similar formally-executed document. See Application Form for detailed instructions on meeting this requirement.
- ✓ **Displacement:** Each CDBG activity involving the acquisition, demolition, or rehabilitation of real property or displacement of persons for a project or program with HUD financial assistance will be required to follow the requirements stated under section 104(d) of the Housing and Community Development Act of 1974 as amended, and the implementing regulations of 24 CFR part 42, which requires a residential anti-displacement and relocation assistance plan. For guidance contact CDBG Program staff **prior** to submitting an application.

- ✓ **HUD Reform Act, Section 102:** Each applicant for CDBG funds must make certain disclosures if the applicant receives at least \$200,000 in federal funds **from any source** during the fiscal year in which the CDBG application is made. See Appendix H, which must be completed and submitted with the CDBG application. Applicants must disclose:
 - assistance from other government sources in connection with the project;
 - the financial interests of persons in the project; and
 - the expected sources and uses of funds that are to be made available for the project or activity.
- ✓ **ADA Certification:** Each applicant's authorized representative must sign and submit an Americans with Disabilities Act (ADA) Certification with the application, stating compliance with the requirements of the ADA. See Appendix I, ADA Certification.
- ✓ **Audit Requirements:** The applicant shall comply with the audit guidelines under U.S. Office of Management and Budget 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

All applicants must submit a copy of their most recent audit including management letters and any other reports received with the audit. If findings are identified, please describe how they have been resolved or their current status. If an audit has not been completed, a full copy of the municipality's most recent certified financial statement must be submitted.

- ✓ **IRS Liens/Judgments:** A municipality may not be awarded CDBG funds if it has any unresolved federal tax liens or court judgments filed against it. If a municipality has a repayment agreement in place to resolve tax liens or judgments, it must provide documentation of such an agreement.
- ✓ **Section 3:** Section 3 is a provision of the Housing and Urban Development (HUD) Act of 1968 (12 U.S.C. 1701u) that is regulated by the provisions of [24 CFR Part 75](#). Section 3 applies to recipients receiving community development financial assistance for public construction projects that exceed \$200,000. Section 3 regulations ensure that economic opportunities, most importantly employment, generated by certain HUD financial assistance shall be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing or residents of the community in which the Federal assistance is spent.
- ✓ **Unique Entity ID:** All applicants (including co-applicants) are required to register and have an active Unique Entity ID (UEI) number with sam.gov at the time of application. Applicants and co-applicants **must** include a printout from <https://sam.gov/content/home> proving active status.

New HUD REQUIREMENTS

✓ **Build America, Buy America (BABA)*:**

HUD has recently implemented the Build America, Buy America initiative, providing preference to American-made construction materials and specifically identifying projects over \$250,000 using iron and steel. If your project budget is over \$250,000 and construction materials include iron and steel, BABA may apply to your project and contractors must comply.

Examples of infrastructure projects for construction, alteration, maintenance, or repair using iron and steel include: buildings, utilities, water systems (drinking water and wastewater), electrical transmission facilities and systems, broadband infrastructure, transportation infrastructure, and other maritime facilities.

[§ 200.322](#) Domestic preferences for procurements – Build America, Buy America (BABA).

(a) As appropriate and to the extent consistent with law, the non-Federal entity should, to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subawards including all contracts and purchase orders for work or products under this award.

(b) For purposes of this section:

(1) “Produced in the United States” means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.

(2) “Manufactured products” means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

[2 CFR §184.7](#) Provides information about Buy America Preference waivers and Federal agencies’ requirements prior to issuing a waiver.

III.

Grant Selection, Award, & Project Initiation

A. GRANT SELECTION

The application selection process consists of two stages: threshold review and project rating and selection. During the threshold review process, staff screen all applications for eligibility without awarding points. An application must meet all of the threshold review requirements in order to qualify for the second stage of the selection process. The Application Checklist included on page 35 of this Handbook may be used to assure that the application meets threshold requirements and to assist in preparing a complete application. **If a “yes” answer can be provided to each question, the application will *most likely* pass threshold review and be eligible for rating and selection.**

The project rating and selection process, stage two, will be conducted by a review team, the Application Selection Committee (ASC), using the criteria described below and detailed in the rating criteria section of Chapter V. The ASC reserves the right to some flexibility in making specific funding recommendations, if those recommendations, in the opinion of the majority of ASC members, best serve the interest of the program and the program recipients. **Applicants who applied for and received CDBG funding for project design, engineering, feasibility, and/or planning within two years prior to the application for implementation will receive priority consideration for funding.**

Applications will be evaluated and assigned points by the ASC based on the following:

Project Description and Selection/Citizen Participation Plan.....	15 Points
Project Plan/Readiness	25 Points
Project Impact.....	25 Points
Budget/Match/In-Kind.....	25 Points
Administrative Capabilities	10 Points
Total Maximum Score	100 Points

B. GRANT AWARD

When the rating process by the ASC is complete, applications will be listed in rank order. Of the funds available under the competitive grant program, the majority of project funds will be targeted toward **Community Development** and **Planning** activities that address health and safety issues for low and moderate income persons.

