



## CITY OF HAGERSTOWN, MARYLAND

Department of Community & Economic Development  
Business & Community Relations Division  
301.739.8577 x111

### Memorandum

To: Area Housing & Service Providers

From: Jonathan Kerns, Community Development Manager

RE: **Application for Community Development Block Grant (CDBG) Funding for Fiscal Year 2015-2016 and Notice of Public Hearing**

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#### **NOTICE OF PUBLIC HEARING:**

The City of Hagerstown's Community Development Block Grant (CDBG) Needs Hearing for FY2015 will be held:

Tuesday, December 9, 2014 at 5:00 p.m.  
City Hall, Second Floor, City Council Chambers

The purpose of this hearing is to obtain the views and comments of individuals and organizations concerning the City's housing and community development needs, including project recommendations from organizations and individuals for FY 2015/2016 CDBG funds.

Written comments, including project recommendations, can be sent to the Department of Community and Economic Development, 14 N Potomac Street, Suite 200A, Hagerstown, MD 21740 or e-mailed to [snelson@hagerstownmd.org](mailto:snelson@hagerstownmd.org) so that they are received by January 12, 2015.

#### **APPLICATION FOR CDBG FUNDING**

Attached you will find the CDBG funding application package for FY2014-2015. Organizations planning to complete applications are encouraged to call Sarah Nelson, 301-739-8577 ext. 820, to discuss planned project before applying. The application deadline will be *January 16, 2015 at 4:00 p.m.* Applicants must submit an original and one (1) copy of their application with all necessary attachments to:

Department of Community and Economic Development  
Attention: Jonathan Kerns  
14 North Potomac Street, Suite 200A  
Hagerstown, Maryland 21740

This year's application is available in a fillable PDF, to request hard copies of application materials, call 301.739.8577 ext. 111. An electronic version of the application is attached, accessible on the City website [www.hagerstownmd.org](http://www.hagerstownmd.org) or can be requested by e-mailing [snelson@hagerstownmd.org](mailto:snelson@hagerstownmd.org).

If you have any questions concerning the application or the application process, please feel free to call Sarah Nelson 301-739-8577 ext. 820, or by e-mail me at [snelson@hagerstownmd.org](mailto:snelson@hagerstownmd.org).

TDD 301.797.6617  
[www.hagerstownmd.org](http://www.hagerstownmd.org)

14 N. Potomac Street • Suite 200A • Hagerstown, MD 21740-4987  
E-mail: [DCED@hagerstownmd.org](mailto:DCED@hagerstownmd.org)

FAX 301.739.3117  
[www.livehagerstown.com](http://www.livehagerstown.com)

**City of Hagerstown's  
Community Development Block Grant (CDBG)  
Public Service and Capital Project Funding  
FY 2016 Facts in Brief**

- If interested in applying for funding, please review this Fact Sheet, the application instructions, and the Application and **call Sarah Nelson at 301.739.8577 ext. 820 before completing the application.**
- Applicant groups or organizations applying for project funding must be a registered non-profit organization and **MUST** provide supporting documentation that confirms this status.
- Hagerstown may allocate up to 15 percent of the total of both its CDBG award and the previous year's program income for public service grants.
- Capital Projects which include Public Facility improvements are typically provided in the form of a loan; if application includes a public facility improvement please indicate your interest in receiving funding in the form of a loan.
- Capital Projects which include housing rehabilitation and other eligible activities are sometimes carried out through "subrecipients," external organizations carrying out the activity through granted CDBG funds.
- Application materials are posted on the Community Development page of the City's Web site at [www.Hagerstownmd.org](http://www.Hagerstownmd.org)
- To request hard copies of application materials, call 301.739.8577 ext 111.
- The application deadline is **January 16, 2015 at 4:00 p.m.** Applicants must submit an original and one (1) copy of their application to:  
  
Department of Community and Economic Development  
Attention: Jonathan Kerns  
14 North Potomac Street, Suite 200A  
Hagerstown, Maryland 21740
- Only complete applications received by the deadline will be considered.
- Public Hearing and comment period on Proposed Annual Action Plan held in April-May. Final funding decisions are made by the Mayor and City Council.
- Official Award Notifications will be sent out in June, pending approval from HUD.
- Funds awarded will not be available until on or after July 1, 2015.
- If you have questions or need assistance, please call Sarah Nelson at 301.739.8577 ext. 820

**FY 2016 CDBG  
PUBLIC SERVICE GRANT & CAPITAL PROJECT  
APPLICATION INSTRUCTIONS  
AND FUNDING GUIDELINES**

**A. Introduction**

Each year the City of Hagerstown receives CDBG funds from HUD to provide programs and facilities that benefit primarily low- and moderate-income (LMI) City residents (see HUD Income Limits below).

