



CITY OF WATERLOO, IOWA

COMMUNITY DEVELOPMENT

620 Mulberry Street, Carnegie Annex – Suite 202 • Waterloo, IA 50703 • (319) 291-4429 Fax (319) 291-4431

PART I – INTRODUCTION

TO: Fiscal Year 2016 Applicants

FROM: Rudy Jones, Community Development Director

DATE: November 13, 2014

SUBJECT: **FY2016 Consolidated Planning**
Notice of Funding / Request Procedure
- Community Development Block Grant (CDBG) Program
- HOME Investment Partnership Program

This is to advise individuals, groups, agencies, and/or organizations interested in requesting financial assistance as part of the City's "Consolidated Planning" effort, for Federal funding through either the Community Development Block Grant (CDBG) Program or HOME Investment Partnership Program, that an application form must be completed and submitted for consideration of proposed eligible activities. Hard copy of the application (for print or type) is available from the City's Community Development office. The Application is a cover sheet and narrative response to 12 requirements. Forms are available electronically at www.ci.waterloo.ia.us/communitydevelopment (see Funding Cycle link).

Other application formats will not be accepted.

It is noted that rules and regulations of the CDBG Program allow great latitude for the funding of projects and activities by public and non-profit entities. Comparatively, more restrictive provisions of the HOME Investment Partnership Program generally limit such non-profit funding to those entities considered a "Community Housing Development Organization" (CHDO). Any funded activity must be supported by the City's "Consolidated Plan" (maintained on record within the City's Community Development Department); or available on line at www.ci.waterloo.ia.us/communitydevelopment (see Reports: 5-Year Consolidated Plan (FY2015-FY2019) (pdf).

Entitlement amounts for the upcoming FY2016 period are pending determination, but are presently estimated to equal **\$1,100,000** for the CDBG Program and **\$450,000** for the HOME Program. The 2016 fiscal year covers the period from July 1, 2015 through June 30, 2016.

The basic goals of these programs are to: (1) provide decent housing (by assisting the homeless, retaining affordable housing stock, increasing the availability of permanent housing, and increasing supportive services for persons with special need without discrimination) and (2) provide a suitable living environment (by improving the safety and livability of neighborhoods, increasing access to quality facilities and services, reducing the isolation of income groups, revitalizing deteriorating neighborhoods, restoring/preserving features of special value for historic, architectural, or aesthetic reasons, and conserving energy resources).

Community Development Block Grant (CDBG) Program. To be eligible for CDBG funding, proposals must address one of three broad national objectives: (1) principally benefit low-moderate-income households; (2) reduce or eliminate slum and blighting conditions; or (3) address a particular urgency (such as natural disaster or immediate health threat). Funding must also address any of a number of possible eligible activities. The City has traditionally funded housing rehabilitation and a variety of public facility and service improvements. "Subrecipient" entities may undertake activities, if they possess appropriate non-profit status.

There is great flexibility for use of the money. However, according to Federal statute, certain types of activities are not eligible by their inherent nature. This includes: new housing construction; funding any religious activity (i.e., constitutional prohibition concerning separation of church and "state"); funding political activities; and funding direct income payments to provide basic levels of food, shelter (including rent, mortgage, or utility payments), or clothing - except in case of emergency, but only for a period not to exceed three months.

New applicants are encouraged to contact City Staff in advance of application preparation to confirm activity eligibility.

The following is particularly noteworthy concerning CDBG "Public Service" activities:

First, a CDBG Program "public service" activity is something not traditionally considered a "brick and mortar" type of physical improvement (i.e., not construction, not rehabilitation, etc.). Generally, a public service activity will fund either a human resource (such as staffing costs) or operating costs. Examples may include: staff or operating costs at a homeless facility; operational costs of a program directed toward crime prevention; child or elderly care; counseling (substance abuse, fair housing, etc.); recreational programming; etc.

