Program Year 2019
Rhode Island
COMMUNITY DEVELOPMENT

BLOCK GRANT (CDBG) PROGRAM

ECONOMIC DEVELOPMENT ACTIVITIES

Under federal program regulations, only municipalities are eligible CDBG applicants. Only applications with complete Municipal Application Cover Forms will be considered.

**Applicant: ­­­(­City/Town of)­­­­­­­­­­­­­­­­­­­­­­­­­­\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Project Name: ­­­­­­­­­­­­­­­\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Total CDBG Funds Requested: $ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Date of Pre-application Meeting with OHCD Staff:**

**Citizen Participation:**

Ad Date(s):       Hearing Date(s):

I hereby certify that public hearing(s) duly advertised and convened on the above listed date(s) have been completed and that public comments made as the result of this process have been considered in the development of proposals contained in this CDBG application. The content of such hearing(s) included activity-specific information relative to this application in accordance with 24 CFR Part 570.486(a)(6).

I further certify that I am hereby authorized to file this application with the Office of Housing and Community Development, to provide any additional information or documents required by said Office, to make any assurances required in connection with this program, to execute an agreement with the State of Rhode Island and to otherwise act as the Representative of the Municipality in all matters relating to this application and any award which may be based upon this application.

Name:

Title:

Date:

**Economic Development Activities**

**Activity Title:**

**Subrecipient Name:**

**Subrecipient Contact Information:**

**Subrecipient DUNS #:**       **Tax ID #**:

**Amount of Request:**

**Site Address:**

**General Eligibility**

 [ ] Commercial Facades

 [ ] Technical Assistance to Businesses

 [ ] Economic Development Services
 [ ] Direct Financial Assistance to Businesses

 [ ] Other – Specify:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**General National Objective.** *Documentation must be maintained to show that the selected National Objective has been met. If National Objective is not met, funds must be returned to the State.*

 [ ]  Low/Moderate Income - Jobs (# LMI jobs created/retained must be documented)

 [ ]  Low/Moderate Income - Limited Clientele (# LMI persons served must be documented)

 [ ]  Low/Moderate Income - Area Benefit (HUD LMI Census/Survey data must be documented)

 [ ] Slums and Blight, Area Basis

 [ ] Slums and Blight, Spot Basis

If a proposed activity would meet more than one national objective, please check all that apply. However, checking more than one box does not necessarily enhance an application’s competitiveness. Note that limited clientele and area benefit activities are mutually exclusive. However, please assure the activity will meet all regulatory requirements associated with national objective(s) checked. Refer to the State CDBG Guide for Eligibility and National Objectives or contact the State CDBG staff if guidance is required on this topic.

Number Served

 Number of Persons Served:

 Number of LMI Persons Served:

 Number of Businesses to be Assisted (if applicable):

 Number FTE permanent jobs to be created/retained (if applicable):

 Number of blighted properties to be Assisted (if applicable):

For job retention: Attach:

* Clear and objective evidence that in the absence of the CDBG assistance the jobs will be lost.
* A written commitment by the business to meet the standard for retained jobs involving the employment of low- and moderate- income persons.

Note that as a condition of funding award, assisted businesses must provide household income verification, job title, race, ethnicity, gender and handicapped status for all employees.

For job creation: Attach:

* Table showing the number of jobs to be created, job types by EDA code, and the nature of the jobs (number skilled, semi-skilled, and unskilled, and for semi-skilled jobs, any special education or experience required) to be created; and,
* Any other evidence to support the conclusion that a majority of jobs will be filled by low- and moderate- income persons, such as:
	+ Evidence to assure accessibility of the jobs to areas where substantial numbers of low- and moderate- income persons reside; and
	+ Evidence to support any special outreach and/or training to be directed toward low- and moderate- income persons.

Note that as a condition of funding award, assisted businesses must provide household income verification, job title, race, ethnicity, gender and handicapped status for employees filling new jobs.