Hagerstown uses a competitive application process to make a portion of its CDBG funds available to nonprofit groups through public service grants and capital project funding. Eligible public service activities include programs related to housing, education, crime prevention, child care, health care, senior services, counseling, drug abuse prevention, mental health, welfare, and recreation. Eligible Capital Projects include construction, rehabilitation, acquisition, demolition and clearance.

The City anticipates significant competition for its CDBG funds this year. In order to apply for public service and capital project funding through the City of Hagerstown’s CDBG program, organizations must be a registered non-profit organization and MUST provide supporting documentation that confirms this status. In accordance with HUD regulations, faith-based organizations are eligible for CDBG funding on an equal footing with any other organization. All applications will be on their merits, without regard to an applicant’s religious or secular character.

**B. Background**

**Basic CDBG Requirements\***

With its CDBG award, Hagerstown has an opportunity to fund activities that provide decent housing and a suitable living environment and that expand economic opportunities, principally for low- and moderate-income persons. Funds may be used to carry out a range of community development activities such as neighborhood revitalization, economic development, and community facilities and services.

Under CDBG regulations, the City may allocate up to 15 percent of the total of both its CDBG award and the previous year’s program income. Last year, the City allocated \$104,975 in CDBG funds to nonprofits for public service grants.

**National Objectives**

According to Federal legislation and regulations, all CDBG-funded activities must meet specific national objectives. Public service projects must meet one of two broad national objectives:

- to benefit persons of low to moderate income (LMI) or
- to aid in the prevention of slums and blight. Each objective is described below.

**LMI Benefit.** Under this objective, public service activities must serve at least 51 percent LMI persons. To meet the objective, an activity must either include income eligibility requirements limiting the activity to LMI persons or be located in an area inhabited by predominantly

LMI residents. Programs that serve special needs populations, including the elderly or disabled, are usually considered to benefit

LMI persons. HUD Income Limits vary based on family size and define LMI income for purposes of the CDBG program as follows:

**HUD Income Limits**

HUD FY 2014 Income Limits

Limits	Number of Persons in Household							
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Extremely Low	\$15,650	\$17,850	\$20,100	\$23,850	\$27,910	\$31,970	\$36,030	\$40,090
Low	\$26,050	\$29,800	\$33,550	\$37,200	\$40,200	\$43,200	\$46,150	\$49,150
Moderate	\$41,650	\$47,600	\$53,550	\$59,500	\$64,300	\$69,050	\$73,800	\$78,550

**Elimination of Slum and Blight.** To meet this objective, an activity must be designed to address and eliminate conditions causing slum and blight.

**Additional Requirement:** CDBG public service activities must provide a new or an expanded level of public service.

**Ineligible Activities** The following activities are generally ineligible for CDBG funding:

- Construction of, or improvements to, general government buildings and schools.
- Routine operation, maintenance, and repair activities for public facilities.

*\*See Community Development Block Grant Fundamentals for additional information on Eligible and Ineligible Activities.*

### **C. Application Process**

- The City accepts applications for public service and capital project funding for qualified non-profits on an annual, cyclical basis. The **deadline date for submission of FY 2016 applications is January 23, 2015**. Applications submitted after the deadline will not be processed.
- All applications are reviewed by the City of Hagerstown to determine eligibility. Applications for Public Service are reviewed by the Public Service Grant Review Committee (see Section D). The City of Hagerstown will review applications and select projects to receive CDBG funds in FY16.
- Thereafter, the City's draft Action Plan, identifying such proposed projects, will be available for public review and comment for 30 days and a Public Hearing will be held to receive comments on the Draft Annual Action Plan in April-May
- After Mayor and City Council approval the final Annual Action Plan will be sent to HUD prior to the beginning of fiscal year 2015.
- The City will notify CDBG public service grant applicants of final funding decisions in early June 2015 (pending HUD approval). CDBG funds will likely be available to grantees on or after July 1, 2015.

### **D. Public Service Grant Review Process**

(This section applies to Public Service Funding Requests only.)

#### **Public Service Grant Review Committee**

Three members of the community will be appointed to join a staff committee comprised of the Community Development Manager, the Planning Director, and the Finance Director to review the applications and make recommendations to the Mayor and Council.

Final approval of Public Service Grant Awards will be made by the Mayor & Council.

