

## INSTRUCTIONS for Public Improvements

**Note: Only one public improvement activity is allowed under this funding cycle.**

### A. ACTIVITY INFORMATION:

1. **Proposed use of funds:** Check the box that best describes the type of public improvement project that is being proposed.
2. Indicate the total dollar amount that is being requested for this specific activity. This dollar amount must include any activity delivery costs.
3. If the proposed program will be carried out in a target area, identify the census tracts and applicable block groups for the proposed target area.

Depending on local indicators and census data, applicants may strengthen their application by proposing the activity in a target area that has high poverty indicators. If proposing a program in a target area, the applicant will be held to performing in that area.

4. Under each column, identify the proposed number of beneficiaries for each specific income group.  
(Refer to Appendix B for a link to the list of income limits by county.)

Non-TIG (Non-Targeted Income Group) refers to households/persons that earn 81% and above of the county median income.

TIG (Targeted Income Group) refers to households/persons that earn between 51% and 80% of the county median income.

LTIG (Lowest Targeted Income Group) refers to households/persons that earn between 31% and 50% of the county median income.

Note: Proposed activities may not exclude benefit to the LTIG.

Extremely LTIG (Extremely Lowest Targeted Income Group) refers to households/persons that earn 30% or less of the county median income.

Note: Proposed activities may not exclude benefit to the LTIG.

5. Indicate the proposed number of loans and the proposed number of grants for this activity.
6. Indicate who will carry out this activity.

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**7. Project Description:** Provide a detailed project description.

Provide a brief narrative about the project. Give information about the use of CDBG funds, the total project costs, the total number of beneficiaries, and a breakdown of Targeted Income Group (TIG) and Lowest Targeted Income Group (LTIG) beneficiaries.

If the applicant is proposing a combination of uses, explain all aspects of these combinations and how they fit into the overall scope of the project. If the proposed activity is part of a larger project, please describe the whole project and how the CDBG-funded portion fits into that project. Remember that the completion of construction and use of the services by the TIG/LTIG beneficiaries must occur by CDBG contract expiration.

Laterals and well or septic system abandonment on private residential property may be paid for under this public improvements activity. If laterals or abandonment on private properties are proposed, check the appropriate line. CDBG funds may be used to pay for installing private laterals (water or sewer) on residential property (owner occupied or tenant occupied) and can be used for abandonment of wells or septic systems on residential property only if these activities are proposed. To be eligible under the public improvements activity, the funds can only be used for these specific types of repairs to residential units. No other home repairs can be done in conjunction with this activity. **This type of lateral and abandonment activity on private property will receive 50 state objective bonus points.**

If the applicant wishes to use CDBG funds for both residential lateral installations and for other housing rehabilitation activities, the program must be done under a housing rehabilitation activity. The housing activity section of this application must be completed. **No state bonus points will be provided if laterals are done under the housing rehabilitation program activity.**

Laterals and well or septic abandonment programs that are proposed under this public improvements section must be completed in the same way as a typical housing rehabilitation program (NEPA environmental clearance would be obtained by conducting a rehabilitation environmental review (RER), program guidelines are necessary, all residences assisted must be income qualified). The special conditions will be the same as housing rehabilitation. Prevailing wages will not apply if contractors are hired by separate property owners to do the work on their private property.

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**Example of Public Work Description:** The City of XYZ is proposing to use \$500,000 in CDBG funds to finance 200 assessment payments for TIG households in the city and expansion of the system to serve an outlying subdivision. The assessment payments are being done in conjunction with a \$5,000,000 RDA/RECDS Water and Sewer loan and a \$430,700 RDA/RECDS grant that is paying for sewer system treatment upgrades. The improvements are required under a cease and desist order currently in effect on the city. The city will also be using CDBG funds to pay for expansion of sewer services into "Need A Lot of Help" subdivision which was surveyed two years ago and documented as 85% TIG and which currently has no collection system and whose residence currently have a large number of septic system failures (see attached photos).