The ASC will make funding recommendations, within the parameters defined above, to DCCED management staff who will make final award decisions based upon their judgment of the overall quality of proposed projects and their consistency with the goals and objectives of the CDBG

program. After management approval of funding recommendations is received, all applicants will receive written notification of the rating process results.

An applicant may appeal the notification of the rating results to the Director of the Division of Community and Regional Affairs. The *only* basis for an appeal is non-adherence by DCCED to the grant selection and award procedures as identified herein. Appeals must be received by DCCED in writing within thirty days of the date of notification of rating results, and must clearly state the basis for the appeal. The appeal will be reviewed by the Director and a final determination will be made within thirty days of the Director's receipt of the written appeal. The decision of the Director, provided to the applicant in writing, is final.

C. GRANT INITIATION

Following notification of award, a grant agreement is negotiated and prepared for each funded project. **Notification of project selection does not imply approval of all activities, specific costs proposed, or proposed timelines.** During the grant negotiation period, proposed activities, additional resources, administrative costs, and other aspects of the project which were identified during the rating process will be discussed and resolved.

Grants may be awarded at an amount less than originally requested. Individual grants will be awarded only in amounts appropriate to the scope of the identified project; the proposed project activities; and the needs, resources, and administrative capabilities of the applicant.

The grant agreement, once negotiated, is the legal document that governs the administration of the grant and includes:

- ✓ The amount of CDBG funds provided, as well as the amount and source of other funds committed to the project
- ✓ A detailed project description outlining the scope of work to be completed
- ✓ A detailed budget for implementation of project activities
- ✓ The schedule for implementation of project activities
- ✓ The general and special terms and conditions associated with the grant

CDBG agreements are administered on a **cost reimbursable** basis. Applicants should be aware that if awarded CDBG funds, the grantee will be expected to pay for expenses as they are incurred and submit a billing at the end of each month for reimbursement by DCCED. This requires that the grantee have the cash resources to cover at least 30 to 45 days' cash needs.

At the time of submitting the application, the project must stop, including non-CDBG funds that are committed, spent or contracted before the Environmental Review process is complete and approved by DCCED. No CDBG funds will be released until the grant agreement has been fully executed, and other contingencies which may be outlined are resolved.

IV.

Application Requirements and Instructions

A. PROJECT DEVELOPMENT

Each prospective applicant must carefully consider whether CDBG funding is the most suitable resource to address the community's needs. Ideally, the process will encourage a high level of involvement and commitment by members of the applicant's community. To assist communities, CDBG Program staff have identified several steps which may help to build a competitive proposal. Applicants may wish to consider these suggestions when applying for a competitive CDBG funds:

- ✓ **Determine if you community is eligible for funding** by reading this handbook.
- ✓ **Review the Low and Moderate Income Information and Tables** in Appendices B1 and B3 to determine if and how your project meets the requirement of benefiting at least 51% low and moderate income persons. Your project cannot be considered for funding and will not pass threshold review if this requirement is not satisfied.
- ✓ **Establish a citizen participation process** in the form of a public meeting which will help you determine the community development priorities of local citizens, especially low and moderate income persons. Your project cannot be considered for funding and will not pass threshold review if this requirement is not satisfied.
- ✓ **Decide whether or not to apply for funding** after reviewing community priorities and comparing them with CDBG eligible activities, examining application guidelines, and consulting with CDBG Program staff.
- ✓ **Collect preliminary data** related to need, urgency, other possible funding sources available as leverage, community demographics, and your community's financial condition.
- ✓ **Develop a plan** for preparing the application which identifies the tasks to be completed, the individual(s) who will be responsible, and the timeframes in which each task will be completed.
- ✓ **Review the draft proposal** with citizen groups and other community leaders.

Once these steps are complete, an applicant is ready to prepare the CDBG application.

B. APPLICATION INSTRUCTIONS & REQUIREMENTS

1. *Application Packet*

Each applicant is expected to consult with CDBG Program staff about project eligibility and structure prior to submission of an application. It is important that applications be submitted under the appropriate category (Community Development, Planning, or Special Economic Development). Communities are advised to determine which project funding category is most appropriate for the project they are proposing and indicate that funding category on the Application Form.