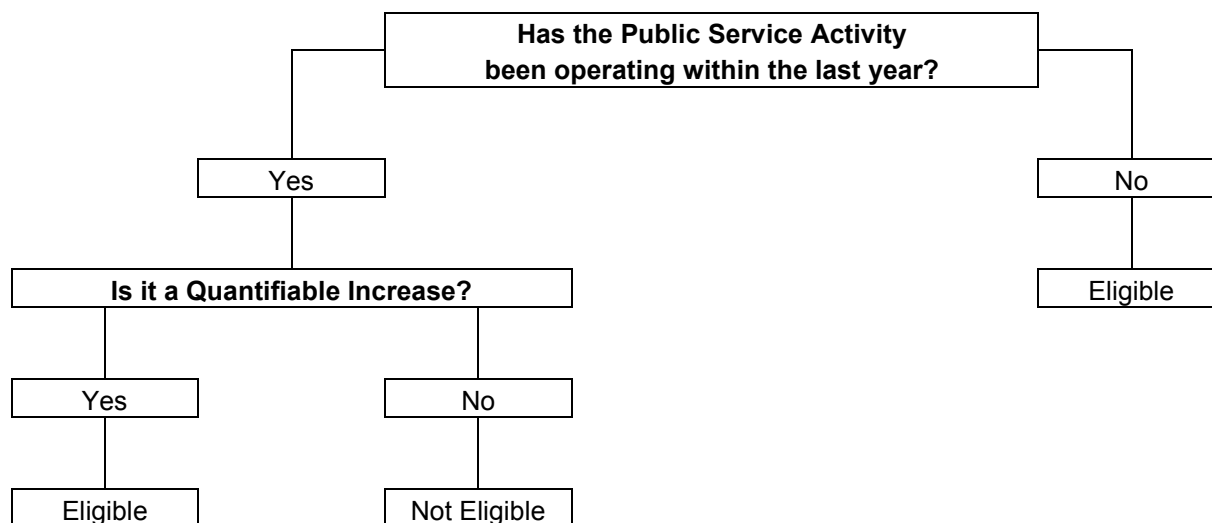
Second, no more than 15% of the City's annual entitlement (including last year's program income) may be allocated for public service projects/activities.

Third, to be considered for favorable recommendation by the City's Community Development Subcommittee, a public service activity must principally be *either*: (1) a new activity not undertaken / funded (from any source) within the preceding year; or (2) a quantifiable increase in the level of an already existing service. This follows the federal regulations found in 24 CFR 570.201(e). The following flow chart illustrates how eligibility determinations are made in regard to this policy.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM

PUBLIC SERVICE ELIGIBILITY

24 CFR 570.201



Fourth, a public service typically may not be offered to anyone on a citywide basis. Rather, there must either be a specific primarily residential area served (such as census tract) where there exists a predominance of low- moderate-income persons, (as documented with service area boundaries and census data), or the activity must be operated such that by designed control there is assurance it will serve a specific "limited-clientele" which is predominately low- moderate income (as documented with income verification, such as paycheck stubs). Only a few groups are automatically "presumed" to benefit low- moderate-income persons. Included are those activities directed toward assisting abused children, battered spouses, elderly persons, severely disabled adults, homeless persons, illiterate adults, and persons living with AIDS. It is extremely difficult to otherwise qualify a public service on the basis of preventing or eliminating slum/blighting conditions (the only other option aside from "low/mod" income benefit, as required by Federal Statute).

Note: "Low- moderate-income households" are those, respectively by size, at or below 80% of the area median. An income qualification table is attached.

"Predominately" means at least 51%.

"Elderly" are those persons at or older than 62 years of age.

If you are submitting a request for a Public Service, the service area (boundaries) must be included. Also, census tract data must be included to document that 51% of the population is low-income (less than 80% area median income).