#### **Guidelines for Selection**

The applications will be reviewed by the Public Service Grant Review Committee and recommendations will be made to the Mayor & Council based on the following guidelines:

- Sub-recipients who have previously received CDBG Public Service funding are not guaranteed funding in future years- future funding is dependent of many factors including performance.
- HUD regulations state that public service funding is eligible to only lease, not purchase, capital equipment.
- HUD regulations state that the acquisition of land and the construction, acquisition, and/or rehabilitation of buildings are ineligible activities under the CDBG public service grant.
- HUD regulations state the public service must provide new/expanded services responding to critical, identifiable, and unmet needs (continued funding to a public service sub-recipient at the same or decreased level in subsequent years is permitted).
- CDBG allocations are distributed on a reimbursement basis. All agencies receiving funds must demonstrate the financial capacity to operate the proposed project based on reimbursement of actual expenses.
- To be considered for Public Service funding, sub-recipients must be able demonstrate the following:
  - collaboration with other community service providers

- leveraging of multiple funding sources
- clearly stated goals and budget with specific and measureable evaluation criteria
- a focus on sustainable and long-term solutions that serve as a catalyst for change
- The City will not award CDBG funds to an organization for the same project (or substantially similar project) for more than three years, unless the project falls into one of the targeted categories outlined below:
  - Youth Development/Youth Services
  - Healthcare
  - Elderly Care

#### **D. Contractual/Subrecipient Requirements**

Each grantee must enter into a subrecipient agreement with the City. The City will prepare the agreement and requires the signature of the agency's authorized official. The agreement will specify the amount of the award, the period for which the project is approved, the contract term, the scope of services to be provided, and any special conditions. It will also include administrative provisions and specify reporting and documentation requirements. The City will provide forms for the regular reports grantees are required to complete.

In order for the City enter into an agreement and disburse funds, grantees must:

1. Be private nonprofit organizations or faith-based organizations;
2. Obtain adequate insurance covering workman's compensation, bodily injury, property damage, and/or automobile liability, depending on the nature of the project;
3. Obtain any necessary licenses and comply with applicable federal, state, and municipal laws, codes, and regulations;
4. Comply with applicable nondiscrimination and equal opportunity laws; and
5. Comply with applicable uniform administrative requirements (24 C.F.R. §570.502).

#### **E. Other Important Considerations**

- **Eligibility.** Before preparing an application, organizations should contact City staff to confirm that the proposed project is eligible for CDBG funding.
- **Readiness to Proceed.** The City is committed to funding only projects that are ready to proceed immediately once funding becomes available and a contract is signed. All funds are administered on a reimbursement basis, applicants must be able to pay up front costs of program administration.
- **Time Limits.** Under HUD time limits, grantees must be prepared to spend their funds in a 12-month period. If funds are not spent within this period, unspent funds may be recaptured.
- **Contingency Funding.** Even if an application is successful, the City may recommend a lower level of funding than requested. Organizations, therefore, should develop a contingency plan to account for a lower-than-requested CDBG award.
- **Public Facility Funding.** Funding for Public Facility improvement is typically provided to non-profit organizations in the form of a loan. If application includes this type of eligible activity please indicate your interest in receiving funding in the form of a loan.

## COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM FUNDAMENTALS

As an entitlement community, Hagerstown receives a Community Development Block Grant annually from the U.S. Department of Housing and Urban Development (HUD) to carry out a wide range of community development activities directed toward revitalizing neighborhoods, increasing economic development opportunities, and providing improved community facilities and services. Hagerstown develops its own programs and funding priorities to meet these goals.

HUD regulations for the use of CDBG funds are very specific and it is the responsibility of the City to ensure that each activity meets one of HUD's national objectives and is included in the list of activities eligible for funding.

### NATIONAL OBJECTIVES:

§ **Benefit Low and Moderate Income Persons**

*At least 70% of project expenditures must benefit low and moderate income persons. These are persons whose household income is equal to or less than 80% of the area median family income, adjusted for family size; the handicapped; the homeless; the elderly; or those with other special needs.*

§ **Aid in the Prevention or Elimination of Slums or Blight**

*A maximum of 30% of project expenditures can aid in the prevention or elimination of blight. This is usually accomplished through building rehabilitation.*

§ **Meet Other Urgent Community Development Needs**

*Other community development needs certified by the City as having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs. An example of this would be a major catastrophe such as a hurricane or earthquake.*

### ELIGIBLE ACTIVITIES:

HUD regulations specify the activities that are eligible for CDBG funding. These fall into one of three general categories:

§ **Public Services** (*education and recreation programs, public safety services, fair housing activities, services for senior citizens and homeless persons, child and health care, job training, and homebuyer down payment assistance*);

§ **Capital Projects** (*e.g., construction, rehabilitation, acquisition, demolition, clearance, etc*); or,

§ **Economic Development** (*assistance to profit-motivated businesses to carry out economic development and job creation and retention activities*).

