

## APPENDIX E

### Application Information

#### A. SCORING LEVEL DEFINITIONS

**Ranking Criterion #1 - Community Planning**

**Ranking Criterion #2 - Need for Project**

**Ranking Criterion #3 - Project Strategy**

**Ranking Criterion #4 - Community Efforts and Citizen Participation**

**Ranking Criterion #6 - Implementation and Management**

The following general definitions would be applied to all non-quantitative ranking criteria relative to the overall quality of the applicant's response or situation relative to the ranking criteria and applicable special requirements. The level actually assigned will also depend upon the applicant's specific responses to the overall ranking criterion and the applicable ranking issues listed under each criterion.

- LEVEL 5:** In order for an application to receive a "LEVEL 5" it would have to have provided a very complete narration that thoroughly addressed the overall criterion, applicable ranking issues, and minimum requirements, including very complete substantive supporting documentation to support its claims. The Applicant's response to the ranking criterion (or the Applicant's actions or situation relative to the ranking criterion) is considered exemplary, particularly innovative, or to be extremely consistent with the intent of the ranking criterion. There were no ranking issues of any significance that were not adequately addressed.
- LEVEL 4:** In order for an application to receive a "LEVEL 4" it would have to provide a very thorough narration addressing the overall criterion, applicable ranking issues, and minimum requirements, with strong documentation to support its claims. The Applicant's response to the ranking criterion (or the Applicant's actions or situation relative to the ranking criterion) is considered above average, very thorough, or to be very consistent with the intent of the ranking criterion. A "LEVEL 4" score would not reflect the level of excellence or be as consistent with the intent of the ranking criterion as a "LEVEL 5" would be. The application may not have completely addressed some ranking issues, but these were considered to be minor concerns.
- LEVEL 3:** In order for an application to receive a "LEVEL 3" it would have provided an adequate narrative addressing the overall criterion, applicable ranking issues, and minimum requirements, with acceptable documentation to support its claims. The Applicant's response to the ranking criterion (or the Applicant's actions or situation relative to the ranking criterion) is considered average, adequate, or to be generally consistent with the intent of the ranking criterion. The application meets the minimum requirements for responding to the criterion and has documented compliance with the special requirements that are pertinent to the ranking criterion; however, the application may not have adequately considered some ranking issues that were considered to be potentially important.
- LEVEL 2:** In order for an application to receive a "LEVEL 2" it would have provided some narration addressing the overall criterion, ranking issues, and minimum requirements, but may have provided weak or inadequate responses and/or documentation to clearly or completely support its claims or compliance with a requirement. The Applicant's response to the ranking criterion (or the Applicant's actions or situation relative to the ranking criterion) is considered below average, inadequate, or

not entirely consistent with the intent of the ranking criterion. The application has not met all the minimum requirements for responding to the ranking criterion or has not complied with all the special requirements that are pertinent to the ranking criterion. The application may not have been complete or did not consider or adequately address some ranking issues that were considered to be important.

**LEVEL 1:** In order for an application to receive a "LEVEL 1" it would have serious weaknesses in its narrative responses to the ranking criterion, ranking issues, and lack critical supporting documentation, or would fail to adequately document compliance with one or more of the general, threshold CDBG requirements or a critical special requirement for the category applied for. The Applicant's response to the ranking criterion (or the Applicant's actions or situation relative to the ranking criterion) is considered very weak, seriously inadequate or inconsistent with the intent of the ranking criterion. The application either did not address or did not provide sufficient information regarding several critical ranking issues.

**LEVEL 0:** In order for an application to receive a "LEVEL 0" it would have failed to provide a response of any kind or would not meet a general statutory threshold requirement for the CDBG program that is related to the ranking criterion.

### **Ranking Criterion #2 and 3 – Project Concept and Technical Design**

CDBG will use the parallel TSEP ranking criterion general scoring definitions to rank the Need for Project and Project Concept and Technical Design for the proposed CDBG project.