HOME Investment Partnership Program. HOME funding is principally eligible to assist any of a number of housing assistance activities. To summarize, the City has traditionally funded down-payment assistance for qualified homebuyers, tenant-based rental assistance, housing rehabilitation and tax credit projects. A 15% set-aside requirement also ensures that a portion of the funds are provided to non-profit entities certified as a Community Development Housing Organization ("CHDO") to carry-out other housing assistance activities. New construction is eligible under this program, but any assistance provided (for any activity) generally invokes long-term affordability provisions (to benefit low- moderate-income persons).

REVIEW / SELECTION PROCESS

In accordance with the City's citizen participation process, the Community Development Subcommittee will review all funding requests. The Subcommittee will recommend specific budget allocations for consideration to the Community Development Board and then the City Council (which has final decision-making authority to accept, modify, or reject recommendations for both the CDBG and HOME Programs). Public Hearings will be advertised in the Waterloo Courier and on the Community Development website. Reliance is placed upon the strength of presentation within respective written applications for statement of project merit based on need to be addressed and benefit to be derived.

Activities successfully funded will be committed between the City and other entities with written contractual agreements stipulating pertinent terms and conditions. Models that cite federally required provisions are available upon request for review.

In accordance with federal regulations, the City of Waterloo adheres to an expectation that funding assistance provided through the CDBG and HOME Programs will be committed, encumbered and expended in a timely manner. To ensure compliance with timely expenditures, any City Subrecipient allocated CDBG funds for public service activities in any given program year must completely expend all allocated funds by the end of that program year (i.e., by each respective June 30th). **The commitment / encumbrance of public service funds is not sufficient. Rather, all public service funds must be completely spent.**

Thus, any public service funds remaining unspent by the end of each respective June 30th fiscal (program) year will be captured by the City for re-allocation. Further, subrecipients will be responsible for payment from their own (non-CDBG) sources for any outstanding obligations remaining un-paid after each June 30th. HOME projects must be completed within four (4) years of commitment. Any project not completed timely will be terminated and the subrecipient will be required to repay any HOME funds that have been drawn down from HUD.

Applicants should be sensitive to these policies and their respective need to implement proposed activities as soon as practicable upon fund availability, or risk possible loss from recapture / reassignment or repayment. Also, *any* proposal dependent upon fund match / leverage from other resources should note possible, potential, or probable need to extend funding commitment / expenditure past the fiscal year when allocated.

In regard to development proposals, such as qualified new construction with HOME funds, it also should be noted that the Subcommittee has a preference to review plans showing location, site layout, and floor plan with time-line. Speculative development proposals will not be reviewed as favorably as definitive development proposals.

Note:

The application process is typically conducted on an annual basis from about mid-November to early January for consideration of funded activities to commence at the start of the next fiscal year (each July 1st). A review of prior allocations also typically takes place soon after the beginning of each fiscal year to determine whether under-utilized or residual funds remaining uncommitted from completed activities may be reassigned to fund other possible eligible activities.

PART II – INSTRUCTIONS

Individuals and/or organizations/agencies interested in requesting funding assistance through the CDBG and/or HOME Programs of the City of Waterloo, Iowa, as Federally funded by the U.S. Department of Housing and Urban Development (HUD), ***must*** use the City form for ***each*** application proposal. The form follows (or is attached to) this set of instructions. The purpose of this procedure is to provide a standard, unified, process. Modified applications will not be accepted.

Hand-printed (not script) or typed hard copy of the application may be completed, copied and submitted.

Forms are available via the City's website at www.ci.waterloo.ia.us/communitydevelopment (see Funding Cycle link).

Multiple applications (i.e. funding requests from one entity for more than just a single activity) must be submitted on separate forms (to distinguish their respective individuality). However, in such cases, the applicant must also include a priority ranking (for all) which indicates their "most-to-least" important hierarchy of preference for approval.

Note: 1. All data/information must be processed, typed or hand-printed (anything hand-written, meaning script, will be returned as unacceptable). Peripheral margins should be one inch (1") for the top, bottom and sides of each page. Preferred font style is "Times New Roman" (but may vary, with the exception of script which is not

allowed) and preferred point size is 12 (may vary larger, but not smaller). Please paper clip and three-hole punch along the left edge of the application (i.e., each copy).