The application packet contains the application form and a yellow Appendix Packet. The required Appendices must be filled out with the original signed documents submitted with the application.

Please use the Application Form provided, adding pages if needed. Minimum font size used in your application is size 12. Please insert supplemental information (designs, comprehensive plans, etc.) in appendices attached to the back of your application and clearly identify them. Do not submit your application in a 3-ring binder.

2. *Application Submission Details*

The 2026 funding cycle begins on October 1, 2025, with distribution of the letter notifying eligible applicants of the availability of this Handbook, the Application Form and Appendix Packet. Completed applications **must be received through DGMS by December 8, 2025.**

3. *Application Components: Instructions & Requirements*

The CDBG Application Form consists of narrative responses to questions about the proposed project, project budgets, and an Appendix Packet which must be completed and submitted with the application. Applicants are advised to use the Application Checklist on page 35 of this Handbook to verify that all components of the application are complete and attached to the packet prior to submission to DCCED. The following discusses each section of the application form:

Determining Minimum Benefit for Low and Moderate Income

Each proposed CDBG activity must meet the National Objective of benefiting populations or targeting areas which consist of at least 51% low and moderate income persons, as defined by census data and DCCED. Appendix B provides detailed instructions and forms which will help you determine *if* and *how* your project meets this requirement, and *how to document* that fact. **Your project cannot be considered for funding and will not pass beyond threshold review if this requirement is not satisfied.**

Activities considered to benefit low and moderate income persons are divided into four categories as outlined below. Each proposed activity must fall under one of the below categories in order to be considered for funding. Again, the applicant must determine the activity under which the project falls:

1. Area-Wide Benefit
2. Limited Clientele
3. Housing

Note: *Special Economic Development Projects must meet the LMI benefit through Job Creation or Retention.*

4. Job Creation or Retention

1. **Area-Wide Benefit:** The basic rule for Area-Wide Benefit is as follows:

An activity, the benefits of which are available to all residents in a particular area or areas, where at least 51% of the residents are Low and Moderate Income persons, qualifies as an area-wide benefit. An activity which serves an area that is not primarily residential in character shall not qualify under area-wide benefit.

In order to meet this criteria, the applicant must identify the area or areas to be served by the activity (i.e., the entire community or a specific area within a community, such as a subdivision, etc.). The area identified must be the entire area which will be served by the project. In some cases a project may be proposed which serves more than one community. You must identify specifically which community or communities will benefit. Once the area to be served is identified, the applicant must determine if that area is principally low and moderate income. There are two ways to accomplish this:

- a. If the project will serve the entire community, review the data in Part 1 of Appendix B3 and determine whether your community has a low and moderate Income percentage of 51% or more. If it does, then you have met the requirement to serve principally low and moderate income persons.
- b. If the project will not serve the entire community or if the data in Part 1 of Appendix B3 does not reflect that at least 51% of the community residents are low and moderate income, you will need to conduct a survey of the area to be served by the project prior to submission of an application. **Contact your DCCED Regional Office or CDBG Program staff for the survey methodology that must be utilized.** Survey results will be considered valid until the next census data is published.

Note: *If the project will serve more than one community, you must contact the CDBG Program staff (page 3) for an LMI determination.*

2. **Limited Clientele:** The basic rule for Limited Clientele is as follows:

A Limited Clientele activity is one which benefits a specific group of people rather than all the residents of a particular area.

To qualify under this category, the activity must meet one of the following tests:

- a. Benefit a clientele who are generally presumed to be principally low and moderate income persons as identified below:

✓ Abused children	✓ Elderly persons
✓ Battered spouses	✓ Homeless persons
✓ Severely disabled adults	✓ Illiterate adults
✓ Migrant farm workers	✓ Persons living with the disease AIDS

OR

- b. Require information on family size and income so that it is evident that at least 51% of the clientele are persons whose family income does not exceed the low and moderate income limit as defined by census data in Part 2 of Appendix B3; **OR**
- c. Have income eligibility requirements which limit the activity exclusively to low and moderate income persons; **OR**
- d. Be of such a nature and location that it may be concluded that the activity's clientele will primarily be low and moderate income persons.

Limited Clientele activities include:

- ✓ construction of a senior center
- ✓ construction of a domestic violence center
- ✓ construction of job training facilities for severely disabled adults

Limited clientele activities also include special projects that remove material and architectural barriers that restrict the mobility and accessibility of elderly or handicapped persons to publicly owned and privately owned non-residential buildings, facilities, and improvements, and common areas of residential structures containing more than one dwelling unit. The removal of material and architectural barriers must be in conjunction with a renovation project on the facility.