8. **Site Control:** Check the appropriate box to indicate the current site control status and attach documentation proper documentation.

Note: In order to receive readiness points, full site control documentation must be provided and clearly identified in the Readiness Chart.

9. **Environmental Clearance:** Identify the level of NEPA clearance by checking the appropriate box. Attach copy of environmental review record behind the activity form to receive readiness points.

Identify the estimated level of National Environmental Policy Act (NEPA) clearance for the proposed activity (See Chapter 3 of the current grant management manual for NEPA clearance level determination guidance and call the CDBG representative with questions or clarification.). The project's schedule and budget must allow for sufficient time to complete environmental clearances prior to commencement of activities. Public improvements activities require a more extensive review so more time is typically needed. Environmental documents provided for readiness points that do not meet CDBG NEPA requirements will not be given any readiness points under this category. In addition, for this year a California Environmental Quality Act (CEQA) review must also be submitted for review by our agency. If USDA or another funding agency that is a member of the California Finance Coordinating Committee (CFCC) is funding the project, it is in the best interest of the applicant to have a Combined Environmental Review done which meets all the standards of all the funding agencies under the CFCC. **Please contact the CDBG representative for further guidance on the project's ERR and how to obtain points for readiness.**

CDBG staff recommends completing the ERR, up to the point of public noticing, prior to submitting the CDBG application in order to receive additional readiness points. If any "choice limiting actions" are taken prior to completing the environmental review and obtaining release of CDBG funds, the state will not allow any CDBG funds to be used on the project. Call the CDBG representative with any questions on what constitutes a choice limiting action.

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### B. NEED FOR ACTIVITY:

1. Narrative of Severe Health and Safety Issue this Activity will Address: Provide a brief description of what severe health and safety issue will be solved with implementation of the proposed activity.
2. Description of How this Activity will Eliminate the Current Problem: Give specific examples of how the proposed project will eliminate the severe health safety problem.
3. Description of How the Applicant will Ensure that the Improvements Funded with this Proposal will be Maintained in the Future: Give a detailed description of how the infrastructure improvements will be maintained and what local source of funds will fund the maintenance. For example: City has established a rate system and reserve fund plan approved by Department of Health Services which provides for on going operations and maintenance costs plus reserves for system replacement as the useful life of different components expires.
4. “Quantitative” Documentation of Problem: Check the box that best describes how the local jurisdiction documented the severe health and safety issue which this funding proposal activity will solve. The most effective methods of documentation include:
  - a. Cease and desist orders or letters of non-compliance from State and federal regulatory agencies, letters or documentation from county health or public works agencies listing non-compliance issues, studies from engineers which document failed structural systems or inadequate flows or pressure, letter from local fire marshal or planning director which states that the water system is not adequate for fire flows, etc.  
  
All documentation must describe the direct health and safety impact on TIG residents and all health and safety issues that results from the lack of services or facilities.
  - b. Surveys of existing service levels and needs showing the number of people not served due to inadequate facilities.
  - c. Surveys of intended beneficiaries regarding their unmet public improvements needs and the impacts of not having the facility or service.

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5. Documentation Chart: Third party documentation of the problem is a critical element of a successful public improvements application. The applicant should obtain as many third party letters and documentation as possible which describe and discuss the problem being addressed by the proposed activity. The best letters should also “quantify” the problem by including specifics on restricted flows, defective storage treatment facilities, supply deficiencies, and water quality problems. The most competitive applications will contain documentation from an **outside agency** (preferably a regulatory agency) stating that the problem the project is addressing is severe and health threatening. In particular, for water and sewer projects, documentation should be sought from the Department of Health Services and the State Water Resources Control Board. One example of quantitative documentation that is not from an outside agency would be the testing results of water sources for a community with excess levels of contaminants above State or Federal standards. Call the CDBG representative with questions or clarifications about documentation that can be used for this section.