The City undertakes CDBG funded activities directly. Eligible community groups or organizations may also apply for funding to carry out either a public service or capital project activity. **Applicant groups or organizations applying for project funding must be a registered non-profit organization and MUST provide supporting documentation that confirms this status.**

The community group or organization requesting assistance for a community service project must be either developing a new public service, or proposing a quantifiable increase in service of an existing program. There is a HUD imposed limit on the amount that the City can spend on public service projects. This limit is 15% of the annual entitlement plus the previous year's program income.

Those awarded funding will enter into a contract, known as a Subrecipient Agreement, with the City. This agreement details the activity to be undertaken, the responsibilities of both the City and subrecipient and how the cost of carrying out the activity will be paid.

Please contact the City of Hagerstown's Department of Community & Economic Development if you have questions or need additional information about eligible CDBG activities.

## **ELIGIBLE ACTIVITIES**

### **ACQUISITION**

Acquisition, in whole or in part, by the subrecipient or other public or private nonprofit entity, by purchase, long-term lease, donation, or otherwise, of real property for any eligible public purpose. In order to be considered acquisition, a permanent interest in the property must be obtained. Long-term leases only qualify as acquisition if they are for 15 years or more. Acquisition of real property is subject to Section 570.606, "Displacement, relocation, acquisition, and replacement of housing of the CDBG regulations". Additionally, acquisition of real property is subject to the requirements under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. 4601-4655).

### **DISPOSITION**

Disposition, through sale, lease, donation or otherwise, of any real property acquired with CDBG funds or its retention for public purposes.

### **PUBLIC FACILITIES AND IMPROVEMENTS**

Acquisition, construction, reconstruction, rehabilitation or installation of public facilities and improvements, carried out by a public or private nonprofit entity: including but, not limited to, streets, curbs, sidewalks, storm drainage, sanitary sewers, parks and recreation facilities, community centers, and libraries. Design features and improvements that promote energy efficiency may be included. Activities may also include architectural design features, and similar treatments intended to enhance the aesthetic quality of facilities and improvements receiving CDBG assistance, such as decorative pavements, railing, sculptures, pools of water and fountains, and other works of art. Facilities containing both eligible and ineligible uses are subject to special policies contained under 'Section 570.200(b) & (c) of the CDBG Regulations.

### **CLEARANCE**

Funds may be made available for clearance, demolition, and removal of buildings and improvements, including movement of structures to other sites. Demolition of HUD-assisted housing units may be undertaken only with the prior approval of HUD.

### **PUBLIC SERVICES**

Provision of public services (including labor, supplies, and materials) including but not limited to those concerned with employment, crime prevention, child care, health, drug abuse, education, fair housing counseling, energy conservation, welfare (but excluding the provision of income payments), homebuyer down payment assistance, or recreational needs. To be eligible for assistance, a public service must be either a new service, or a quantifiable increase in the level of an existing service above that which has been provided by or on behalf of the unit of general local government (through funds raised by the unit, or received by the unit from the State in which it is located) in the 12 calendar months before the submission of the action plan. (An exception to this requirement may be made if HUD determines that any decrease in the level of a service was the result of events not within the control of the unit of general local government).

### **INTERIM ASSISTANCE**

The following activities may be undertaken on an interim basis in areas exhibiting objectively determinable signs of physical deterioration where it has been determined that immediate action is necessary to arrest the deterioration and that permanent improvements will be carried out as soon as practicable.

- (1) The repairing of streets, sidewalks, parks, playgrounds, publicly-owned utilities, and public buildings; and
- (2) The execution of special garbage, trash debris removal including neighborhood cleanup campaigns, but not regular curbside collection of garbage or trash in an area.

### **PAYMENT OF NON-FEDERAL SHARE**

Payment of non-federal share required in connection with a Federal grant-in-aid program undertaken as part of CDBG activities, provided that such payment shall be limited to eligible activities and in compliance with application requirements.

### **RELOCATION**

Relocation payments and assistance may be made for displaced individuals, families, businesses, organizations and farm operations, where the assistance is (1) required under the provisions of Section 570.606(b) or (c) of the CDBG Regulations; or (2) if determined by the City of Hagerstown to be appropriate.

### **LOSS OF RENTAL INCOME**

Payments to housing owners for losses of rental income incurred in holding, for temporary periods, housing units to be used for the relocation of individuals and families displaced by program activities assisted under the CDBG program.

### **HOUSING SERVICES**

Housing services as provided in Section 105(a) (20) which reflects that CDBG funds may be used to pay costs in support of activities eligible for funding under the HOME program. This include services such as housing counseling, energy auditing, preparation of work specification, loan processing, inspections, tenant selections, management of tenant-based rental assistance, and other services related to assisting owners, tenants, contractors and others participating or seeking to participate in the HOME program.

