

CITY OF BURLINGTON, VERMONT  
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

**I. General Information**

The City of Burlington is allocated a certain amount of money each year by the U.S. Department of Housing and Urban Development (HUD) through the Community Development Block Grant (CDBG) Program. The CDBG Program is a principal revenue source for local communities to address the roots and consequences of poverty. The City solicits proposals for funding from community- and faith-based organizations, non-profits, City Departments, and citizens. Please review all of the information in this Application Packet so that you understand the process and the requirements for CDBG funding.

**Project proposals for 2012 must be submitted on or before Monday, December 19, 2011, at 4:00 p.m.** Project proposals submitted after that time **will not** be considered for funding. **Seventeen (17) double-sided, 3-hole punched copies of the Application, one electronic PDF version of the Application and one signed original of the Conflict of Interest Statement** must be submitted using the appropriate "Application Form" included in this packet. Please **staple** the copies. **Do not** submit any information other than what has been requested, do **not** exceed the application **page limit of 8** pages, and do **not** submit attachments other than the Conflict of Interest Statement. Additional information may be requested of you at a later date.

The paper copies of the Application Form and the signed original of the Conflict of Interest Statement should be mailed *or* hand-delivered to:

Margaret Bozik / CDBG 2012  
Community & Economic Development Office  
149 Church Street  
Room 32 - City Hall  
Burlington, VT 05401

The electronic version of the Application Form should be sent to [mbozik@ci.burlington.vt.us](mailto:mbozik@ci.burlington.vt.us).

Applications are reviewed for eligibility by the Community & Economic Development Office (CEDO). Eligible applications are then reviewed by the Citizen Advisory Board, which makes funding recommendations to the Mayor and the City Council. A public hearing is held on those recommendations as the final step of the allocation process.

**II. Timeline**

<b>Application Deadline</b>	<b>December 19, 2011 at 4 p.m.</b>
CEDO reviews applications for eligibility	December 20 - January 3
Advisory Board meets and makes recommendations	January - Early-April
Advisory Board requests for additional information (if any) e-mailed/faxed:	
• Public Service Applications	January 26-27, 2012
• Development Applications	March 16-17, 2012
<b>Deadline for responses to requests for additional information:</b>	
• Public Service Applications	<b>February 1, 2012 at 4 p.m.</b>
• Development Applications	<b>March 23, 2012 at 4 p.m.</b>
Notice of funding recommendations goes out	April 6, 2012
Mayoral review and recommendation	Mid-April
City Council Public Hearing	April 23, 2012 (tentative)

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### III. Funding Availability

Last year, the Department of Housing and Urban Development (HUD) appropriated \$812,555 of Community Development Block Grant funds to the City. The appropriation for the next program year has not yet been announced. The number of applications funded, and the amounts, may be restricted depending on the city's allocation and the available administrative funding. Funding for projects receiving awards is expected to become available on July 1, 2012.

Of the total amount appropriated to the City, the maximum allowable (in the past, 20%) will be used for Administration. Public Service Projects are limited by Federal regulations to 15% of the total appropriation. The remaining funding is expected to be used for Development Projects.

#### A. Public Service Projects

Public Service Projects are restricted to 15% of the total CDBG allocation. To avoid the submission of unrealistic grant requests, *a maximum level of \$12,000 is suggested for each Public Service request.* All Public Service Projects must be completed by June 30, 2013.

#### B. Development Projects

Development grants can be used for public facilities and improvements, economic development initiatives, and affordable housing initiatives.

### IV. General Funding Policies

Burlington's goal through the CDBG Program is to reduce the number of residents living in poverty. Toward this end, the City funds projects that (1) address a priority need identified by the residents of Burlington in the City's 2008 Consolidated Plan ([http://www.cedoburlington.org/cdbg/2008\\_con\\_plan/table\\_of\\_contents.htm](http://www.cedoburlington.org/cdbg/2008_con_plan/table_of_contents.htm)) and (2) are consistent with the City's resource allocation policy. The resource allocation policy (set forth in the Consolidated Plan and available at [http://www.cedoburlington.org/cdbg/2008\\_con\\_plan/3\\_X.htm](http://www.cedoburlington.org/cdbg/2008_con_plan/3_X.htm)) is designed as a tool to guide the allocation of limited resources in a way that most effectively addresses the needs of Burlington residents living in poverty.

Each application for CDBG funding must comply with the Federal requirements described in Section V below. In addition, each application must satisfy one of the three following overriding goals:

- ❖ The project must help people move out of poverty, or
- ❖ The project must prevent people from entering poverty, or
- ❖ The project must address the basic needs of people living in poverty.

