

**The State of West Virginia  
Community Development Block Grant  
Disaster Recovery- Economic Development  
Application Webinar**



# Presenters

Michelle Tharp Penaloza  
CDBG-DR Program Manager

Alexandria Phares  
CDBG-DR Program Specialist

Sherry Risk  
CDBG Program Manager

# Agenda

- ▶ Overview of CDBG- Disaster Recovery Economic Development Program
- ▶ Application Process and Scoring
- ▶ Filling out the Application
- ▶ Questions

# West Virginia Development Office (WVDO)

West Virginia Development Office (WVDO) is responsible for administering the Community Development Block Grant-Disaster Recovery (CDBG-DR) funds allocated to the state.

- ▶ HUD approved the West Virginia CDBG-DR Action plan in April 2017 as amended by Substantial Amendment 7 in Spring 2021

# Economic Development Program Overview

- ▶ Address long-term economic needs in communities impacted by the 2016 severe storms
- ▶ In the four HUD-identified impacted and distressed counties (MID) - Clay, Greenbrier, Kanawha, Nicholas
- ▶ Achieving National Objective of benefiting low to moderate income persons (LMI) using low-moderate area benefit (LMA)
- ▶ Accepting applications from qualifying Cities and Counties to address economic development needs in:
  - Infrastructure
  - Parks and Recreation
  - Downtown Core Strengthening
  - Industrial and Commercial Improvements

# Program Overview Continued

- ▶ \$8,000,000 in funds available
- ▶ \$5,000,000 maximum award, no award minimum
- ▶ At least 51% of spending must benefit low-and moderate-income (LMI) persons.
- ▶ Subrecipient agreements will have a term of 2 years and 6 months. Projects funded under Economic Development must be completed by this time frame. **No extensions will be allowed. Funds must be expended by March 15<sup>th</sup>, 2024.**
- ▶ Applications due **June 4<sup>th</sup> by 5pm. No extensions allowed.**

# Eligible Activities:

- ▶ Primary objective of the CDBG-DR program is benefit low-/moderate-income persons.
- ▶ Program will prioritize activities that have demonstrable impact on the economy and benefit low to moderate income areas.
- ▶ Eligible activities for economic development
  - ❖ Acquisition
  - ❖ Construction
  - ❖ Reconstruction
  - ❖ installation of design features and improvements promoting energy efficiency of public works, facilities, and site or other improvements.
- ▶ Must be in eligible county
- ▶ Must benefit persons of low to moderate income
- ▶ Must address the 2016 disaster either directly or indirectly
- ▶ Must define the economic development benefit
- ▶ Must meet economic development needs in one of the four categories

# Economic Development Programs: Infrastructure

- ▶ Basic infrastructure improvements (e.g., water, sewer, storm water) needed to attract and grow commercial businesses.
- ▶ Provision of reliable water and wastewater system is essential for furthering economic development and growth.
- ▶ Prioritize infrastructure projects that serve commercial and industrial customers or sites, target existing population centers and downtown areas (“infill strategy”), protect environmental resources that can be utilized for recreation-based economic development, or serve critical community facilities such as medical establishments, schools, and community centers.

Projects must both address **economic development needs and meet the National Objective of benefiting persons of low to moderate income (LMI)**. To do this, infrastructure projects provide services to a low to moderate income area (LMA) while benefiting businesses.

-An example of infrastructure projects that meet LMA requirements would be a water treatment plant that serves LMI households AND area businesses.

# Economic Development Programs: Downtown Core Strengthening

Eligible projects include:

- ▶ Assistance in street improvements, sidewalks, and street landscaping.
- ▶ While general repairs and maintenance are not eligible activities, Cities and Counties may apply for CDBG-DR funds that will significantly contribute to revitalization or redevelopment of downtown cores.
  - ▶ These improvements include, but are not limited to, streetscape, sidewalks, curb cuts, street paving, parking, lighting, storm water management and street landscaping that will benefit and attract area businesses.



## Economic Development Programs: Parks and Recreation

- ▶ Eligible projects include development and enhancement of parks and recreational facilities through acquisition, construction or rehabilitation that will improve the quality of life and eliminate factors that affect environmental quality or public health.

## Economic Development Programs: Industrial and Commercial Improvements

- ▶ Invest in commercial/industrial improvements through acquisition, rehabilitation, or construction of commercial and industrial buildings and parks.

## Ineligible Activities:

The following activities are ineligible for CDBG-DR funding:

- ❖ Income payments.
- ❖ Supplanting or substituting expenses currently paid for by other sources.
- ❖ Improvements to buildings for the general conduct of government.
- ❖ General government expenses.
- ❖ Political activities and lobbying.
- ❖ Purchase of mobile equipment, specifically for construction but also including fire protection equipment, furnishings, and personal properties.
- ❖ Operating and maintenance expenses.
- ❖ New housing construction.
- ❖ Purchase of personal property.
- ❖ Maintenance and repair.
  - ❑ Additionally, purchasing equipment is typically considered ineligible.

# Application Submission Process

1. Separate electronic PDF applications (if electronic) for each project requesting funds;
2. Applications must be completed within the application requirements provided;
3. All sections and narrative questions must be answered completely;
4. Maps and attachments must be shrunk to fit onto an 8 ½ x 11” paper;
5. The check list provided must be completed and submitted with the application;
6. Required and supporting documents shall be labeled and placed in an appendix. Extraneous information will not be considered;
7. Required documents must be attached:
  - All documents identified on the application checklist
  - Project Timeline

**Electronic:** Full application with signatures must be saved as a single PDF and submitted via email to [alexandria.r.phares@wv.gov](mailto:alexandria.r.phares@wv.gov).