### C. TARGETED INCOME GROUP BENEFIT:

1. Provide Documentation of Target Income Group (TIG) Benefit: Check the box that indicates how TIG benefit is determined and enter the percentage of TIG benefit into the proper area.
  - a. Income restriction is always used when funds will pay for an owner-occupied household’s utility assessment (no investors can be assisted).
  - b. Limited Clientele will very seldom be used. Contact the CDBG representative if this may apply.
  - c. Other: typically applies to 2000 HUD low/moderate income census data, or recent income survey data. If survey data is used, complete the chart that follows.

When addressing a neighborhood or community-wide public improvements problem, benefit is based on all the occupants of a geographic area or all users of the facility/service. Typically, only a portion of the CDBG funds for such an activity benefits TIG households, unless the target area is extremely depressed. **Note: TIG benefit of 90 percent or greater will receive the full 300 points under this category.**

Lowered benefit does not necessarily result in an application not being funded, but any activity with less than 80 percent benefit to TIG households is likely to be at a competitive disadvantage with other activities. Therefore, it is especially important, when requesting funds for public improvements activities, to ensure that the application is as competitive as possible for all other activity rating criteria, (i.e. need, leverage, performance).

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If an applicant does not anticipate that the proposed project will serve an area that would result in a relatively high benefit to TIG households, the applicant may wish to structure the public improvements activity in such a manner that focuses benefit to TIG households. For example, when assessments are paid for on behalf of TIG owner occupants, 100 percent benefit is achieved. Applicants can also limit assistance to infrastructure costs on certain streets or target areas with high TIG benefit.

Note: HUD does not consider water or sewer laterals on private property to be a public work activity. Laterals are done under housing rehabilitation programs.

If the applicant is working with a project that requires the formation of an assessment district, CDBG funds may be used to pay the assessments for TIG households. If an applicant wishes to use this approach, it is important to establish accurate, current data (through surveys) regarding the number and distribution of TIG households in the service area in order to accurately estimate the amount of State CDBG funds that will be required to pay for the TIG assessments.

**The Appendices of this application contains a section on conducting a proper CDBG income survey.** Applicants are advised to evaluate the number of renter-occupied units when estimating both the extent and the likelihood of participation in the program if the application is successful.

### **D. SOURCES AND USES:**

1. Sources and Uses Form. Complete this form by showing all the planned funding sources needed to complete the project and what uses or activities under the project that those sources will fund.

Sources. The major funding sources are printed on the form.

The amounts and sources for local and private funding contributions in this chart should match the information provided on the leverage charts in the application summary form. Make entries here for any State, Federal, or other sources, that will be used to finance the **entire project**.

Uses. Identify the cost categories applicable to the proposed project and enter the amounts that have been budgeted. Allocate the amounts across the table to the funds that are expected to be received from all the sources listed. This chart should include costs for the **entire project** (not just the CDBG portion). The applicant's cost estimates can assist in calculating these entries.

- For the Construction lines, include a factor for Davis-Bacon wages when applicable. All construction costs should include a contingency established in the line item.

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- The Equipment category could include items such as outdoor pump equipment.
- Examples of fees that should be listed are commissions to brokers or closing costs for the acquisition of land or a building.

***Please double-check the totals, in all rows at the far right and at the bottom of all columns, for accuracy.***

### **E. STATE OBJECTIVES:**

For Public Improvements projects, the State Objectives listed below will be available.

Check the appropriate State Objective(s) that the applicant is committing to fulfill and for which the applicant would like to receive points.

Important Note: Applicants are advised that failure to comply with any State Objective that the applicant has committed to fulfill may result in the applicant having to return CDBG funds.

- **Infrastructure Proposals:** Up to 25 points will be awarded for public infrastructure projects.
- **Native American partnership Proposals:** Up to 50 points will be awarded for activities that propose a partnership with eligible non-federally recognized tribes/areas in which, at a minimum, 51 percent of the beneficiaries are Native American tribal members. (The activity description must clearly indicate how this State Objective will be implemented.)
- **Farmworker Housing/Health Services:** Up to 25 points will be awarded to proposals which facilitate the development and/or operation of migrant or permanent farm worker housing or proposals which facilitate the provision of health services in combination with farm worker housing. To receive these points, a minimum of 90 percent of the beneficiaries of the proposed activity must be farmworkers. (The activity description must clearly indicate how this State Objective will be implemented.)
- **Capacity Building:**  
Up to 25 points will be awarded to jurisdictions that applied for CDBG funding but fell below the funding cut-off in the 2006 General Allocation competition. The activity applied for during this funding cycle does not have to be the same as the 2006 proposed activity.  
  