### **HOME OWNERSHIP ASSISTANCE**

CDBG funds may be used to provide financial assistance to LMI households to assist them in the purchase of a home. Specific purposes for which financial assistance, using CDBG funds, may be provided are to:

- (1) Subsidize interest rates and mortgage principal amounts for LMI homebuyers;
- (2) Finance the cost of acquiring property already occupied by LMI households at terms needed to make the purchase affordable;
- (3) Acquire guarantees for mortgage financing obtained by LMI homebuyers from private lenders (except that amount received under this title may not be used under this category to directly guarantee such mortgage financing and grantees under this title may not directly provide such guarantees);
- (4) Provide up to 50 percent of any down payment required for LMI homebuyers; or
- (5) Pay reasonable closing costs (normally associated with the purchase of a home) incurred by a LMI homebuyer.

### **PRIVATELY-OWNED UTILITIES**

CDBG funds may be used to acquire, construct, reconstruct, rehabilitate or install the distribution lines and facilities of privately-owned utilities, including the placing underground of new or existing distribution facilities and lines.

### **CONSTRUCTION OF HOUSING**

CDBG funds may be used in limited circumstances to finance the construction of new permanent residential structures. These limited circumstances include: construction of housing under a Housing Development Grant (HODAG); or construction of housing of last resort under 24 CFR Part 42, Subpart I; or the project is being carried out by a qualified Community-Based Development organization.

### **MICRO-ENTERPRISE ASSISTANCE**

CDBG funds may be used to facilitate economic development through the establishment, stabilization and expansion of micro-enterprises. "Micro-enterprises" has been defined as a business having five or fewer employees, one or more of whom owns the business; "persons developing a MICRO-ENTERPRISE" means a person who has expressed an interest and who is, after an initial screening, expected to be actively working towards developing a business that is expected to be a MICRO-ENTERPRISE at the time it is formed.

### **TECHNICAL ASSISTANCE**

Assistance may be provided to public or nonprofit entities to increase the capacity of such entities to carry out eligible neighborhood revitalization or economic development activities.

### **ASSISTANCE TO INSTITUTIONS OF HIGHER EDUCATION**

Assistance may be provided to an institution of higher education (i.e., secondary schools or higher) when it has been determined that such an institution has demonstrated a capacity to carry out activities that fall under one or more of the basic eligibility categories under the CDBG program.

### **REHABILITATION AND PRESERVATION ACTIVITIES**

CDBG funds may be used to finance rehabilitation and related costs for buildings and improvements. Rehabilitation services, such as rehabilitation counseling, housing counseling, energy auditing, preparation of work specification, loan processing, inspection, tenant selection, management of tenant-based rental assistance, and other services related to assisting owners, tenants, contractors and other entities, participating or seeking to participate in housing activities authorized under this section, or under Title II of the Cranston-Gonzalez National Affordable Housing Act, except that activities under this paragraph shall be subject to any limitation on administration expenses imposed by law.

### **CODE ENFORCEMENT**

Costs incurred for inspection of code violations and enforcement of codes in deteriorating or deteriorated areas where such enforcement together with public improvements, rehabilitation or services to be provided may be expected to arrest the decline in the area.

### **HISTORIC PRESERVATION**

Rehabilitation preservation or restoration of historic properties, whether publicly or privately owned. Historic properties are those sites or structures that are either listed in or eligible to be listed in the National Register or Historic Places, listed in a State or local inventory of historic places, or designated as a State or local landmark or historic district by appropriate law or ordinance. Historic Preservation, however, is not authorized buildings for the general conduct of government.

### **RENOVATION OF CLOSED BUILDINGS**

Funding may be provided to assist with the renovation of closed buildings such as school buildings, for use as an eligible public facility or to rehabilitate such buildings for housing.

### **LEAD-BASED PAINT HAZARD EVALUATION AND REDUCTION**

Lead-based paint hazard evaluation and reduction as defined in Section 1004 of the Residential Lead-Based Paint Hazard Reduction Act of 1992.

### **SPECIAL ACTIVITIES BY COMMUNITY-BASED DEVELOPMENT ORGANIZATIONS (CBDO)**

CDBG funds may be provided to certain types of sub-recipients to carry out several types of community development activities. Such organizations must meet certain qualifying characteristics outlined under Section 570.204 (c) of the CDBG Regulations to carry out neighborhood revitalization, community economic development or energy conservation projects.

### **SPECIAL ECONOMIC DEVELOPMENT**

Funding may be provided for the acquisition, construction, reconstruction, rehabilitation or installation of commercial or industrial buildings, structures and other real property, equipment and improvements, including railroad spurs or similar extension. Such activities may be carried out by the City of Hagerstown; public or private non-profit subrecipient; or private for-profit businesses, where it is determined that the assistance is appropriate to carry out an economic development project. An analysis must be conducted to determine that the amount of any financial assistance is not excessive, taking into account the actual needs of the business in making the project financially feasible and the extent of public benefit expected to be derived from the economic development project.