- 3. Housing Activities:** ***Note: The State of Alaska CDBG program does not target housing activities, although they are eligible under the CDBG guidelines.*** This is an activity that adds or improves permanent residential structures. The housing may be either owner- or renter-occupied units in either one-family or multi-family structures. Upon completion, at least 51% of the units of a project must be occupied by low and moderate income persons. Rental costs must be affordable in rental units occupied by low and moderate income persons.

Examples of potentially eligible housing activities include:

- ✓ Acquisition of property for permanent housing
- ✓ Rehabilitation of permanent housing
- ✓ Conversion of non-residential structures into permanent housing
- ✓ Eligible activities connected with new housing construction

- 4. Job Creation or Retention Activities:** A job activity creates or retains **permanent** jobs, at least 51% of which are either *held by* low and moderate income persons, or *considered to be available to* low and moderate income persons. Jobs that are created only during the construction of a CDBG project do not count toward job creation. ***Note: If a project that meets the job creation benefit criteria is located in a primarily residential area, you must show that you meet the area benefit as well (Section 1).***

Jobs are considered to be “available to” low and moderate income persons only when both the following conditions are met:

- a. There are no prerequisites for filling such jobs, i.e. special skills (requiring one year or more training), or work experience or education beyond high school; or the applicant agrees to hire unqualified persons and train them; **AND**
- b. The local government takes actions which ensure that low and moderate income persons receive “first consideration” for filling such jobs. “First consideration” includes using hiring practices which in all likelihood will result in hire of over 51% low and moderate income persons; seriously considering a sufficient number of low and moderate income applicants; and considering the distance from the residence of low and moderate income applicants to the job site, so that those residents may be seriously considered for hire.

In counting **Job Creation**, the following policies apply:

- a. Part-time jobs must be converted to full-time equivalent, for example, a job that will require only working half-time will count as only one-half of a full-time equivalent job;
- b. Only permanent jobs qualify; temporary jobs may not be included;
- c. All permanent jobs created by the activity must be counted, even if the activity has multiple sources of funding;
- d. Jobs indirectly created by an assisted activity (i.e. trickle-down jobs) do not qualify;
- e. Jobs from different employers may not be aggregated. However, in certain cases such as where CDBG funds are used to acquire, develop, or improve real property (i.e. a business incubator or an industrial park), jobs may be aggregated for all the employers located on the property, provided employers are not otherwise assisted with CDBG funds.

In counting **Job Retention**, the following policies apply:

- a. Retained jobs are considered to involve the employment of low and moderate income persons if 51% of such jobs are known to be held by low and moderate income persons when CDBG assistance is provided; **AND/OR**
- b. Such jobs can reasonably be expected to become available to low and moderate income persons within two years; **AND/OR**
- c. There is clear and objective evidence that permanent jobs will be lost without CDBG assistance. “Clear and objective evidence” may include such evidence as a notice issued by an employer to affected employees; a public announcement by the employer; or relevant financial records.

If your proposed project meets the national objective of serving at least 51% low and moderate income persons **solely** on the basis of Job Creation or Retention, you must submit the Job

Creation/Retention Certification included in Appendix B2. During the life of the grant, **you will be required to maintain sufficient records demonstrating job creation and retention.**

Again, each activity proposed must fall under one of the above categories (**Area-Wide, Limited Clientele, Housing Activity, or Jobs Creation/Retention**) in order to be considered for funding. The applicant must determine the category under which his project falls by reviewing the above information and completing and submitting the forms found in Appendix B1 – B2.

Project Description & Selection/Citizen Participation Plan

The Project Description should describe the issues that will be addressed by the project proposal. The narrative should first identify existing conditions and the nature of the proposed project. It should cover all aspects of the issues which are objectively measurable, and should reference source documents and their location within the application (i.e. Attachment I, II, etc.).

The Selection/Citizen Participation Plan should identify how and why the community chose this project. **At a minimum**, applicants must attach copies of minutes from at least one public hearing (held within six months of acceptance of the application) **which shows that citizens had the opportunity to comment on the proposed project**. The purpose of this meeting must be to review the community's development and housing needs, **accept alternative proposals and citizen views and comments** on the proposed project, and to **approve submission** of the CDBG application. **The minutes must demonstrate that the community supports this project. *It is not adequate to simply have a public hearing. The minutes must reflect that residents were informed about the types of activities for which CDBG funds can be used, and that they had the chance to comment on the type of project for which the city/borough applied.***

Project Plan/Readiness

The **Project Plan/Readiness** section should describe the community's plan for implementing the proposed project including timelines, goals, objectives, and expected outcomes. Efforts to ensure the success of the project should be identified. Project agreements, design plans, building and other permits, site control, and cooperative/joint agreements which have been obtained should be outlined in detail. Additional information appropriate to include is outlined below:

- **Building Code & Standards Enforcement:** Each CDBG activity that includes construction, renovation, rehabilitation, expansion, or modification of buildings and facilities for public or commercial purposes, must be in compliance with pertinent state and federal building codes and standards. Applicants are required to submit evidence of State Fire Marshal approval of facility plans, as well as compliance with energy standards for construction projects.
- **Potential Project Permits:** Appendix G identifies other permitting requirements and appropriate contacts and should be carefully reviewed.
- **Environmental Review:** (See Appendix D) Every successful applicant for CDBG funds must obtain appropriate environmental clearances for their proposed activity. DCCED will make a determination regarding the environmental requirements of each project and notify each grantee about

appropriate procedures after notification of award. After your application is submitted, **all project activity must stop** until the environmental review requirement is met.

- **Site Control:** Each CDBG activity that involves the use of real property requires that the applicant document that he has the enforceable right to use the real property. This documentation may be in the form of a deed, lease (usually for not less than twenty years or the useful life of the facility), easement, or similar formally executed document. Because the lack of adequate site control can indefinitely delay the progress of a project, applicants are encouraged to secure and provide as much information as possible regarding land status with their application. If you have questions about site control, contact the CDBG Program staff listed on page 3 of this Handbook for assistance. If you are awarded CDBG funds, you will be given no more than six months from date of award to show that you have site control.

Project Impact

The **Project Impact** should identify the benefits to the community resulting from the proposed project, especially those which provide a direct benefit to low and moderate income residents. A checklist of potential benefits is provided in the Application Packet, although applicants are not limited to the benefits identified within that checklist.

Applicants who apply for Special Economic Development projects **must** also identify the number of jobs to be created and retained as a result of the proposed project, as defined by HUD. Refer to pages 22 – 23 of this Handbook for what constitutes a “created” or “retained” job. Copies of completed feasibility or marketing studies should be attached if appropriate and available.

Budget: CDBG Request, Cash Match, In-Kind Contributions, and Total Project Cost

The Proposed Budget should consist of four parts:

$$\begin{array}{rcl} \textcircled{1} & & \textbf{CDBG Request} \\ \textcircled{2} & + & \textbf{Cash Match} \\ \textcircled{3} & + & \textbf{In-Kind Contributions} \\ \hline \textcircled{4} & = & \textbf{Total Project Cost} \end{array}$$

Each applicant for CDBG funds will be required to provide some matching funds if the application is to receive the maximum points available in project review. Ideally, a minimum 25% match will be provided from other sources. **The source of all matching funds, whether cash or in-kind, must be identified and documented, and their receipt verified in writing if maximum points are to be awarded. If the source of cash match is another federal award, provide the Catalog of Federal Domestic Assistance (CFDA) number of that award.**

The four components of the Proposed Budget (CDBG Request, Cash Match, In-Kind Contributions, and Total Project Cost) should identify specifically what funds are required, by line item, under each of the components. **The Proposed Budget should reflect that the CDBG Request, in conjunction with Cash Match and In-Kind Contributions, is sufficient to ensure that the proposed project will be completed in a timely and efficient manner and that the project, in and of itself, will provide a direct benefit to the low and moderate income residents of the area.**

Applicants should describe in the Budget Narrative and Computation sections how the CDBG Request, Cash Match, and the In-Kind Contributions were computed. Each section should include an explanation and cost estimate for each line item for which funds are requested or identified.

Examples of In-Kind contributions include the cost or value of any final designs, feasibility studies, business plans, operating and maintenance plans, etc. For facility construction the value of land, site preparation, and donated materials can be counted as in-kind contributions.

Documentation of all costs, including their source and type, must be included in the Application Packet if the application is to receive the maximum points available in project review. For indirect costs for Administration, provide a copy of approved indirect cost allocation plan as explained on page 27.

Applicants are advised to ensure that all potential costs for carrying out the project are identified and outlined in the proposed budget. For example, applicants should consider whether the project will be Force Accounted or Contracted Out when preparing the proposed budget. Descriptions of both are provided on the following page:

FORCE ACCOUNTED: Force Accounted is a term used to describe a construction project in which a city or borough serves as the contractor and constructs a project “in-house” using local labor. In a force account project, workers are hired directly by the city/borough as public employees. The city/borough bears the final responsibility for hiring and firing employees, setting wages, paying wages, purchasing materials, and all aspects of construction.

Two questions should be kept in mind when considering whether or not to use Force Accounting for a construction project. First, is the city/borough **capable** of handling the technical aspects and labor requirements of the construction project? Second, does the city/borough and the community have the **commitment** to provide the labor force, training programs, and administrative capability necessary to successfully complete a Force Accounted construction project?