Up to 35 points will be awarded to applicants who applied at least two times in the last four years (2004 to 2007) in the General Allocation and who were not funded either time.

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### F. READINESS TO PROCEED:

Of the 150 points available for capacity, the application may be awarded up to 50 of those points if the applicant completes and documents actions that make the proposed project ready to proceed. The purpose of the Program Readiness Chart is to allow applicants to show the level of readiness for their project and to prompt them to provide proper readiness documents for each part of the chart. **The Department will not give partial points for partially completed readiness factors.** (There is an exception is for the environmental review factor.)

All documentation must be provided to show that the whole factor of readiness was covered. Different applicants will have different levels of readiness. Some may have site control but not all funding in place. Some may not have site control but may have sufficient funds to do the project. Speak to the CDBG representative about what level of documentation is required to receive full points under each factor. The applicant pool sets the standard. Those applicant that prove they are the most ready to proceed will receive full points while those that are less ready will be prorated based on the amount of work remaining before construction can begin.

#### 1. Program Operator/Administrator:

- Identify who will be the grant administrator (the city/county, an outside consultant, another agency, etc.) If the applicant will administer the grant, provide resumes and duty statements. For consultants, show that they have been selected by the governing body to administer the grant via governing body resolution, minutes, or action items.
- Identify who will be the project administrator (ensure that the project is put out to bid and that prevailing wages are paid)
- Indicate the page numbers where the supporting documentation can be found.

***Regardless of who is operating and administering the project, the applicant must include proper documentation (copies of resumes and duty statement for applicant's staff and or local approval of consultant contracts or Subrecipient agreements). Draft unexecuted agreements will not receive points in this category.***

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2. Environmental Clearance Level:

Identify all key environmental documentation that has been completed to satisfy National Environmental Policy Act (NEPA) environmental clearance. It is not necessary to submit a finished environmental review record (ERR) and applicants will get partial points for a partial ERR. However, applicants that submit an inaccurate or incomplete ERR that does not meet NEPA procedural requirements will not get any points.

**Note:** Most public improvements projects involve an Environmental Assessment (with a Finding of No Significant Impact). *Please refer to the CDBG 2006 Grant Management Manual, Chapter 3, for guidance on this issue.*

3. Site Control:

Identify all forms of site control that are required for this project and attach the proper documentation. Examples include: option to purchase, easements, deeds of trust, map of project showing is all in an existing public right of way, etc.

4. Special Conditions:

Identify all items that are being submitting in order to evidence that the jurisdiction has complied with special conditions (to be identified in the executed contract, if awarded). Examples of special condition items include project certification that no relocation of persons will take place as part of conducting the activity, HCD approval of program income reuse plan, etc. *Please contact the CDBG Representative for guidance on meeting all public improvements special conditions.*

5. Project Financing:

Identify all items that are being submitting in order to evidence that the jurisdiction has secured all financing commitments needed (except CDBG funds requested) to complete the entire project.

