

CITY OF PORT ARTHUR GRANTS MANAGEMENT

**2019 COMMUNITY DEVELOPMENT BLOCK GRANT
PROPOSAL**

*CITY WIDE
APPLICATION*

SUBMISSION REQUIREMENT

Questions and information requests should be directed to City of Port Arthur, Grants Management, Suite 205, P. O. Box 1089, Port Arthur, TX 77641-1089. Phone: (409) 983-8253. All applications must be returned to Grants Management by **12:00 noon, Friday, December 14, 2018. *Incomplete applications will not be considered.* **Applicants are requested to submit** one (1) hard paper copy of your application.**

S:\grants2\Community Development Block Grant Application\2019 application.docx

BACKGROUND INFORMATION

CDBG TARGET AREAS

Census tracts located within the city have been designated as low to moderate income neighborhoods, eligible for CDBG funded activities. The areas are selected based on the following criteria:

- (1) a high percentage of low income households**
- (2) a high percentage of substandard housing**
- (3) areas that lacked adequate public facilities and services**
- (4) areas that had a declining or low socio-economic base.**

ELIGIBLE SUBRECIPIENTS

The City of Port Arthur as a Grantee of Community Development Block Grant Funds (CDBG) may provide to entities that qualify as eligible subrecipients according to 24 CFR 570.204 (C). CDBG funds that are provided to eligible subrecipients are used to carry out eligible CDBG activities.

The following subrecipients are eligible to receive assistance:

1. Neighborhood-based nonprofit organizations- A neighborhood-based nonprofit organization is an association or corporation, duly organized to promote and undertake community development activities on a not-for profit basis within a neighborhood. An organization is considered to be neighborhood-based if the majority of its membership, clientele, or governing bodies are residents of the neighborhood where activities assisted with CDBG funds are to be carried out. A nonprofit organization must have its 501(c)(3) tax exempt status.
2. Section 301(d) Small Business Investment Companies (SBICs)- Section 301(d) Small Business Investment Company is an entity organized pursuant to Section 301(d) of the Small Business Investment Act of 1958 (15 U.S.C. 681(d)), including those which are profit making.
3. Local Development Corporation (LDCs)- A local development corporation is:
 - (i) An entity organized pursuant to Title VII of the Headstart, Economic Opportunity, and Community Partnership Act of 1974 (42 U.S.C. 2981) or the Community Economic Development Act of 1981 (42 U.S.C. 9801 et seq.);
 - (ii) An entity eligible for assistance under Section 502 or 503 of the Small Business Investment Act of 1958 (15 U.S.C. 696);
 - (iii) Other entities incorporated under state or local law whose membership is representative of the area of operation of the entity (including nonresident owners of businesses in the area).
 - (iv) A state development entity eligible for assistance under Section 501 of the Small Business Investment Act of 1958 (15 U.S.C. 695).

NATIONAL OBJECTIVES

In order for a project to be funded with CDBG funds, the project must meet one of the three (3) national objectives. The three (3) national objectives are:

- Benefiting low and moderate (L/M) income persons;
- Aiding in the prevention or elimination of slums or blight; or
- Meeting other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available to meet such needs.

**COMMUNITY DEVELOPMENT BLOCK GRANT PROPOSAL
REQUIREMENTS**

A letter of transmittal signed by an individual within your organization that is authorized to submit the proposal, is required. The transmittal letter will briefly describe the project, the amount requested, and the significance and importance of the proposed project.

BUDGET
A. Submit two budgets. Both should be clear and detailed to outline costs to be met by the funding source and those provided by other parties. The second budget amount must be lower than the first budget.
➤ Include all items as of the funding source.
➤ Include all items paid for by other funding sources.
➤ Include all items paid for by other sources with documentation.
➤ Include all volunteers and in-kind contributions.
B. Budget Line Item Descriptions
Attach a description of each activity line item shown on the Program Budget. Describe each entry in each activity line item sequentially. Start with line 1, Column A and move across to Column D. Then proceed to
line 2, Column A and move across to Column D and continue down the budget in that order. Present the following information relative to each column with an entry:
1. Describe the specific use of the funds requested and how the amounts were calculated.
2. Describe the specific source(s) and the specific use(s) of any other funding resources.
3. Describe the specific in-kind contribution(s) made and the basis for the value.
NOTE: Any organization that receives \$750,000 or more in federal funding will be required to have a financial and compliance audit completed and submitted to the City of Port Arthur within thirty (30) days after completion of the audit, but no later than one year after the end of each fiscal period included within the period of its CDBG contract.
If any organization receives less than \$750,000 in federal funds, a limited scope audit is required.