For area benefit proposals:

 Area Identifier/Name:

 Check One: [ ]  Census

 [ ]  Survey >>> (Year Completed:     )

To complete the remaining Area Benefit sections below, please refer to HUD Census data tables found at <https://www.hudexchange.info/programs/acs-low-mod-summary-data/acs-low-mod-summary-data-block-groups-places/>

County Code:

 Area Benefit Census Data. If “survey,” show all CT/BGs in the area surveyed

 **Tract # Block Group(s) (check all that apply)**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Tract: | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|       | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
|       | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
|       | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
|       | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
|       | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
|       | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
|       | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |

 Identify the income characteristics of the area served by this activity:

 Total Persons (Low/Mod Universe Population):

 Total Low Income Persons:

 Total Moderate Income Persons:

 Total Low/Moderate Income Persons: Number:      Percent:

For spot blight: Attach:

* A description of the specific condition of blight or physical decay treated and information showing how the activity eliminates conditions detrimental to public health and safety.
* Photographs of blight/decay
* Other documentation of blight/decay, such as code violation notices, if applicable

For area slum/blight: Attach:

* Map clearly depicting boundaries of designated area
* Copy of official designation and documentation that the area meets a definition of a slum, blighted, deteriorated, or deteriorating area under State or local law
* Photographs of blight/decay
* Documentation of general deterioration of multiple public infrastructure/facilities
* Other documentation of blight/decay, such as code violation notices, if applicable

**A. Activity Description/Detail**

**1. Abstract:** In the space provided, describe the activity to be undertaken, including only the information necessary to succinctly define and quantify the proposal, and demonstrate how the project will meet eligibility and national objective requirements. This text will be provided to the Steering

Committee and/or consulting agencies in considering proposals for funding. Not to exceed 10 lines.

**2. Economic Development – Eligibility**

Please describe how the proposal will meet CDBG Eligibility requirements. Citations (regulatory and/or HCDA) should be specified. Please assure all components of eligibility are addressed in the narrative.

Use as much space as necessary to describe the activity to be undertaken; providing quantities, numbers, area, locations and other information necessary to clearly define the proposal. Describe the businesses being assisted (include NAICS codes), and include table(s) showing the numbers and types of employees by EDA classification (Officials and managers, Professional, Technicians, Sales, Office and clerical, Craft workers (skilled), Operatives (skilled), Laborers (unskilled), and Service workers) and approx. wage rates for each business.

Illustrative material should be appended including a target area map and/or architectural drawings, if appropriate. If the project will be Energy Star compliant or have any other special design/siting considerations, please specify them herein. Discuss the relationship of this proposal to local community development needs and objectives. If appropriate, discuss the relationship of this proposal to other proposed and funded CDBG activities.

**3. Economic Development – National Objective**

Please describe how the proposal will meet CDBG National Objective requirements. Citations and any necessary backup documentation should be included. Assure information provided is sufficiently detailed to demonstrate compliance with this fundamental requirement. Supporting documentation should be attached (see above). Any activity unable to demonstrate compliance with this requirement will be eliminated from consideration.

**4. Economic Development, Other Requirements**

Job Pirating: Job pirating is prohibited under Section 588 of the Quality Housing and Work Responsibility Act of 1998. Job pirating refer to the use of Federal funds to lure or attract a business and its jobs from one labor market to another.

 Please document how the applicant will assure that no job pirating has occurred.

Eminent Domain: The statute appropriating FY2006 funds for CDBG (Pub. L. 109-115) included an administrative provision that prohibits the use of FY2006 funds to support any Federal, State or local project that seeks to use the power of eminent domain, unless that power is sought for certain public uses. This provision has been extended in subsequent appropriation.

 Will the project involve the use of eminent domain? Yes No

If Yes, provide documentation to demonstrate compliance with requirements/restrictions related to CDBG.

**5. Economic Development – Underwriting Analysis**

Underwriting is the disciplined process an analyst pursues in determining risk, in establishing procedures which enable a lender or investor to take only “reasonable” risk, and in evaluating rewards so that they are commensurate with the risks incurred.

24 CFR Part 570.482(e) outlines six objectives for economic development underwriting.

* That project costs are reasonable;
* That all sources of project financing are committed;
* To the extent practicable, CDBG funds are not substituted for non-Federal financial support;
* That the project is financially feasible;
* To the extent practicable, the return of the owner’s equity investment will not be unreasonably high; and
* To the extent practicable, CDBG funds are disbursed on a pro-rata basis with other finances provided to the project.

Guidelines for this analysis are available through the HUD Economic Development toolkit.

Please provide a complete underwriting analysis of the project application. Each of the above bullet points should be explicitly (and separately) addressed in the narrative.

**6. Economic Development – Public Benefit Standards**

 HCDA 105(a) (2), (14), (17) and (15)

Recipients providing assistance for special economic development projects, must comply with the public benefits standards (24 CFR Part 570.482(e), (f) and (g)). There are two types of public benefit standards as follows:

* Jobs created and retained;
* Goods or services provided to LMI persons.