### **ELIGIBLE PLANNING ACTIVITIES**

CDBG funds may be used for studies, analysis, data gathering, and preparation of plans and identification of actions that will implement such plans. Types of plans that may be paid for with CDBG funds include, but are not limited to: comprehensive plans; individual project plans; community development plans; capital improvement programs; small area and neighborhood plans; analysis of impediments to fair housing choice; environmental and historical studies; functional plans.

### **PROGRAM ADMINISTRATION COSTS**

Payment of reasonable administrative costs and related carrying charges related to the planning and execution of community development and housing activities, including provision of information and resources to residents of areas in which community development and housing activities are to be concentrated with respect to the planning and execution of such activities.

### **INELIGIBLE ACTIVITIES**

1. Buildings or portions thereof used for the general conduct of government.
2. General government expenses.
3. Political activities. CDBG funds shall not be used to finance the use of facilities or equipment for political purposes or to engage in other partisan political activities, such as candidate forums, voter transportation, or voter registration.
4. The purchase of equipment with CDBG funds is generally ineligible.
5. Construction equipment is generally ineligible.
6. The purchase of equipment, fixtures, motor vehicles, furnishing, or other property not an integral structural fixture is generally ineligible.
7. Expenses associated with repairing, operating or maintaining public facilities, improvement and services is ineligible. Examples include: maintenance and repair of publicly owned streets, parks, playgrounds, water and sewer facilities, neighborhood facilities, senior centers, centers for persons with disabilities, parking and other public facilities and improvements; payment of salaries for staff, utility costs and similar expenses necessary for the operation of public works and facilities.
8. New construction of low or moderate-income housing is generally ineligible except under certain circumstances as outlined under Section 570.207(b) (3) of the CDBG regulations.
9. CDBG funds shall not be used for income payments. Income payments means: a series of subsistence-type grant payments made to an individual or family for items such as food, clothing, housing (rent or mortgage) or utilities, but excludes emergency grant payments made over a period of up to three consecutive months on behalf of an individual or family.



**City of Hagerstown's  
CDBG PROJECT/PUBLIC SERVICE  
GRANT APPLICATION  
INSTRUCTIONS**

**Format**

Use the Checklist to ensure that you are submitting a completed package. Incomplete packages may not be considered for funding.

Submit your application on 8.5" x 11" paper.

Please submit the original application **and** one copy of the original. Faxed documents will not be accepted.

**Application Submission**

All items on the Grant Application Checklist must be submitted at the time of application. Only eligible projects that have complete applications will be accepted. All applications must be received by no later than December 30, 2014, at 4:00 pm to be considered.

**Mail Completed Applications to:**

City of Hagerstown  
Department of Community and Economic Development  
14 N Potomac Street, Suite 200A  
Hagerstown, Maryland 21740  
Attn: Jonathan Kerns

**For More Information**

Staff at the Community and Economic Development Department are available to help you with technical advice and to answer any questions you may have. Applicants are encouraged to call with project summary before completing an application. Please feel free to telephone Sarah Nelson, Planning & Outreach Coordinator at 301-739-8577 ext. 820 for further information or assistance. The CDBG Application and Guidelines are available on the City's web site at [www.hagerstownmd.org](http://www.hagerstownmd.org).



**CITY OF HAGERSTOWN, MARYLAND  
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM  
PROJECT/PUBLIC SERVICE FUNDING REQUESTS  
FOR FISCAL YEAR 2014 FUNDS**

Application Deadline:  
January 16, 2015

**APPLICATION CHECKLIST**

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**Completeness Checklist:**

**\_\_ Cover Page**

- Certification
- Federal I.D Number

**\_\_ Executive Summary**

**\_\_ Community Need**

**\_\_ Project Description**

- Project Location (map if appropriate)

**\_\_ Organizational Information & Capability**

- Board of Directors
- 501(c) 3 Certification
- Certificate of Good Standing
- Articles of Incorporation
- By-laws

**\_\_ Community Development (Collaboration)**

**\_\_ Action Plan**

- Estimated Project Budget
- Timeline

**\_\_ Leveraging**

- Evidence of other funding commitments

**\_\_ Capital Projects Information**

- Zoning compliance
- Evidence of site control
- Evidence of balance of financing in place
- Absence of Environmental impact
- Absence of outstanding legal issues

**Section 1: Cover Page**  
**City of Hagerstown**  
**Community Development Block Grant (CDBG)**  
**FY: 2015/2016**

(For City Use Only)  
APPLICATION NUMBER  
01-\_\_\_\_\_

Type of Funding Requested:

- Public Service Funding
- Capital Project:
  - Housing
  - Public Facility (If yes, indicate interest in funding in the form of a loan:  Interested  Not Interested)
  - Other: \_\_\_\_\_
- Housing/Home Ownership Services

Project Title: \_\_\_\_\_

Amount of CDBG Funds Requested: \$ \_\_\_\_\_

Amount of Total Project Budget: \$ \_\_\_\_\_

**Applicant Information:**

Legal Name of Applicant/Organization: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Telephone: (\_\_\_\_) \_\_\_\_\_ Fax (\_\_\_\_) \_\_\_\_\_

E-mail: \_\_\_\_\_

Federal I.D. # \_\_\_\_\_ DUNS # \_\_\_\_\_

\_\_\_\_\_

**Certification**

*I certify that I have reviewed this application and that, to the best of my knowledge and belief, all of the information provided in the application is true.*

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

**Section 2: Executive Summary**  
**City of Hagerstown**  
**Community Development Block Grant (CDBG)**  
**FY: 2015/2016**

Provide a project summary that identifies the services to be provided and/or the improvements to be made as well as the population to be served. The summary should also indicate the needs the proposed project will address and the outcomes or goals it is intended to achieve. Outcomes should be S.M.A.R.T. (Specific, Measurable, Achievable, Realistic & Time Bound). (Maximum length -100 words)

**Section 3: Community Need**  
**City of Hagerstown**  
**Community Development Block Grant (CDBG)**  
**FY: 2015/2016**

Describe the unmet community needs that the proposed project or service will address. Explain how you identified such needs, and how your project will address them. Include census, survey and/or other data as appropriate.

**Section 4: Project Description**  
**City of Hagerstown**  
**Community Development Block Grant (CDBG)**  
**FY: 2015/2016**

4a. Describe the project and/or services to be provided, identify factors that make the proposed project unique or innovative. Included the purpose of the project and the desired results.

\*\*For those projects involving construction and rehabilitation, please attach available plans, schematics, specifications and cost estimates.

\*\*If this request is for operating funds, explain how your organization will coordinate the proposed program with existing services.

4b. Number of City Residents to be Served/Documentation of Income and City Residence

Approximately how many **City** residents will be served by the proposed project? \_\_\_\_\_

Approximately what percentage of those will be of low or moderate income (see the City's FY15 Fact Sheet and Funding policy definitions of "low" & "moderate" income)?

Please provide the following information on benefit to low and moderate income (LMI) person:

Total estimated number of beneficiaries: \_\_\_\_\_

Total estimated LMI persons: \_\_\_\_\_

Percent of LMI beneficiaries: \_\_\_\_\_ %

CDBG dollars per LMI beneficiary: \$ \_\_\_\_\_

Describe who will benefit from the project specifically:

How will you document:

- (a) The income of those served (e.g., income tax returns, affidavit, etc.) or members of special needs population (see list, page 18)?
- (b) The residence (City or non-City) of those served (e.g., street address)?

4c. Location of Project/Primary Service Area(s)

If applicable, please provide the street address for the proposed project: *(All projects must benefit primarily Hagerstown residents and should be located in the city, if the project location is not in the City, provide documentation that shows the project will serve primarily Hagerstown residents.)*

Describe the primary service area(s) for the proposed project—that is, the geographic area from which most of the clients will come. If the service area is Citywide, please state that; however if expected beneficiaries live in certain neighborhoods, areas, or parts of the City please identify those areas by street, neighborhood, community or Census tract.

4d. Special Needs Population

Please identify any special needs populations (see list below) to be served by your project. More than one group may be identified. For any special needs population identified, estimate the number of persons your project will serve.

Special Needs Population	Number
Persons who are homeless	
Persons with physical disabilities	
Persons with mental disabilities	
Elderly Persons (62 or older)	
At-risk children and youth (type of risk: _____ )	
Other (specify: _____ )	
Persons with multiple special needs as listed above (specific: _____ )	

4e. Racial/Ethnic Category

Approximately what percentage of those persons served by the proposed project fall within each of the following racial/ethnic categories:

Racial/Ethnic Category	% of Persons Served
Non-Hispanic White	
African American	
Hispanic	
Asian/Pacific Islander	
American Indian/Alaskan Native	
<b>Total</b>	<b>100%</b>

**Section 5: Organization Experience & Capability**  
**City of Hagerstown**  
**Community Development Block Grant (CDBG)**  
**FY: 2015/2016**

5a. Background

1. On what date was your organization incorporated?
2. Number of paid staff in your organization: Full-time: \_\_\_\_\_ Part-time: \_\_\_\_\_
3. Number of paid staff currently with your organization who will work on the proposed project: Full-time: \_\_\_\_\_  
Part-time: \_\_\_\_\_
4. Number of new staff who will be hired to work on the proposed project, if funded: Full-time: \_\_\_\_\_ Part-time: \_\_\_\_\_
5. Will consultants be hired to help implement the project?  
Yes \_\_\_\_\_ No \_\_\_\_\_  
If Yes, please describe the services the consultants will offer:

**Note:** If your organization is funded, all subcontracts executed to carry out this project must be approved by the City.