After looking for compliance with one of these three objectives, the Citizen Advisory Board is asked to rate each CDBG application based on whether the proposed project:

- Creates and supports opportunities for economic independence or reduces barriers to quality employment
- Creates opportunities for disadvantaged groups of people (i.e., women with children living in poverty, minorities, people with disabilities, people with limited English proficiency, at-risk youth)
- Supports basic human needs including food, shelter, health care, fuel, safety, education and employment
- Builds and/or supports the capacity of local organizations to address residents' needs
- Captures local dollars and prevents them from "leaking out" out of the community
- Demonstrates cooperation/collaboration between agencies to maximize benefits
- Leverages resources (volunteers, other funding, etc.)
- Demonstrates the administrative and programmatic capacity to effectively carry out the project
- Involves community participation in the design, implementation or evaluation of project
- Shows a commitment to accessibility and equal opportunity within the agency and in the delivery of services
- Supports, complements or is consistent with other City plans

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- Is sustainable over time and/or will have sustainable results
- Does not have a more appropriate source of funds

## V. Eligibility Requirements

Applications for CDBG funding must meet the requirements of **both** Section A (relating to national objectives) **and** Section B (relating to eligible activities) below. These are Federal requirements prescribed by the Housing and Community Development Act of 1974, as amended, and by the implementing Federal regulations at 24 CFR Part 570.

### A. Threshold Criteria – National Objectives

In order for a project to be funded with CDBG funds, it must meet one of the following three national objectives:

1. Benefits low and moderate income persons as per the guidelines established by the U.S. Department of Housing and Urban Development.

Locally, the primary use of CDBG funds is for services and programs for low and moderate income persons. In order to be eligible, the project must either serve an **eligible geographic area** (a map is provided at the end of this section) or it must benefit low and moderate income persons directly (through serving a targeted population). A **direct benefit to low and moderate income persons** may come through services, through housing or through jobs.

If your project falls in the direct benefit category, then at least 51% of the people served by your project/program must be low and moderate income Burlington residents. **You must keep records** (i.e., intake form, application, etc.) **to verify the income by household size and the residence of those served by your project/program.** Certain groups of people are presumed by HUD to be principally low/moderate income persons. Those groups include: abused children; elderly persons; battered spouses; homeless persons, adults meeting Bureau of Census' definition of severely disabled persons; illiterate adults; persons living with AIDS; and migrant farm workers. If your project/program *exclusively* serves one of these groups, you may document the limited nature of your clientele without documenting actual client income. You can use participation in other programs (i.e., JTPA, National School Lunch Program) as a "proxy" for CDBG income-eligibility *if* the income guidelines for that are as least as restrictive as CDBG guidelines.

"Moderate income" means a household whose income does not exceed 80% of the median family income for the area. The 2011 low and moderate income dollar guidelines are available at [http://www.cedoburlington.org/cdbg/income\\_limits.htm](http://www.cedoburlington.org/cdbg/income_limits.htm). The 2012 low and moderate income dollar guidelines will be published in or around February 2012. Please call the CEDO office to obtain those guidelines or visit the website.

2. Aids in the prevention or elimination of slums and blight.
3. Meets other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health and welfare of the community and where other financial resources are not available to meet such needs.

If you are considering a project under either the "elimination of slums and blight" or the "immediate threat to health and safety" objective, please contact CEDO **prior** to completing your application.

### B. Eligible Activities

This section describes many of the activities which can be assisted with CDBG funds under the Federal regulations. There are a limited number of additional miscellaneous activities which may be eligible for funding. **If you have a question about the eligibility of an activity for which you want to seek funding, please contact CEDO.**

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Eligible activities include:

1. Purchase, sale, lease or other disposition of real property.
2. Clearance, demolition and removal of buildings.
3. Rehabilitation of publicly or privately owned residential property; commercial/industrial property (but if privately-owned, only for exterior improvements and correction of code violations); and nonresidential buildings and improvements owned by a nonprofit. Funding can be used for:
  - a. Labor, materials and other costs relating to rehabilitation.
  - b. Grants, loans, loan guarantees and other forms of assistance for financing rehabilitation.
  - c. Loans for refinancing indebtedness.
  - d. Improvements to increase the energy efficiency of buildings and/or the efficient use of water.
  - e. Installing sprinkler systems, smoke detectors, deadbolt lock and other security devices.
  - f. Connecting residential structures to water or sewer collection lines.
  - g. Initial homeowner warranty premiums and hazard or flood insurance.
  - h. Lead-based paint hazard evaluation and reduction.
  - i. Rehabilitation services (counseling, energy auditing, preparation of work specifications, loan processing, inspections, etc.).
  - j. Historic preservation.
  - k. Converting a closed building from one use to another.
  - l. Removal of architectural barriers to accommodate people with disabilities.