### **B. ADDITIONAL INFORMATION**

#### **CDBG-Specific Information Required for Completing the Uniform Application Form**

Each applicant must provide a completed copy of *Montana's Uniform Application Form for Housing Loan, Grant and Tax Credit Programs* in the CDBG project application. It is important to carefully complete the application, and in particular the financial information section, since the information provided in the form will be used to score the CDBG application. This information will also be used in the financial analysis to rank each applicant.

#### **Proposed non-CDBG Funding Sources**

The applicant should describe the availability or commitment of all other resources that are to be used to fund the proposed CDBG project. Applicants requesting a CDBG grant need to document that the proposed funding for the project is viable and can be assembled in a reasonable amount of time. The degree to which non-CDBG resources are committed to the project may affect the number of points received in the scoring of the proposed project. The applicant should attempt to obtain and provide documentation from a non-CDBG funding source where the applicant is eligible and from which they are likely to receive funding.

The amount of CDBG assistance recommended may differ from that originally requested by the applicant based on the review of the application by Commerce. Commerce will not recommend CDBG funding for projects that it determines to be financially or technically infeasible.

#### **Project Budget Form**

Generally, a maximum of 15% of a CDBG grant may be used for administrative costs, and must be explained or justified in the applications. However, administrative costs typically average seven to ten percent of the total cost of the project. Some administrative expenses are essentially fixed and are not proportionate to the total cost of a project. Communities considering relatively small requests (under \$100,000) may find that the 15% allowed may not provide a sufficient budget to cover all administrative costs. A community considering a relatively small grant request should consider whether the proposed project would result in questionably high administrative costs

relative to the actual project cost. In these circumstances, applicants are encouraged to contact the CDBG staff to discuss their proposed project prior to submittal of the application to determine the appropriate administrative cost and percentage.

Each applicant must submit a project budget accompanied by a narrative explanation of the rationale and assumptions for each line item of the proposed activity and related administrative costs. Include a breakdown identifying the sources and amounts of non-CDBG funds and total project cost estimates for each item. Describe any special features in the project area or special regulatory standards that will result in an unusual facility design or a more costly design or construction practices (e.g., lack of right-of-way, topography, handicapped accessibility, architectural standards for historic preservation). The cost estimates are needed to demonstrate that proposed special design expenses are thoroughly explained, reasonable and well supported. Indicate the sources of cost estimates for each special design activity, as well.

Costs that have been incurred prior to the effective date of a CDBG contract (such as fees for preparing an application, community surveys or needs assessments, engineering, or the costs associated with construction activities) are generally not eligible for reimbursement. However, reasonable expenses associated with attending CDBG project administration training will be eligible for reimbursement, even if incurred prior to the effective date of a contract.

### **CDBG-Specific Information Required For Completing the Preliminary Architectural Report**

The applicant must provide a copy of a Preliminary Architectural Report (PAR) in, or attached to, the CDBG application. The report must be sufficiently detailed to describe the scope of the problem to be addressed as well as the components and estimated costs of the proposed improvements or facility. In the evaluation of the condition of the existing system, and subsequently in the description of alternatives considered to resolve the identified problems, the report should list and prioritize all of the problems associated with the condition of the system. See Appendix D for more information required in the PAR.

### **Conducting an Income Survey**

Please refer to the Commerce website for guidance on conducting an income survey, or contact Commerce staff for guidance. If an income survey is conducted, it must be completed in accordance with the CDBG policy guidance on income surveys.