6. What is the amount of your current annual operating budget? \$ \_\_\_\_\_  
List your major sources of funding and indicate the level of funding each provides:

5b. Mission and Activities

Describe your organization's mission and how the proposed project fits within this mission and current activities.

Describe your organization's most recent key accomplishments (awards, recognitions, certifications, etc.)

5c. Attachments

Please provide the following information as an attachment:

- A. List of names of your Board of Directors, with addresses, phone numbers, years on the board and when their term is due to expire.
- B. Copy of your latest audited financial statement and current operating budget.
- C. Copies of the last three (3) year's IRS Form 990.
- D. Documentation that your agency is a certified 501(c) 3 non-profit.
- E. Certificate of Good Standing from the Maryland State Department of Assessment and Taxation.
- F. Articles of Incorporation
- G. Copy of By-Laws

**Section 6: Community Development (Collaboration)**

**City of Hagerstown**

**Community Development Block Grant (CDBG)**

**FY: 2015/2016**

Describe how you will work with area organizations and agencies to ensure that services provided through the proposed project are coordinated with other services being delivered in the community.

List any State, County or local networking or coordinating groups that you belong to:

**Section 7: Action Plan**  
**City of Hagerstown**  
**Community Development Block Grant (CDBG)**  
**FY: 2015/2016**

7a. Budget (Note: this form seeks information only for the project for which you are requesting funds. Do NOT include your organization's total operating budget.)

	<b>CDBG</b>	<b>Other</b>	<b>Sources of Other funds</b>	<b>Total</b>
Salaries				
Fringe Benefits				
Travel				
Mileage				
Conferences				
Contractual Services				
Professional Services				
Service Contracts				
Rent and Utilities				
Facilities Rental				
Telephone				
Gas & Electric				
Postage				
Equipment Rental				
Supplies and Materials				
Office Supplies				
Reproduction and Printing				
Other (Specify)				
<b>TOTAL</b>				

7b. Partial Funding

By providing partial funding for multiple projects, rather than full funding for a few projects, the City may be able to address numerous requests. Please describe in detail specific changes to your project or scope of services that could be made if your project were partially funded. Explain how such changes could be made and whether additional funds could be obtained from other sources.

7c. Timing

Any CDBG funds awarded should be fully expended within 12 months of the date of the contract signing. Indicate below how activities will be undertaken and how funds will be spent each quarter to meet this timeframe requirement:

<b>Quarter</b>	<b>Activities Undertaken and/or Results Achieved</b>	<b>Estimated CDBG Costs</b>	<b>Other Project Costs</b>
<b>1<sup>st</sup> Three Months</b>			
<b>2<sup>nd</sup> Three Months</b>			
<b>3<sup>rd</sup> Three Months</b>			
<b>4<sup>th</sup> Three Months</b>			

7d. Key Staff and Resumes

List the key staff members who would be responsible for carrying out the proposed project. For each, provide a name and/or title, telephone number, and e-mail. For each, also indicate the number of years with the organization, job responsibilities relevant to the proposed project, and the percentage of his or her time to be devoted to the project.

If new staff will be hired to carry out this project, indicate for each the proposed job title, responsibilities, and the percentage of time the staff person will spend on the project.

\*At the end of your completed application, please attach resumes of your chief administrative executive, and/or financial officers and any other key staff members who will work on the proposed project.

**Section 8: Leveraging  
City of Hagerstown  
Community Development Block Grant (CDBG)  
FY: 2015/2016**

8a. Have you applied for funding from other sources for the proposed project? Yes \_\_\_ No \_\_\_

If "yes," please list the organization (s) from which you have requested funding and the amount of funding request/secured:

Total amount of funds leveraged with the use of CDBG funds: \_\_\_\_\_

8b. Explain the use of any volunteers or in-kind contributions for this project:

8c. Do you anticipate the project will need federal funds after this year? Yes \_\_\_ No \_\_\_

If yes, how much? \$ \_\_\_\_\_ For how long? \_\_\_\_\_

Why is continues federal funding necessary?

8e. Explain *in detail* how you will continue this project if CDBG funds are no longer available:

**Section 9: Capital Projects Information**  
**City of Hagerstown**  
**Community Development Block Grant (CDBG)**  
**FY: 2015/2016**

If this is a capital project, please provide documentation of zoning compliance, site control, balance of financing in place, absence of potential environmental impact and absence of outstanding legal issues.