Funding cannot be used for costs of equipment, furnishings or other personal property, or for the labor costs for homeowners to rehabilitate their own property.

4. Relocation assistance to businesses, individuals, families, and non-profit organizations displaced by CDBG activities, and loss of rental income incurred in connection with the temporary relocation of displaced individuals and families.
5. Code enforcement.
6. Homeownership assistance.
7. Interim assistance either to alleviate an emergency condition or to cover limited, immediately needed improvements to a deteriorating area as a prelude to permanent improvements. These limited improvements can include special neighborhood cleanup campaigns.
8. Purchase, construction, reconstruction, rehabilitation or installation of public facilities and improvements. Public facilities include schools, libraries, and special needs shelter facilities (nursing homes, hospitals, domestic violence shelters, homeless shelters, halfway houses, group homes, emergency shelters). Public improvements include streets, sidewalks, curbs, parks, playgrounds, water and sewer lines, parking lots, and aesthetic amenities on public property (trees, sculptures, etc.).
  - a. A "public facility" may be owned and operated by a non-profit (i.e., senior centers, neighborhood centers) as long as it is open to the general public.
  - b. Buildings used primarily for the general conduct of government are ineligible.

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- c. Flood and drainage facilities and parks established as a result of reclamation of land near a river are ineligible unless certain requirements are met.
  - d. CDBG funds cannot be used to operate or maintain public facilities/improvements.
  - e. CDBG funds cannot be used to buy construction equipment, to buy furnishings or other personal items, or for new construction of public housing.
9. Public services, including but not limited to child care, health care, job training, recreation programs, education programs, public safety services, services for seniors, services for the homeless, substance abuse treatment, fair housing counseling, and energy conservation.
- a. Grants for public services may not exceed 15% of the City's total annual CDBG appropriation.
  - b. CDBG funds cannot be substituted for recent City or State funds supporting public services. The service must be a new service or a "quantifiable increase in the level of service" above that provided by or on behalf of the City through City or State funds since May 2010.
  - c. Ongoing grants or non-emergency payments to individuals for food, clothing, rent, utilities or other income payments are **not** eligible activities.
10. Special economic development activities, including:
- a. Acquisition, construction, reconstruction, rehabilitation or installation of commercial or industrial buildings, structures, and improvements.
  - b. Grants, loans, loan guarantees, interest supplements, and technical assistance to private for-profit businesses.
  - c. Economic development services including outreach efforts to market available forms of assistance; screening of applicants; reviewing and underwriting applications for assistance; preparation of necessary agreements; management of assisted activities; and screening, training, referral, and placement of applicants for employment opportunities generated by CDBG-eligible economic development activities.
11. Microenterprise assistance in the form of loans, grants, technical assistance and general business support services.
12. Grants or loans to any qualified Community-Based Development Organization (CBDO) to carry out a neighborhood revitalization, community economic development, or energy conservation project. For a description of eligible CBDO's and activities, please contact CEDO.

**C. Ineligible Activities**

The general rule is that any activity which is not specifically authorized above is ineligible for CDBG funding. There are also some activities which are specifically identified in the Federal regulations as categorically ineligible. These activities cannot be assisted with CDBG funds under any circumstances:

1. Buildings or portions thereof, used predominantly for the general conduct of government, including city halls, jails, police stations, courthouses, and other state and local government buildings. (This does not include removal of architectural barriers or land acquisition costs).
2. General government expenses.
3. Political activities.

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4. The following activities are generally ineligible unless authorized as a Special Economic Development Activity or when carried out by a Community-Based Development Organization:
  - a. Purchase of equipment.
  - b. Repairing, operating or maintaining public facilities (streets, parks, playgrounds, water and sewer facilities, parking, neighborhood centers, and similar public facilities).
  - c. New housing construction (with certain exceptions).
  - d. Income payments.

**VI. Additional Considerations**

CDBG funding is on a reimbursement basis only. Your agency must pay for goods or services prior to requesting CDBG funds from CEDO.

You cannot request reimbursement for expenses incurred prior to July 1, 2012.

Your accounting records must adequately identify the use of CDBG funds. Generally, this means you must separately account for CDBG funds in your financial recordkeeping. For example, if you use CDBG funds to pay for part of your rent, or part of a staff member's salary, you should have a separate expense code, as well as a separate revenue code, specifically for CDBG. If a staff member spends time on both CDBG-funded and non-CDBG-funded activities, that staff person must have time sheets showing the time spent on those various activities.