## **C. Application Organization**

The CDBG application will most likely contain additional supporting documentation. In order to ensure all information is reviewed by the ranking team, Commerce recommends the application be organized according to the following format:

- a. **Table of Contents**
- b. **Montana’s Uniform Application Form for Housing Loan, Grant and Tax Credit Programs** (current version), as applicable
- c. **Response to CDBG Ranking Criteria**
- d. **Preliminary Architectural Report**
- e. **Appendices:**
  1. **Resolution to Authorize Application**

## **2. Certification for Application**

## **3. Documentation Related to a Sub-recipient**

Applicants applying on behalf of non-profit organizations which will operate and own or lease a project or on behalf of for-profit entities that commit to serving LMI citizens or on behalf of local public agencies must provide the information required under “Special Requirements for Projects Involving Non-profit or For-profit Organizations or Local Public Agencies,” found in these application guidelines. Applicants should provide thorough responses to the requested information because it will be used as a key element in evaluating applications involving non-profit or for-profit organizations.

For applications where facilities or activities are proposed that will remain the responsibility of a non-profit or for-profit entity or local public agency, the applicant must provide a narrative statement regarding past accomplishments of the organization and plans for assuring proper operation, maintenance, and long-term management of the facilities or activities.

Applicants must provide a detailed 15-year project pro-forma, outlining projected expenses such as management and administration costs, utility costs, repairs and maintenance costs, insurance and taxes, reserves, and debt service. The pro forma must include explanations of how the figures were developed. Section C, Part VI of the [Uniform Application For Montana Housing Loan, Grant, & Tax Credit Programs](#) (most current version) provides a pro-forma outline that can be utilized to provide this information.

## **4. Maps**

Each applicant must include legible maps showing the boundaries of the proposed project area and the locations of all proposed project activities.

The map of the applicant's political jurisdiction must identify:

- the boundaries of the entire jurisdiction,
- the project's location within the jurisdiction, and
- if applicable, the service area of the project.

The map of the proposed project area must identify:

- the boundaries of the project area,
- the locations of all proposed activities, and
- the boundaries of any designated 100-year floodplain.

## **5. Implementation Schedule**

Each applicant must submit an implementation schedule that describes the overall schedule for project completion, including engineering or architectural and construction.

A sample project implementation schedule is provided on the following page

**[CITY, TOWN, OR COUNTY]  
PROJECT IMPLEMENTATION SCHEDULE**

TASKS	QUARTERS 20__				QUARTERS 20__			
	1ST JFM	2ND AMJ	3RD JAS	4TH OND	1ST JFM	2ND AMJ	3RD JAS	4TH OND

**PROJECT START UP**

Set up Project Files								
Submit firm commitment of all funding								
Submit all required start-up documents								
Secure Full Release of Funds								

**PROJECT DESIGN**

Complete project design								
Prepare construction bid documents								

**CONSTRUCTION BIDDING**

Review Commerce contract requirements								
Publish public bid solicitation								
Open bids and examine proposals.								
Where applicable, request CDBG state and federal debarment/ check of contractor/principals and subs/principals								
Award contract to lowest responsible bidder								
Submit executed contract to Commerce								

**PROJECT CONSTRUCTION**

Conduct pre-construction conference.								
Issue Notice to Proceed								
Monitor engineer and Contractor(s)								
If applicable, conduct labor compliance reviews								
Hold construction progress meetings								
Final Inspection								

**PROJECT CLOSE OUT**

Submit final drawdown request								
Submit conditional closeout certification								
Submit Project Completion Report								
Submit final closeout certification								

## **6. Project Budget**

Each applicant must submit a project budget and budget narrative that indicates the use of CDBG and non-CDBG funds for the proposed project. Applicants can use standard budget templates as provided in the [Uniform Application For Montana Housing Loan, Grant, & Tax Credit Programs](#).

## **7. Environmental Checklist**

Provide a thorough and complete “Uniform Environment Checklist”, as a part of the Montana’s Uniform Application Form for Housing Loan, Grant and Tax Credit Programs. Be sure to complete the “Comments / Sources” portion of the checklist and provide narrative for each environmental issue, describing relevant information and identifying information sources. Call CDBG staff for assistance.