CONTRACTED OUT: Contracted out is a term used to describe a project in which the city/borough signs a contract with a license contractor to complete the construction project. When projects are contracted out, the contractor, not the city/borough, is responsible for hiring and firing employees, determining wages, paying wages, purchasing materials, and all aspects of construction which are part of the contract. There are several different construction contracting options such as fixed-price, guaranteed maximum-price, design-build, turnkey, and construction management.

In computing proposed budgets, keep in mind that projects involving construction, remodeling, site development, major equipment installation, or other similar activity in which **contracted labor and services** is used, must comply with the Davis-Bacon Wage Act and other federal labor standards requirements. Those provisions are partially outlined below.

- ✓ The Davis-Bacon Act requires that workers receive no less than the prevailing wage being paid for similar work in their locality. All contracted labor must be paid the prevailing wage rate issued by the U.S. Department of Labor for the specific geographic region in which the project is located. The U.S. Department of Labor also issues federal wage determinations for each classification of work.
- ✓ Davis-Bacon wage rate provisions apply when funds are used for equipment purchases which require installation and the installation involves “more than an incidental amount” of construction work.
- ✓ Davis-Bacon wage rate provisions do not apply to equipment purchases where the cost of installation is less than 13% of the cost of the equipment.
- ✓ Davis-Bacon wage rate provisions apply to all CDBG construction contracts, alterations, or repair contracts over \$2,000, except contracts for: rehabilitation or new construction of a residential property that contains less than eight units, apprentices registered in a bona-fide apprenticeship program approved by the Department of Labor or recognized by the State Apprenticeship Council, trainees employed under a program which has been approved by the Department of Labor, and Force Account employees of a State or political subdivision.
- ✓ Contracting out triggers other Federal Labor Standards requirements. Applicants are encouraged to request a complete Federal Labor Standards compliance packet before submitting an application, so that they may be fully informed of all the required provisions and how those may affect potential project costs.

Allocable Administrative Costs and Cost Allocation Plan (Indirect Costs)

A cost is allocable to a federal award if it is treated consistently with other costs incurred for the same purpose in like circumstances and if it:

1. Is incurred specifically for the Funding Agreement;
2. Benefits both the Funding Agreement and other work and can be distributed in a reasonable proportion to the benefits received; or
3. Is necessary to the overall operation of the organization, although a direct relationship to any particular cost objective cannot be shown.

Indirect costs are those that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective. See [2 CFR Part 200.414](#) Indirect (F&A) costs.

These statements highlight the difference between costs allocated under a cost allocation plan and an indirect cost plan. Direct costs are allocable under Item 1 above, allocable direct costs are under Item 2 above, and indirect costs are under Item 3.

Indirect costs are only those costs which cannot be readily identified to a final cost objective (i.e. those costs that do not connect back to the end result). Examples of indirect costs include salaries of department managers, depreciation or use allowances, personnel costs and accounting. It is the municipal government responsibility to show that the cost is related to carrying out the objectives set forth in the grant agreement (i.e. to show an incurred expense). By definition, indirect costs cannot be tied back to the objectives in the grant agreement; the only way to make these costs allocable is through an approved indirect cost allocation plan.

A cost allocation plan does not need cognizant agency approval while an indirect cost allocation plan does. Cost allocation plans (see Item 2 above) allocate costs that benefit both the Funding Agreement and other work and can be distributed in reasonable proportion to the benefits received. For example: A plan to allocate an electricity bill based upon square footage and direct labor costs may be reasonable if the municipal government can show that electricity use was reasonably necessary to carry out the objectives, electricity was actually used to carry out the objectives, the bill resulted at least in part from that usage, and the bill was paid by the municipality. Since there is a direct tie between the cost (electricity bill) and the objective, the cost is not an indirect cost but an allocable direct cost.

If indirect costs were approved as part of the municipality's administration budget in the CDBG application, a copy of its cost allocation plan must be provided at the beginning of each fiscal year for which it has a CDBG Funding Agreement as well as a copy of the plan's approval by the cognizant agency.

Operation and Maintenance Budget

Applicants under the **Community Development** project category must include an Operation and Maintenance budget. The budget must identify the long-range plan for financial and physical operation and maintenance of any facility or equipment constructed or purchased with CDBG funds.

Note: *Under no circumstances may costs incurred prior to an award of CDBG funds be eligible for reimbursement through this grant program.*

Rating Criteria

As described previously under the Grant Selection process, applications will be reviewed at two stages: threshold review and project rating and selection. During the threshold review process, staff will screen all applications for eligibility without awarding points. An application must meet all of the threshold review requirements in order to qualify for the second stage of the selection process. The project rating and selection process, stage two, will be conducted by the Application Selection Committee (ASC) using the criteria described below.