If your project involves physical alterations or construction, it will require an environmental review before you can begin incurring costs to be reimbursed with CDBG funds. It may also be subject to Davis Bacon wage and/or other special labor-related requirements. You must consult with CEDO on these requirements **before** the project begins.

## Instructions for Filling out CDBG Application Form

- I. CDBG Funding Request:** Enter the amount of money you are requesting from CDBG.
- II. Project Summary:** This is only a summary. Limit your answer to a couple of sentences. You will be given an opportunity through later questions to provide more information.
- III: Description of Organization:** Self-explanatory.
- IV: Project Description:** In this section, Board members *only* want to know about the *CDBG-funded* services to be offered. Include non-CDBG funded services that you offer and want the Board to know about in your Description of Organization, above. Some examples are provided below:

Specific Service / Activity:	CDBG will pay for:	Unduplicated Total # Households / Persons to be Served:	Unduplicated Total # of Burlington Households / Persons to be Served:	Outcome(s):
Ex.: Case management for homeless families	1.5 Case Managers	150 Families (400 People)	100 Families (300 People)	100 families will be placed in shelter / other emergency housing 60 families will be placed in transitional / permanent housing 45 family members will get jobs
Ex.: Financial education	2 classes, each lasting 4 weeks	25 People	22 People	95% of participants will demonstrate increased budgeting skills
Ex.: Rehab of XYZ Housing Project	Soft costs (development and financial staff, legal services, permits, architects)	80 Households	80 Households	80 affordable housing units will be renovated to improve living conditions
Ex.: Access Modifications	Grants to property owners and program management	5 Households	5 Households	5 disabled residents will be able to live in and get out of their homes
Ex.: Entrepreneurial Training	2 classes, each lasting 6 weeks	25 People	20 People	6 people will start a business within a year 6 people will be able to maintain and/or grow their existing business

Specific Service / Activity	Position/Title	Work Related to CDBG-Funded Activity	# of Hours per Week spent on this Specific Service / Activity	% of Hours per Week spent on this Specific Service / Activity to be paid with CDBG
Ex.: Case management for homeless families	Case manager	Meet regularly with clients, prepare individual service plans, collect data, prepare reports	40	100%
Ex.: Financial	Program	Develop curriculum, recruit	25	50%

education	Manager	students, teach classes, meet with clients, collect data		
Ex.: XYZ Housing Project	Developer	Develop pro formas, hire architects, obtain permits, historic preservation, bid and manage contracts, relocate tenants	40	20%
Ex.: XYZ Housing Project	Financial staff	Process payroll and invoices, prepare draw downs and reports, audit	Varies week to week, 5 on average	25%
Ex.: Access Modifications	Program Manager	Interview clients, prepare grant agreements, ensure compliance with historic preservation and other environmental review, Davis Bacon, lead safety requirements, help with city permitting and contractors	Varies week to week, 10 on average	100%
Ex.: Entrepreneurial Training	Program Manager	Develop curriculum, recruit students, collect applications and data	35	100%
Ex.: Entrepreneurial Training	Teachers	Teach classes	10	100%

**V to XIII:** Self-explanatory.

**XIV. Budget Summary**

Use this section to explain how your CDBG funding request fits within the present and future funding framework of your organization and how you will leverage other resources with CDBG funds.

**Project:** The activity(ies) for which CDBG funds will be used. CDBG funds could be used to pay for all or part of the activity(ies). Include **all** project funding sources, current and projected.

**Agency:** The *entire* agency, as incorporated as a non-profit agency. (City departments should consider themselves as agencies.) Include the **entire** agency budget, not just for this project.

**Current:** The year in which you are *now* operating -- your current budget.

**Projected:** Your budget for next year. **This includes your 2011 CDBG request** as well as your requested or projected funding from other sources.

**XV. Project Budget Sources and Uses:** Show all line items and funding sources for the proposed project for a total project cost. Provide specific information about funding sources (i.e., the agency/entity and the program/activity which are the source of the funds). Your total amounts here should match the asterisked amounts in the budget summary and should tie into the Project Description in Section IV.

Your completed application cannot exceed eight pages. You can readjust the spacing of the questions, but the entire application must still meet the eight-page limit. There are no specific font requirements, but please keep in mind that Board members read, typically, anywhere from 30 to 50 applications – and will not appreciate a tiny, hard-to-read font. **Attached materials will be removed and discarded!**

**Conflict of Interest Statement**

In order to ensure compliance with federal and local conflict of interest proscriptions, applicants must complete and submit **one** signed original of the attachment Conflict of Interest statement.