2. **The most important funding application component is that part which identifies and describes the activity proposed for funding.** Excessive "filler" verbiage will **NOT** enhance any prospect for success and, rather, may possibly reflect negatively. Each proposed activity should be described in a short, concise, narrative that states how much funding is requested and what the funding will be used to accomplish. The more simplified the request is stated, generally the better it is understood.

For example:

\$ _____ is requested to rehabilitate a residential structure with _____ units, located at _____ to assist _____ households that are low/moderate income.

3. It should be noted that a budget is to be explained in narrative and attached as a table with appropriate unit itemization. For example: assuming an activity proposes to utilize two instructors at different pay grades, then two separate line items will be necessary to identify: (a) the positions; (b) their respective wages / benefits at some base / uniform unit (such as "\$x.xx" per hour); and (c) conversion into a cost based on planned total time incurred (i.e., "\$x.xx" per hour for "x" hours = \$x.xx" to be budgeted). Other separate budget allocations may be an itemization of materials/supplies to be purchased, utility costs incurred, etc.

If an activity is multi-faceted, such as an improvement project that involves property acquisition and rehabilitation, then itemization is also needed to distinguish separate allocations for each respective component. Due to federal reporting requirements, it is not possible to have a single combined budget amount for multiple (different) types of activities - the individual activities must be separated. This is also the case with a rehabilitation activity. Separate budget allocations are required for owner rehabilitation and rental rehabilitation, as well as separate budget allocations for single family and multi-family rehabilitation.

4. The information below identifies submission deadline, as well as how many copies of each funding application is to be provided and specifically where they are to be submitted.

*APPLICATIONS MUST BE COMPLETED IN ACCORDANCE WITH INSTRUCTIONS
AND SUBMITTED AS FOLLOWS:*

Submit 15 hard-copies that are paper clipped and three-hole punched to:

Mr. Rudy D. Jones, Director
City of Waterloo Community Development
Carnegie Annex, Suite 202
620 Mulberry Street
Waterloo, IA 50703

Submission Deadline (For Receipt) is

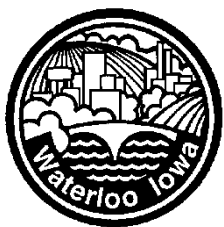
12:00 P.M. (noon) on Wednesday, December 31, 2014
- NO EXCEPTIONS -

Questions May Be Directed to:

Rudy D. Jones, Director, at (319) 291-4429 or email: rudyrjones@waterloo-ia.org

Nancy Gulick, Coordinator, at (319) 291-4429 or email: nancy.gulick@waterloo-ia.org

The following cover sheet and requested narratives are **required for completion and submission** for CDBG and/or HOME Program funding from the City of Waterloo, Iowa.



Funding Application: Cover Sheet
SUBMISSION DEADLINE (FOR RECEIPT) IS:
12:00 P.M. (NOON) on Wednesday, December 31, 2014

Project Name:	Upper Gates Playground Project
Agency Name:	Waterloo Leisure Services
Agency Mailing Address:	1101 Campbell Avenue Waterloo, Iowa 50701
Project Street Address (If Any)	East Donald Street and Mildred Avenue
Date Submitted:	December 29, 2014
Priority Ranking: (Only Applicable to Multiple Applications from One Agency)	Number One Priority

Funding Sources:

Please indicate the assisted funding amount(s) you are requesting from respective sources. Also indicate the activity type of funding, (please code as "O" for Operations, "C" for Capital, "R" for Rehabilitation, and "A" for Acquisition - - - with any other types to be footnoted), and note if your request is one-time or multi-year (i.e., checkmark or "x").