## **8. Project Management Plan**

Each Applicant must submit a draft project management plan. The plan, at a minimum, must:

- address the local government's plans for assuring proper management of the CDBG project, including financial management of grant funds, compliance with State and federal requirements, and effective and timely start-up and completion of project activities;
- identify the person or persons who will be responsible for day-to-day grant management (or position descriptions developed for such persons) and any contracted services to be utilized in carrying out the project; and
- includes a quarterly schedule for project implementation that identifies the time frames for major activities and expenditures and the coordination of non-CDBG resources for the project.

A sample management plan is located on the following 5 pages:

## SAMPLE MANAGEMENT PLAN

### ***I. ADMINISTRATIVE STRUCTURE***

The City of \_\_\_\_\_ is an incorporated city with a Mayor-Council form of government. The following persons will have lead responsibility for administering the City's FY \_\_\_\_\_ Community Development Block Grant (CDBG) project for housing rehabilitation and for construction of new affordable housing for low and moderate persons, as identified in CDBG Contract.

Mayor \_\_\_\_\_, as the City's chief elected official will have responsibility for all official contacts with the Montana Department of Commerce (MDOC). The Mayor and City Council will have ultimate authority and responsibility for the management of project activities and expenditure of CDBG funds. The approval of all contracts and drawdown requests will be the responsibility of the City Council.

\_\_\_\_\_, Clerk-Treasurer, as the City's chief financial officer, will be responsible for management of, and record keeping for, the CDBG funds and all other funds involved in the financing of this project. One-fourth of this position's time will be devoted to CDBG administration during the term of the project.

\_\_\_\_\_, Director of the City-County Planning Board, will be designated as *Project Manager* and be responsible for overall project management and reporting and for assuring compliance with the CDBG-approved scope of work for the project, with duties listed in the CDBG contract and in the CDBG Manual for compliance with applicable federal and State requirements. The Project Manager will serve as the City's liaison with MDOC for the project. One-third of this position's time will be devoted to CDBG project administration during the term of the project.

\_\_\_\_\_, City Attorney, as the City's legal counsel, will review and advise the Mayor and Council regarding any proposed contractual agreements associated with the CDBG project and will provide any other legal guidance as requested.

\_\_\_\_\_, Project Architect a contracted services provider, will be procured by an open and free Request for Qualifications/RFQ competition in accordance with CDBG procurement guidelines in Chapter 3, Section F.2 of the CDBG Grant Administration Manual). The Project Architect will be responsible for construction-related activities including preparation of preliminary architectural studies and designs, final design plans and specifications, as well as construction inspection, in close cooperation with the Project Manager. Construction tractor compliance, scheduling, and payment requests will also be subject to the Project Architect's review and approval.

The Mayor, Clerk-Treasurer, and Planning Director will attend the required MDOC CDBG Project Administration Workshop.

### ***II. PROJECT MANAGEMENT***

***A. The Project Manager*** will be responsible for:

1. Being familiar with the current *CDBG Grant Administration Manual* and its requirements and for assuring compliance with the CDBG contract and with CDBG policies for project activities and administration.