6. Project Readiness:

Identify any other items that for the project to show evidence that the jurisdiction is ready to implement the project upon CDBG contract award and clearance. Such items may include:

- Local Government Approvals
- Completed Plans and Specifications (or preliminary plan and/or engineer hired to do final plans). Only provide a letter form the engineer certifying that the plans are completed. **DO NOT SUBMIT THE FULL SET OF PLANS.**
- Completed Bid Package. AS ABOVE, ONLY PROVIDE A LETTER.
- List of pre-approved families to receive assessments

**Public Improvements**

**A. ACTIVITY INFORMATION:**

1. Identify the proposed activity. **Check ONLY One.** *Please see the NOFA for description of funding limitations under these uses.*

- Water System                       Sewer System  
 Drainage System                       Streets, Curbs and Gutters (includes ADA cuts)  
 Payment of Eligible Assessments  
 Payment of Lateral Installation  
 Well or Septic Abandonment on Private Residential Property

2. How much is being requested for this activity? \$ \_\_\_\_\_ (inc. activity delivery)

3. For activities that will be carried out within a target area, identify the following (see *instructions*):

| Census Tract |
|--------------|--------------|--------------|--------------|--------------|
|              |              |              |              |              |
| Block Groups |

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4. Proposed Beneficiaries by Income Group (*see instructions*):

**Households -**

<b>81% and Above (Non-TIG)</b>	<b>Between 51% - 80% (TIG)</b>	<b>Between 31% - 50% (LTIG)</b>	<b>Below 30% (Extremely LTIG)</b>	<b>TOTALS</b>

**Persons -**

<b>81% and Above (Non-TIG)</b>	<b>Between 51% - 80% (TIG)</b>	<b>Between 31% - 50% (LTIG)</b>	<b>Below 30% (Extremely LTIG)</b>	<b>TOTALS</b>

5. Estimated number of:    \_\_\_\_\_ Loans            \_\_\_\_\_ Grants

6. This activity will be carried out by:

\_\_\_\_\_ Jurisdiction            \_\_\_\_\_ Consultant            \_\_\_\_\_ Combination of  
jurisdiction/consultant

**OR**

\_\_\_\_\_ Another unit of local government            \_\_\_\_\_ Another public agency            \_\_\_\_\_ Non-profit

\_\_\_\_\_ For-profit            \_\_\_\_\_ Faith-based organization            \_\_\_\_\_ Other: \_\_\_\_\_

Name of the agency/organization: \_\_\_\_\_

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7. Please provide a detailed description of the project.

8. Site Control. If the proposed project involves site acquisition, please answer the following question.

- Does the applicant have site control in place for at least 90 days beyond the execution date of the CDBG contract?

\_\_\_\_\_ Yes. Attach documentation.

\_\_\_\_\_ No. Explain Below.

**Note: Site acquisition costs incurred prior to the award of a grant, execution of a grant agreement, and satisfaction of any special conditions are not reimbursable from the grant.**

9. Environmental Clearance. State what the anticipated level of environmental clearance is under the National Environmental Policy Act (NEPA)?

\_\_\_\_\_ Environmental Assessment

\_\_\_\_\_ Categorically Excluded, But Subject to 58.5....

\_\_\_\_\_ Other: \_\_\_\_\_

**Note: An Environmental Assessment is required when the project will increase service and/or capacity by more than 20%.**



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<b>5. HEALTH and SAFETY NEED DOCUMENTATION CHART</b>		
<b>SOURCE</b>	<b>TYPE OF DOCUMENTATION to Support Health and Safety Need</b> (letter, reso., Cease and Desist Order, newspaper clipping, report, etc.)	<b>Page #</b> (in app.)
Department of Health Services		
Regional Water Quality Control Board		
Department of Water Resources		
County Health Department		
Fire Department		
Law Enforcement Agency		
Department of Social Services		
Newspaper		
Engineering Firms		
Local Water Board		
Irrigation District		
Board of Supervisors		
Other: _____ _____		

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**C. TARGETED INCOME GROUP (TIG) BENEFIT**

**1. Documentation of Low Income Benefit (only check one):**

For this activity, how was the TIG percentage determined?

\_\_\_\_\_ Income Restriction (Payment of Assessments Only)

\_\_\_\_\_ Income Survey for Project Area of Benefit, see survey page \_\_\_\_\_.

\_\_\_\_\_ HUD Low/Mod Data for Project Area of Benefit, see maps and charts page \_\_\_\_\_.