In Rhode Island, all projects funded must meet the aggregate test. The aggregate benefit test required a minimum of one job per $35,000 of CDBG or one LMI resident service per $350 of CDBG.

Please detail how the proposed activity complies with the above Public Benefit Standards:

**B. Budget Summary – Source & Use of Funds**

**A detailed budget (sources & uses) must be attached to all proposals.**

**Budget: Feasibility.** Explain the basis for cost estimates and sources of funding. Attach itemized cost estimates, engineering studies etc. to verify costs. List all proposed sources of funding and approximate dates funding will be available. Specify which “Uses” of funds will be paid for with CDBG.

**Budget: Other Sources:** Please detail all other resources that have been sought and/or received in support of the proposed activity. Use the following key in checking all that apply: (Please include more detail in activity narrative, if justified)

 (1) Funds have been sought/applied for from this source.

 (2) Application has been denied.

 (3) Application has been approved.

 (4) Funds will be sought/applied-for from this source.

 (5) No funds will be sought from this source.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **SOURCE** | **(1)** | **(2)** | **(3)** | **(4)** | **(5)** |
| DEM | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| DOT | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| CommerceRI | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| DHS | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| DOH | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| Rhode Island Foundation | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| SBA | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| USDA | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| Other:      | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| Other:      | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |
| Other:      | [ ]  | [ ]  | [ ]  | [ ]  | [ ]  |

**C: Timeline**

Please detail the projected timeline for completion of this activity. For construction projects:

* Show when all funds are anticipated to be available;
* Identify any required local planning/zoning permits and anticipated date of approval(s);
* Identify any other required permits (e.g. CRMC Assent, DEM permits, etc.) and anticipated date of approval(s);
* Start & completion of contractor procurement;
* Start & completion of construction;
* Anticipated date the project will be occupied.

For service projects, indicate when the service will be undertaken and funds drawn down.

**D. Threshold Requirements**

Describe how the proposal complies with each of the following threshold requirements.

1) Recognition of Flood Plain Restrictions:

2) Recognition of Historic Resources: Attach correspondence notifying R.I. Historic Preservation Commission **and the Narragansett Indian Tribal Historic Preservation Office** of proposed activities and location.

3) Other Regulatory Reviews: Indicate any Federal or State review or regulatory system which may have jurisdiction over the proposed activity(s), such as: Federal programs of the Corps of Engineers and the Environmental Protection Agency, and State programs of the Department of Health, the Department of Environmental Management, the Coastal Resources Management Council.

**E. Economic Development, Additional Documentation**

Applications for economic development activities involving assistance to private for profit businesses must include financial documentation for review by the Economic Development Subcommittee. Applicants must inform the private businesses of the requirements prior to the applications submission. All applications must include clear evidence of firm private commitments to be considered feasible and effective.

The Economic Development Subcommittee may require additional marketing and financial information directly from the private participating parties and may request several meetings during the review process. The Economic Development Subcommittee will determine when documentation is complete, may negotiate "necessary or appropriate" financing, and will submit the funding proposal to the Steering Committee for final review.

**The following documentation must be submitted with the application. Please number each item according to the list below. (provide in pdf format for digital copy of application):**

 1) Letter of intent from the private for-profit business.

 2) Description of the project.

 3) Sources and uses of funds.

 4) Evidence of commitment from private lending sources.

 5) Availability of other funding alternatives.

 6) Use of CDBG funds and justification for the amount requested. (least necessary to make the project feasible)

 7) History of the company

 8) Description of jobs proposed to be created or retained. Include total number of jobs and indicate those which will be available to low and moderate income persons.

The following documentation may be attached to the application or may be provided directly to the State during the review process. Indicate whether the document is attached or to be submitted.

 To be

Attached Submitted

[ ]  [ ]  Banking references

[ ]  [ ]  Financial Statements

[ ]  [ ]  Balance Sheet\* (last 3 years)

[ ]  [ ]  Profit & Loss Statement (last three years)

[ ]  [ ]  Projected cash flow by month for first 12 months

[ ]  [ ]  Projected cash flow by year for first five years

[ ]  [ ]  Dunn and Bradstreet rating (if available)

[ ]  [ ]  Provisions for repayments

[ ]  [ ]  Current Payroll

\* If business start-up, personal bank references of owners and audited personal financial statements will be required.