2. Preparing the environmental review to assure full compliance with the National and Montana Environmental Policy Acts, completion of the statutory checklist, and any other applicable environmental requirements. The Project Manager will also be responsible for preparing any legal notices required to be published for the environmental review process and conducting any required public hearings or informational meetings.
3. Preparing a request for release of funds to MDOC.
4. Developing a contract with MDOC and assisting the City with all requirements related to effective project start-up and implementation.
5. Establishing and maintaining complete and accurate project files and preparing all documentation needed, the Quarterly Project Update Reports (Exhibit 4-N) required by CDBG, and reports incidental to administration of the grant such as Progress Reports (Exhibit 4-F) that are required with each request for a drawdown of CDBG funds.
6. Assisting the City with selection of the contracted services of a Project Architect in conformance with CDBG procurement requirements and state laws concerning procurement of architectural services, including, as needed, the preparation of Requests for Qualifications (RFQs) for publication or other distribution.
7. Overseeing the city's contract with the Project Architect.
8. Reviewing all proposed project expenditures or requests for payment to ensure their propriety and to ensure proper allocation of expenditures to the CDBG contract budget.
9. In cooperation with the Clerk-Treasurer, processing payment requests and preparing drawdown requests to MDOC (including the Request for Payment, the Status of Funds Report and the Project Progress Report that are required with each drawdown request, as identified in Chapter 4 of the CDBG Manual).
10. Monitoring the contractor selection process, including the bid advertising, tabulation and award process for conformance to CDBG requirements. The manager will review the construction contract and rehabilitation contract provisions for CDBG compliance and will request MDOC clearance of the lowest and second lowest bidders before a contract is awarded.
11. Attending the pre-construction conference and monthly construction progress and monthly housing rehabilitation progress meetings.
12. Monitoring contractor compliance with applicable requirements.
13. Assuring compliance with all labor requirements for construction work activities. Responsibilities will include:
  - a) weekly review of the required weekly construction payroll reports to assure compliance with federal Davis-Bacon prevailing wage requirements;

- b) periodic visits to the construction site to assure that required equal opportunity, labor standards, and Davis-Bacon wage determinations have been posted;
- c) conducting regular on-site interviews with construction personnel to assure Davis-Bacon compliance; and
- d) doing follow-up (such as investigations, communications and negotiations to achieve compliance) if non-compliance with labor standards is identified.

14. Assuring compliance with HUD Section 8 Quality Assurance Standards when applicable to housing rehabilitation activities.

15. Developing and administering a mechanism for compliance with HUD lead-based paint requirements and safe lead-based paint working conditions, where applicable.

16. Assuring compliance with applicable civil rights requirements, including preparation of equal employment opportunity resolutions and fair housing resolutions which will be adopted by the city, and an ADA-related inventory/assessment of public facilities (and an ADA Transition Plan) that is required by CDBG.

17. Supervising the delivery of the housing rehabilitation portion of this project -- i.e., supervising and managing CDBG financial assistance to low and moderate income (LMI) households and rental property owners with low and moderate income renters who are involved in approved housing rehabilitation activities by:

- a) Establishing a local housing rehabilitation office, staffed to provide complete housing rehabilitation services, in conjunction with the city's housing rehabilitation advisory committee, including:
  - i. assisting homeowners and landlords with applications;
  - ii. screening applicants for eligibility;
  - iii. providing inspection services to establish levels of needed rehabilitation and making recommendations to the housing rehabilitation Advisory Committee;
  - iv. overseeing the bid process to select housing rehabilitation contractors to work on the homes of selected beneficiaries;
  - v. assuring that title searches, credit reviews and income verifications are completed.
- b) Developing a marketing strategy for the project (in conjunction with the housing rehabilitation advisory committee) to assure a high level of participation by eligible LMI households, and performing public information activities including preparation of newspaper advertisements and articles regarding the project, posters and radio notices.
- c) Negotiating with private lenders and public agencies to stimulate additional affordable housing investment in the project area.
- d) Coordinating services with other agencies (such as power companies, the Human Resource Development Council/HRDC), Senior Citizens Center and the Area Agency on Aging, the County Health Department and the County Office of Public Assistance) to achieve maximum impact

upon the housing rehabilitation needs of low and moderate income households in the project area.

e) Securing State Historic Preservation Office (SHPO) clearance for housing rehabilitation activities either by district designation or by the review of individual housing units.

f) Providing technical assistance to the City for adoption of appropriate Codes for the acquisition and/or demolition of unsafe and abandoned property.

g) Conducting informational meetings for contractors and preparing lists of eligible contractors;  
and

h) Ensuring that proper inspections are performed, required permits, including zoning, are obtained, and lien waivers signed.