PROGRAM BUDGET #1
(Applicant must submit this form as part of the application)

Category Use of Funds	(a) CDBG Funds	(b) Other Funds	(c) In-kind	(d) Total Program
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
Total				

PROGRAM BUDGET #2
(Applicant must submit this form as part of the application)

Category Use of Funds	(a) CDBG Funds	(b) Other Funds	(c) In-kind	(d) Total Program
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
Total				

II. EXHIBITS

The following exhibits must be included in the proposal:

- Articles of Incorporation for the organization
- Organizational Bylaws
- List of the organization's Board of Directors
- Evidence of proper zoning, if applicable
- Certificate of Insurance {i.e., general liability, professional liability, and workmen's compensation (on attached form)}
- Copy of 501 (c) (3) declaration

**CITY OF PORT ARTHUR
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
COMMUNITY IMPROVEMENTS AND SERVICES
APPLICATION FORM**

A. Agency Information

1. **Name of Agency**

Address

Email

Telephone Number

Contact Person

Title

DUNS#

2. **Please attach a list of your organization's Board of Directors including address, telephone number, and position for each director.**

3. **Non-profit Tax Exempt Number**

All non-profit organizations must show proof of its 501 (c)(3) status as recognized by the Internal Revenue Service.

4. **Date Charter filed with the State of Texas**

5. **List the owner(s) of the building(s) to be used in project**

All buildings to be used in a CDBG funded program will be inspected by the City of Port Arthur for compliance with the City's Housing and Building code prior to funding. A long-term lease agreement must be provided by organizations that are renting building(s) that will be used in a CDBG funded program.

6. Describe your agency's mission

7. How long has your agency been in operation?

8. How long has your agency been in operation at the site for which funding is being requested?

B. Applicant's Proposed Services

1. Amount of CDBG funds requested?

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Please provide an alternative request that is lower than the amount on line one.

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2. Describe the services your agency provides.

3. What are the eligibility requirements to receive services from your organization?

4. Specifically describe how your organization plans to use the requested CDBG funds. Please include such information as the number of clients you will serve, the type of service(s) that will be provided, and a budget of requested CDBG funds. Attach an additional page if necessary.

5. List your organization's goals for the coming year.

6. **How many clients did your organization serve last year?**

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7. **Based on the clients you served last year (or your last fiscal year), please complete the following:**

Racial Distribution

_____	Black
_____	White
_____	Hispanic
_____	Asian
_____	American Indian
_____	Other

Age Distribution

_____	under 18 years
_____	18-25
_____	26-35
_____	36-45
_____	46-59
_____	60+ years

Income

_____	Less than \$ 5,000.00
_____	\$ 5,000.00 -- \$10,000.00
_____	\$10,000.00 -- \$20,000.00
_____	\$20,000.00 -- \$30,000.00
_____	\$30,000.00 -- \$40,000.00
_____	\$40,000.00 -- \$50,000.00
_____	\$50,000.00+

Household Composition

_____	Singles
_____	Families

8. **Please furnish the names of any agencies that have worked with your agency in the past and can provide information on your agency's services.**

Applicant's Financial Information

1. **Please attach a copy of your agency's current and previous fiscal year budgets.**

2. **Did your organization receive over \$750,000 or more in federal funding last year?**

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3. **Please list all alternative sources to CDBG funding explored by your agency and the result of the inquiry.**

4. Primary source of current financial support?

5. Other sources of financial support?

**Please provide a verification letter from each source of income listed above.
If in-kind services are listed above, please provide a detailed account of such services.**

6. Do you have an annual audit? Please provide a copy of the most recent audit.

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7. Fiscal year end?

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**I (WE) CERTIFY THAT THE FOREGOING IS TRUE AND ACCURATE TO
THE BEST OF MY (OUR) KNOWLEDGE.**

SIGNATURE

DATE

Audit Information

Please complete the information below and return the completed form to:

City of Port Arthur
Grants Management
Suite 205
P.O. Box 1089
Port Arthur, TX 77641-1089

Name of Agency:

DUNS#:

Email:

Name of Finance Director:

Telephone Number of Finance Director:

Fiscal Year End:

Do you receive \$750,000 or more in Federal funding? _____

Do you have an annual audit?

If yes, please provide the Grants Management office with a copy of the audit.
If no, please provide the city with a limited scope audit.