	Amount	Activity Type	One-year	Multi-year
CDBG	\$40,000	C	X	
HOME				

Contact Person:	Name: Paul Huting	
	Voice Phone: 319-291-4370	Fax: 319-291-4297
	Email: paul.huting@waterloo-ia.org	
Person Legally Authorized to sign an Agreement:	Name: Ernest G. Clark	
	Voice Phone: 319-291-4301	Fax:
	Email:	
Applicant Signature (Please use BLUE INK)		
DUNS Number (required)	830941576	

Funding Application: Explanation of Acronyms

CDBG Community Development Block Grant Program

HOME HOME Investment Partnership Program
(Note: "HOME" is not technically an acronym. Original intent for the program name was "Housing Opportunities Made Easy", but it was never officially incorporated.)

Funding Application: Narrative

Submission Deadline (For Receipt) is 12:00 P.M. (Noon) on Wednesday, December 31, 2014

*Include Program/Project and Agency Name on each page of your application.
It is anticipated that your narrative response should not exceed 3-4 pages.*

1. Agency Description:

Describe your organization including its mission, whether a certified Community Housing Development Organization (CHDO), private for profit, private non-profit or public organization, services provided and prior experience in administering grants and private contributions. If the applicant has not received HOME/CDBG funds in the past three years, please provide evidence of your organization's capacity, financial skills, commitment and/or experience to undertake and complete the proposed project within the established timetable and budget. ***Briefly . . . who are you, where are you located, what is your purpose, and what is your experience?***

Waterloo Leisure Services Commission is a City of Waterloo agency with the following mission: "The City of Waterloo Leisure Services Commission is dedicated to improving the quality of life for all citizens by providing the best possible recreational activities, special events, facilities, and services that encourage lifelong learning, fitness and fun. The Commission strives to provide an enjoyable outdoor environment with top quality parks, preserves, golf courses, recreational trails, and a healthy urban forest resource." Leisure Services has successfully completed several projects with CDBG funding in the last few years, with the most recent being the Lower Gates Park Playground and Sullivan Park Basketball Court Upgrade. A new shelter at Upper Gates Park, using CDBG funding is scheduled to be installed in the spring of 2015.

2. Program/Project Description:

Describe the program / project (i.e., "activity") requesting assistance. Identify the grant amount requested and quantify the sources and uses of funds; either describe as part of narrative (if brief) or attach a budget summary in table format (if detailed) with appropriate unit itemization. Include your organization structure as it relates to any overhead cost for this project. ***Specifically . . . what is your proposal requesting assistance?***

This project would be to replace aging and outdated playground equipment at Upper Gates Park near the intersection of East Donald Street and Mildred Avenue. The Gates Park Neighborhood Association is endorsing this project as a way to foster positive youth activity in the park. Ward 4 City Councilperson Quentin Hart is supporting this project based on input from his constituents.

Project Budget (estimated)

Play Equipment	\$29,500
Safety Surface Fiber, Site Prep and Certified Installation	\$19,500
Swing sets w/Mulch and Mat	<u>\$ 6,000</u>

TOTAL PROJECT COST ***\$55,000***

3. Service Location:

Identify the target population and/or the geographic area served, with description of facilities / location where services or improvements will be provided. If you are submitting a request for a Public Service, the service area (boundaries) must be included. Also, census tract data must be included to document that 51% of the population is low-income (less than 80% area median income). *Who will you serve, or what will you improve, and where?*

Upper Gates Park is located in a designated target area, near the intersection of East Donald Street and Mildred Avenue. This project would benefit low and moderate income families and children in the surrounding neighborhood

4. Document Needs:

Explain what unmet need within the community will be addressed by your program / project (include supporting data if available). Include information on how your needs fit with the Five-Year Consolidated Plan, as posted on the Community Development website under "Reports" [5-Year Consolidated Plan \(FY2015-FY2019\) \(pdf\)](#) *What community need validates project funding?*

There is an unmet need for new park facilities in Upper Gates Park. This playground project is part of the Master plan for Upper Gates Park and is supported by the Gates Park Neighborhood Association. The project specifically fits with the stated purpose of the consolidated plan by helping to "provide a suitable living environment through more livable neighborhoods".