Applications will be evaluated and assigned points by the ASC based on the following criteria:

CRITERION #1 / Maximum Points Available 15

Project Description & Selection / Citizen Participation Plan

- ✓ Did the applicant describe the existing conditions, the nature of the proposed project, and what needs the project will address in the community? Although not required, did the applicant submit photos that show existing conditions?
- ✓ Did the applicant describe how the community decided on this project and why?
- ✓ Is there evidence of an active citizen participation plan which encourages citizen participation, provides reasonable access to public meetings, and provides technical assistance to low and moderate income citizens in developing proposals?
- ✓ Did the applicant describe the public participation process and explain how low and moderate income residents had the opportunity to comment?
- ✓ Does the applicant demonstrate there is a community consensus about this project?
- ✓ Did the applicant attach minutes of at least one public hearing, held within six months of the submission of this application, which verifies community consensus? Do the public meeting minutes demonstrate that citizens were asked to prioritize potential CDBG requests and that the majority selected this project?
- ✓ Did the applicant submit verification of public notification of the meeting? Were sign-in sheets attached?
- ✓ Does the applicant appear to have adopted a community development plan which identifies the proposed project as a community priority?

CRITERION #2 / Maximum Points Available 25

Project Plan / Readiness

- ✓ Did the applicant provide a clear and reasonable plan for implementing the proposed project?
- ✓ Did the applicant identify specific time lines, goals, objectives, and expected outcomes? Do these appear to be reasonable and achievable?
- ✓ Has the applicant identified and addressed permitting requirements, site control, State Fire Marshal approvals if appropriate, Energy Standards if appropriate, and Cooperative/Joint Agreements if appropriate?
- ✓ Has the applicant identified other agencies which will be or should be involved with this project?
- ✓ Is the applicant ready to proceed with the proposed project upon notification of award?
- ✓ Has the applicant obtained market assurances if appropriate? (Only for Special Economic Development Projects)
- ✓ In this section, does the applicant describe in detail that substantial efforts have been made to identify and seek other resources besides CDBG to support this project?
- ✓ Did the applicant receive CDBG funding within the past two years for project design, engineering, feasibility, and/or planning?

CRITERION #3 / Maximum Points Available 25

Project Impact

- ✓ Does the applicant provide evidence that the proposed activities will provide a substantial or direct benefit to low and moderate income persons?
- ✓ Does the applicant demonstrate that the proposed activities have the potential for long-term positive impact?
- ✓ Does the proposed project support activities that eliminate clear and imminent threats to public health and safety?
- ✓ Does the proposed project support local efforts toward solving public facility problems by constructing, upgrading, or reducing operational/maintenance costs of essential community facilities?
- ✓ Does the applicant document the specific health and safety needs that will be addressed by this proposed project? Does the applicant identify and document how long these health and safety needs have existed and the extent of the need?
- ✓ Does the applicant demonstrate that the proposed project is economically feasible and will have long-term viability?
- ✓ Does the proposed project provide development or encourage development in underdeveloped rural areas?
- ✓ Does the proposed project promote self-sufficiency and diversification in local economies?
- ✓ Does the proposed project make use of local resources and/or improve existing production/delivery capacity?

CRITERION #4 / Maximum Points Available 25

Budget / Match / In-Kind

- ✓ Is the overall Proposed Budget reasonable?
- ✓ Has the applicant clearly identified and submitted its proposed budget according to the four budget components (CDBG Request, Cash Match, In-Kind Contributions, and Total Project Cost)? Has the applicant included a Budget Narrative?
- ✓ Has the applicant secured other funds which are needed to complete this project? Is documentation included?
- ✓ Are matching funds at least 25% of the total project cost and has the applicant documented that this match is committed to the project? Has the applicant identified the source and type of this match?
- ✓ Has the applicant identified and documented all In-Kind Contributions, including their source and type? Does the amount of In-Kind Contribution indicate that the community is committed to making this project happen and willing to contribute significantly to its support? Are the computations for In-Kind Contributions reasonable and supported with documentation?
- ✓ Has the applicant identified whether the proposed project will be Force Accounted or Contracted Out, if appropriate?
- ✓ Has the applicant completed the Labor and Fringe Benefits computation chart contained in the Application Packet? Are the proposed wage rates appropriate and reasonable? Are the Fringe Benefits appropriate and reasonable?
- ✓ Has the applicant identified costs and attached price quotes or cost estimates for materials, freight, equipment rental, equipment purchase, contractual, insurance, administration, and other line items for which CDBG funds are requested? Are the costs reasonable and appropriate?
- ✓ Is no more than 5% in administrative costs requested from the CDBG funds?
- ✓ Does it appear that the applicant can complete this project and provide a benefit to the residents of the area with the funds currently available?