Signature and Date:

Title:

**CITY OF PORT ARTHUR
COMMUNITY DEVELOPMENT BLOCK GRANT
MANAGEMENT AND BUDGET POLICIES**

The Community Development Block Grant Program provides annual grants on a formula basis to entitled cities and counties to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low and moderate-income persons.

NATURE OF PROGRAM

Community Development Block Grants are awarded to entitlement communities to carry out a wide range of community development activities directed toward neighborhood revitalization, economic development, and the provision of improved community facilities and services.

Entitlement communities develop their own programs and funding priorities. However, grantees must give maximum feasible priority to activities that either benefit low- and moderate-income individuals and families, or aid in the prevention or elimination of slums and blight. In addition, certain other activities are allowed to address situations that pose a serious and immediate threat to the health or welfare of the community, especially when other financial resources are not available to meet such needs.

BACKGROUND

The City of Port Arthur receives an annual allocation through the Department of Housing and Urban Development under the Community Development Block Grant (CDBG) program. The Department of Housing and Urban Development has placed restrictions upon the use of these funds: for example, they must be used primarily to assist low to moderate-income people. The City of Port Arthur has historically used those funds to improve housing conditions and public facilities, renovate streets and for public service activities.

Agencies that receive CDBG funding must be able to show direct and measurable benefits. There are activities that are not eligible for funding, such as faith-based activities, as this would violate the principle of separation of church and state.

POLICY STATEMENT

It is the policy of the City of Port Arthur that:

1. No more than fifteen percent (15%) of the Community Development Block Grant will be allocated annually for public service activities as defined by the Department of Housing and Urban Development regulations. Public Service activities are defined as those activities “including but not limited to those (services) concerned with employment, crime prevention, child care, health, drug abuse, education, energy conservation, welfare or recreational needs”. Each Public Service activity must be either a new service or a quantifiable increase in the level of an existing service. Funds will be directed to activities that will primarily benefit low- and moderate-income residents of the city. CDBG funds will not be used to maintain an existing level of a service, as conditioned by items 4 and 5 below, or be used to substitute for other available known sources of funding.
2. Within the fifteen-percent limit, the City Council shall designate how much will be allocated to outside agencies for eligible Public Service activities and how much will be retained for City Departments.
3. CDBG funds can be used to reimburse eligible operating expense for the specific activity or program identified in the application, including costs for personnel, materials, supplies, tests, fees, rent utilities and equipment directly related to the delivery of the program or activity. Purchase of equipment is subject to other federal restrictions.
4. Funding of operating expenses for Year 1 will not imply commitment for subsequent year’s funding. Requests for additional year’s funding will be evaluated based upon Subrecipient’s demonstrated provision of service to low income residents resulting from prior CDBG funding, and compliance with record keeping requirements.
5. City Council members will determine the number of public service activities or programs that will be funded through CDBG annually.
6. Priority for funding will be to those activities showing capacity to provide quantifiable benefits to the larger number of low-income residents for each dollar requested, relative to other applications.
7. As a condition of receiving funds, the Subrecipient will enter into a standard contract required by the City of Port Arthur.
8. In addition to financial assistance, the City is committed to helping subrecipients:
 - Implement reporting procedures in compliance with the Department of Housing and Urban Development requirements.
 - Identify sources of financial support other than CDBG, and provide other technical assistance as appropriate.

9. Applications for funding must be accompanied by audited financial reports, if available, for the previous fiscal year.
10. The primary purpose of the CDBG funds will be to pay operating expenses and not to build up or maintain an agency's cash reserves.
11. If the city terminates a subrecipient's funding agreement due to the agency's failure to comply with contract terms or if a grantee chooses to terminate the contract for whatever reason, the affected agency will be barred from applying for CDBG funds for one year from the date of contract termination. The remaining balance of CDBG funds will become available for reprogramming.
12. Any agency that is allocated CDBG funds should have an executable contract with the City of Port Arthur no later than September 1st of the funding year. If a contract has not been executed by September 1st then, the agency will not be allowed to participate in the current's year funding process without the permission of the City Council or City Manager. If permission is not granted, the CDBG fund allocation will be reprogrammed to another eligible project.
13. Once a Subrecipient executes a CDBG contract, it must begin its program no later than seven weeks after signing its CDBG contract. If the program is not operating in seven weeks, then the Subrecipient must submit in writing to the Grants Management Division the reasons for the delay and when the program will begin.
14. Once a Subrecipient, including City Department, has fulfilled the terms of its contract and a funding balance exists, the balance of funds will become unobligated and must be reprogrammed by the City Council.