**2. Summary of Survey**

Survey Date:	
Total # of beneficiaries:	
How many were surveyed?	
<b>Total number of responses:</b>	
<i>Number of TIG responses:</i>	
<i>Number of Non-TIG responses:</i>	

**3. State the TIG Benefit for the Proposed Activity.**

\_\_\_\_\_ Percent TIG Benefit (must be at least 51%)

**Public Improvements**

**D. SOURCES AND USES FORM.** Show all funds budgeted for the entire project (CDBG funds requested and all other funding sources).

USES	SOURCES							Totals:
	State CDBG	Local Financial	Private Financial	Program Income	Federal	State Funds	Other: List	
Land Acquisition								\$
Building Acquisition								\$
Construction On-Site								\$
Construction Off-Site								\$
Equipment								\$
Final Plans & Specs.								\$
Fees								\$
Contingency								\$
Relocation								\$
Local Gov. Approvals								\$
Other:								\$
Other:								\$
<b>Totals:</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

**Public Improvements**

**D. STATE OBJECTIVES (Maximum of 50 points for all activities in the application)**

Does the activity qualify for one (or more) of the State Objectives listed below? If so, check those State Objectives that the applicant is committing to fulfill.

**Important Notice:** Failure to comply with any State Objective requirements may result in the applicant having to return CDBG funds.

\_\_\_\_\_ **Infrastructure Proposals:** Up to 25 points will be awarded for public infrastructure projects.

\_\_\_\_\_ **Native American partnership Proposals:** Up to 50 points will be awarded for activities that propose a partnership with eligible non-federally recognized tribes/areas in which, at a minimum, 51% of the beneficiaries are Native American tribal members. (The activity description must clearly indicate how this State Objective will be implemented.)

\_\_\_\_\_ **Farmworker Housing/Health Services:** Up to 25 points will be awarded to proposals which facilitate the development and/or operation of migrant or permanent farmworker housing or proposals which facilitate the provision of health services in combination with farmworker housing. To receive these points, a minimum of 90% of the beneficiaries of the proposed activity must be farmworkers. (The activity description must clearly indicate how this State Objective will be implemented.)

**Capacity Building (*check one*):**

\_\_\_\_\_ Up to 25 points will be awarded to jurisdictions that applied for CDBG funding but fell below the funding cut-off in the 2006 General Allocation competition. The activity applied for during this funding cycle does not have to be the same as the 2006 proposed activity.

\_\_\_\_\_ Up to 35 points will be awarded to applicants who applied at least two times in the last four years (2004 to 2007) in the General Allocation and who were not funded either time.

Identify the two years that a CDBG General Allocation application was submitted and not funded:

Years: \_\_\_\_\_ **and** \_\_\_\_\_

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**E. READINESS CHART – Public Improvements**

See Instructions for details of how to complete this form and provide proper documentation. No partial points will be given, if all readiness documents are not submitted and completed properly, no points will be awarded in the category.

<b>PROGRAM OPERATOR</b>	<b>INDICATE “Yes” OR “No”</b>	<b>DOCUMENTATION Submitted</b>	<b>PAGE NO.</b>
In-House Administration			
Sub-recipient Agreement			
Consultant Hired			

<b>ENVIRONMENTAL</b>	<b>INDICATE “Yes” OR “No”</b>	<b>DOCUMENTATION Submitted</b>	<b>PAGE NO.</b>
Complete Environmental Review Record (ERR)			
Ready to Publish Public Notice			
Environmental Finding Form			
Form 58.6			

<b>SPECIAL CONDITIONS</b>	<b>INDICATE “Yes” OR “No”</b>	<b>DOCUMENTATION Submitted</b>	<b>PAGE NO.</b>
Site Control			
All financing in place			
PI Reuse Plan Approved			
Timeline for completion			
Current cost estimate by engineer			

<b>READINESS</b>	<b>INDICATE “Yes” OR “No”</b>	<b>DOCUMENTATION Submitted</b>	<b>PAGE NO.</b>
Waiting List – Eligible Participants			
List of Eligible Bidders			
Final Plans and Specs			
Bid Documents Completed			