5. Please select one main objective, outcome and output indicator for the proposed project. **Second**, in a narrative, provide specific project indicators (i.e. number of households assisted, number of units to be rehabilitated, etc.)

OBJECTIVE	<input checked="" type="checkbox"/> Sustainable Living Environment <input type="checkbox"/> Decent Affordable Housing <input type="checkbox"/> Create Economic Opportunities
OUTCOME	<input checked="" type="checkbox"/> Availability/Accessibility <input type="checkbox"/> Affordability <input type="checkbox"/> Sustainability
OUTPUT INDICATOR	<input checked="" type="checkbox"/> Persons <input type="checkbox"/> Households <input type="checkbox"/> Housing Units

NARRATIVE:

We plan to make the new play area accessible to those with special needs. We plan to improve safety and playground surfacing. The planned improvements will make the park more inviting for family and neighborhood gatherings.

6. Coordination of Effort:

Describe how services will be coordinated with other community agencies. *How will duplication of effort be avoided?*

Explain: **Leisure Services is the sole provider of the public park and playground facilities in this neighborhood. The Gates Park Neighborhood Association plans to promote the project and use the new facilities for neighborhood outings.**

7. Funding Justification:

Describe your long-term strategy to sustain funding for this program / project with explanation about how requested assistance may be used to leverage other funding. If partial funds are awarded, will the project/program continue?

Explain: **Leisure Services has an annual operating budget to fund ongoing inspections and maintenance of the new seating area. A \$15,000 match from City of Waterloo Capital Improvement Funds has been identified for this project. If partial funds are awarded, the project would probably need to be postponed due to lack of available CIP funds.**

For HOME funded projects, a 25% match is required. Explain how your organization will meet this match requirement.

Explain: N/A

8. Program/Project Schedule:

Outline a timetable for the program / project. *When will activities be implemented?*

Explain: **If funding is received we plan to have this project completed by July 1, 2016**

9. Did you attend the Applicant Workshop? Yes

10. Please list amount of CDBG and/or HOME funds received within the last three fiscal years and the status of the project(s) undertaken. (City fiscal year July 1- June 30)

FISCAL YEAR FUNDS RECEIVED	AWARDED AMOUNT	AMOUNT EXPENDED (AS OF 10/31/14)	DATE COMPLETED
FY13 (July 2012 – June 2013)	\$0	\$0	N/A
FY14 (July 2013 – June 2014)	\$68,000	\$68,000	11-21-2013
FY15 (July 2014 – June 2015)	\$55,000	\$0	Spring 2015

- 11. Audit – one copy of your most recent audit must be submitted. If you do not get an annual audit, provide copies of your last three month's financial reports.**

CITY OF WATERLOO AUDIT IS ON FILE WITH THE DCITY FINANCE OFFICE

- 12. Copies of minutes from your last three most recent Board of Directors meetings.**

INCOME ELIGIBILITY CHART

HOUSEHOLD SIZE	ANNUAL
	80% Area Median Income
1	\$34,650.00
2	\$39,600.00
3	\$44,550.00
4	\$49,500.00
5	\$53,500.00
6	\$57,450.00
7	\$61,400.00
8	\$65,350.00
EFFECTIVE December 2013	

CHECKLIST OF REQUIRED DOCUMENTS

This checklist is provided as a guide. Applicants may be required to provide these documents before your request is considered for funding. Please **DO NOT** submit these documents with your application, but have them available upon request.

- ___ 1. Articles of Incorporation and Bylaws
- ___ 2. State and Federal Tax Exemption Determination Letters
- ___ 3. List of Board of Directors
- ___ 4. Board of Directors' designation of authorized official
- ___ 5. Organizational Chart
- ___ 6. Resume of Program Administrator
- ___ 7. Resume of Fiscal Officer
- ___ 8. Conflict of Interest Policy
- ___ 9. Documentation of Compliance with National Objectives