CRITERION #5 / Maximum Points Available 10

Administrative Capabilities

- ✓ Does the Application Packet and information provided therein support that the applicant has the administrative capability to properly manage CDBG funds and comply with all federal and state requirements?
- ✓ Has the applicant identified who will have the day-to-day management responsibility and oversight for this project?
- ✓ Does the applicant have the cash resources to administer a cost reimbursable grant or have they identified an alternative course of action which will allow this project to proceed?
- ✓ Has the applicant successfully administered other federal or state grants which have had similar requirements to the CDBG program? Has the applicant documented that it was successful with those grants?
- ✓ Did the applicant attach a copy of last year's audit or Certified Financial Statement with the Application Packet? Does the audit identify findings? Have those findings been satisfactorily resolved? Did the applicant include management letters and any other reports received with its audit?
- ✓ Has the applicant noted any tax liens or judgments and addressed them?
- ✓ Has the applicant clearly described what Administration costs will be charged to this grant?
- ✓ Did the applicant use the application form provided, adding pages if needed? Was the minimum font size used in the application (at least size 12) and was it easy to read? Was supplemental information (designs, comprehensive plans, etc.) inserted in appendices attached to the back of the application?

Total Maximum Score for all Five Criteria

Project Description & Selection/Citizen Participation Plan	15
Project Plan/Readiness	25
Project Impact	25
Budget/Match/In-Kind	25
Administrative Capabilities	10

Total Maximum Score 100 Points

Appendix Packet Contents

The yellow Appendix Packet includes Appendices A through I, as well as instructions for completing each appendix. Please complete the required* appendices and make sure they are attached to your application. The original signed application must include the required appendices to be considered for funding with **original signature of the applicant's highest elected official or other authorized representative** and four copies.

**** Required to be submitted with all applications***

† Required to be submitted with applications, if applicable

§ For reference only; do not submit this appendix with your application

APPENDIX A:	* Authority to Participate
APPENDIX B1:	* Determining Benefit to Low and Moderate Income Persons
APPENDIX B2:	† Job Creation/Retention Forms
APPENDIX B3:	§ Low and Moderate Income Tables Part 1: Listing of LMI % by Community Part 2: Listing of LMI Income Limits by Census District
APPENDIX C:	* Statement of Assurances and Certifications
APPENDIX D:	§ Environmental Review Information
APPENDIX E:	† Joint Application Agreement
APPENDIX F:	† Cooperative Application Agreement
APPENDIX G:	§ Potential Project Permit Requirements
APPENDIX H:	* Applicant/Recipient Disclosure/Update Report
APPENDIX I:	* ADA Certification

Application Checklist

You must answer yes or N/A to all the questions below in order to pass the threshold review. If your application does not contain the required information, your application will not move forward.

Yes	No	N/A	
☐	☐		Is this project eligible for CDBG funding (see pages 7 – 8)?
☐	☐	☐	Are previous CDBG projects complete to the degree required (see page 11)?
☐	☐		Will the Application Packet be received electronically by December 8, 2025 at 11:59pm ADT ? This is a firm deadline.
☐	☐		Is the application cover page signed by the highest elected official or the individual designated on the Authority to Participate Resolution (Appendix A)?
☐	☐		Is there a https://sam.gov/content/home printout of the applicant's (including co-applicant) active Unique Entity ID # included (see page 14)?
☐	☐		Are minutes of a Public Hearing held within six months of application submission which meet the criteria on page 3 of the Application included?
☐	☐		Is the passed Authority to Participate Resolution (Appendix A) included?
☐	☐		Is the completed Determining Benefit to Low and Moderate Income Persons (Appendix B1) included?
☐	☐	☐	If applicable, are the results and all accompanying documentation of your LMI Survey included?
☐	☐		Is the Statement of Assurances and Certification (Appendix C) signed and included?
☐	☐	☐	Is the Joint Application Agreement (Appendix E) or Cooperative Application Agreement (Appendix F) signed and included, if applicable?
☐	☐		Is the Applicant/Recipient Disclosure/Update Report (Appendix H) signed and included?
☐	☐		Is the ADA Certification (Appendix I) signed and included?
☐	☐		Is your most recent audit or certified financial statement included? Include any management letters and other reports that pertain to the audit and a statement addressing resolution to any findings as applicable.
☐	☐		Are the original signed application and four complete copies included? (You only need to submit one copy of your most recent audit.)