18. Preparing all required performance reports and closeout documents for submittal to MDOC/CDBG (as outlined in Chapter 13 of the CDBG Grant Administration Manual).

19. Assist the City with the selection of an independent auditor to perform audits required by CDBG.

20. Attending City Council meetings to provide project status reports and representing the CDBG project at any other public meetings, as deemed necessary by the Mayor.

**B. *The Project Architect*** will be responsible for:

1. Designing architectural plans for the new housing construction portion of this project.

2. Preparation of the construction bid package (for the new housing construction) in conformance with applicable CDBG requirements, requesting and securing CDBG review and approval of the bid specifications prior to advertising for bids, and supervision of the construction bid advertising.

3. Overseeing the bid tabulation and the housing construction bidding and award process, including the preparation of the advertisements for bid solicitation, assisting with the bid opening conducted by the City and the Project Manager and assisting with the issuance of the Notice to Proceed.

4. Conducting the pre-construction conference, with the assistance of the Project Manager, and involving the CDBG Liaison.

5. Supervision of the housing construction work and preparation of inspection reports.

6. Reviewing and approving all requests from contractors for payment and submitting the approved requests to the Project Manager.

7. Keeping the Project Manager informed of all significant construction project activities, including the preparation of regular reports (written and verbal) as required by the City's contract for architectural services.

### ***III. FINANCIAL MANAGEMENT***

All disbursements will be handled in accordance with the City's established procedures for reviewing claims.

Before submitting the claim to the Clerk-Treasurer, the Project Manager will attach a certification to each claim stating that the proposed expenditure is an eligible expense of the City's CDBG project and consistent with the project budget.

The Council will review all claims before approving them.

**A. The Clerk-Treasurer** will be responsible for:

1. Establishing the CDBG bank account and transferring CDBG funds from that account to the town's treasury for disbursements, based on claims and supporting documents approved by the project manager (from the project architect and other contractors, as applicable).
2. Since the City uses an interest bearing account for its general disbursements, a separate non-interest bearing account required by CDBG will be established and used for CDBG funds. Balances in that account will not exceed \$5,000 for a period of three days, to comply with CDBG rules outlined in the CDBG Manual, Chapter 4.
3. Entering all project transactions into the City's existing accounting system (BARS), and prepare checks/warrants for approved expenditures.
4. With the assistance of the Project Manager, preparing the CDBG Requests for Payment and Status of Funds Report (i.e., drawdown requests) to be submitted to MDOC/CDBG.
5. All drawdown requests will be signed by two of the three following persons: Mayor, Clerk-Treasurer, and Council President.
6. No expenditures will be made without the approval of the Council at a regular meeting.
7. With the assistance of the Project Manager, preparing the final financial reports and other reports needed for project closeout.

**B. The Project Manager and the Clerk-Treasurer** will review

1. All proposed expenditures of CDBG funds and the Project Manager will prepare drawdown requests, which will be signed by the officials cited above.

**C. Financial record keeping** will be done in conformance with the recommendations described in the most current version of the *Montana CDBG Grant Administration Manual*. The original financial documents (claims with attached supporting material) will be retained in the City's offices.

**D. Hourly time sheets** will be maintained by the Project Manager and the Clerk-Treasurer to document all time worked on the CDBG project.

## **9. Policies and Procedures**

If the proposed project includes direct benefits for LMI households, the applicant must include the project's policies and procedures for outreach, identification, and qualification of those households. Template forms, including, but not limited to beneficiary applications, contracts, agreements, and deed restrictions should be included.

## **10. Supporting Documentation**

Each applicant should identify the source of supporting data for any statements made in the application, and provide documentation when applicable. Copies of plans such as a capital improvements plan should be submitted if not lengthy. At a minimum, the applicant should include portions of plans in order to identify the document and key information. If local research was conducted to support the application, the survey methodology must be described and a copy of the survey form with a composite summary of all responses submitted with the application. The applicant should retain all original documentation.