**Paper applications:** mail full application and **an exact copy** with signatures to:  
Attention: Alexandria Phares  
1900 Kanawha Boulevard, East  
Building 3, Suite 700  
Charleston, WV 25305

Complete application must arrive by **5:00 pm June 4<sup>th</sup>, 2021**. Applicants will receive a receipt of application confirmation email within 7 days of submission. **No late applications will be accepted.**

# Duplication of Benefits:

- ▶ The Robert T Stafford Act established the requirements for the DOB Analysis to prevent a duplication of benefits
- ▶ Federal law prohibits the provision of federal assistance in excess of need
- ▶ WVDO and grant recipients (subrecipients) must check to see that the assistance will not cause a duplication of benefits
  - ❖ Meaning that the cost has not or will not be paid by another source
- ▶ Applicants **must** complete Funding Source Chart in application
  - ❖ Applications will not be considered unless chart is complete

| FUNDING SOURCES             | AMOUNT | STATUS OF COMMITMENT |
|-----------------------------|--------|----------------------|
| CDBG-DR Request             |        | Requested            |
| Local Funds                 |        |                      |
| Local In-Kind (maintenance) |        |                      |
| State Funds                 |        |                      |
| Other Federal Funds:        |        |                      |
| Other:                      |        |                      |
| Other:                      |        |                      |
| <b>TOTAL ESTIMATED COST</b> |        |                      |

# Application Process - Subrecipient Responsibilities

## Subrecipients have the following responsibilities:

1. Comply with all terms and conditions of the subrecipient agreement.
2. Ensure project meets LMI national objective.
3. Develop policies and procedures to detect and prevent fraud, waste and abuse.
4. Ensure that any partners, subcontractors, vendors or other entities are not listed as excluded, debarred, or suspended on SAM.
5. Maintain organized files and make them accessible to WVDO.
6. Provide a monthly report to WVDO for grant funding approved and disbursed.
7. Provide a quarterly report to WVDO that outlines the activities completed.

# Application Process – HUD Requirements

## ▶ Environmental

- ❖ National Environmental Policy Act of 1969 (NEPA) and 24 CFR part 58
- ❖ Protect and enhance the quality of the natural environment
- ❖ Review must be completed prior to any funds being obligated

## ▶ Davis Bacon & Other Related Acts (DBRA)

- ❖ For construction contracts greater than \$2,000
- ❖ Workers must be paid minimum hourly wages and fringe benefits
- ❖ Local government's employees are not subject to DBRA

# Application Process

- ▶ Applications will first be evaluated by an initial threshold

| Minimum Criteria  |
|---|
| Application is signed and complete.   |
| Application was submitted on time.  |
| Applicant is an eligible county or city unit of local government.   |
| Applicant's project demonstrates a tieback to the 2016 disaster and benefits HUD and/or state-identified MID areas through economic development programs. |

# Application Process: Scoring Criteria

► If applications meet minimum requirements, the WVDO CDBG- DR staff will competitively score applications based on a rubric.

| Criteria                               | Description   | Points |
|--|---|--------|
| Economic Development Impact            | Project demonstrates quantifiable benefits that increase economic development in the area (number of businesses served, workers trained, acres improved, critical facilities served) and describes in detail how the project will increase economic development opportunities in the area for low to moderate income persons.   | 25     |
| Underwriting                           | Project budget is reasonable, all sources of financing are committed, CDBG-DR funds are not replacing non-federal financial support, the project is financially feasible, and, to the extent practicable, the return on applicant's equity investment will not be unreasonably high.  | 25     |
| Project Description                    | Project demonstrates detailed scope of work, firm and up-to-date cost estimates, clearly defined milestones, and quantifiable outcome measurements.   | 20     |
| Readiness to Proceed                   | Project has completed pre-construction requirements such as design, permitting, and environmental review and can quickly proceed to construction phase (see important note below scoring chart)   | 15     |
| Capacity and Implementation            | Subrecipient demonstrates extensive project management experience   | 10     |
| Leverage                               | Project demonstrates committed matching dollars from federal and other sources of funding   | 10     |
| Green Infrastructure/Energy Efficiency | Project incorporates energy-efficiency and/or green infrastructure elements into the project design, including: bioretention areas such as rain gardens and bioswales, permeable pavements, street trees, and open spaces that incorporate drainage and infiltration functions. Higher scoring applications will include multiple forms of green infrastructure and include extensive planning. | 10     |
| Investment Linkage                     | Project complements other community development activities and projects in the area and demonstrates consistency with local, regional, or state plans.  | 10     |
| Total                                  |   | 125    |



## Link to Application:

- ▶ [Wvfloodrecovery.com/program-details/](https://wvfloodrecovery.com/program-details/)
- ▶ [WVDO-CDBG-DR-Economic-Development-Program-Application.pdf](https://wvfloodrecovery.com/WVDO-CDBG-DR-Economic-Development-Program-Application.pdf)  
(wvfloodrecovery.com)
  - ▶ Page 10

# LMI/LMA Information

## Low- to Moderate Income Benefit (LMI):

- ▶ To meet the LMI National Objective requirements, the % LMI population of the service area must be 51% or above.
- ▶ This will be determined by LMI Area.
- ▶ To qualify activities as area-benefit (LMA), there are two steps that must be taken:
  1. Determine the project's service area
  2. Document the percentage of LMI persons within the project area
- ▶ LMI Area Benefit Calculation can be determined in two ways:
  - ❖ *LMI Census Tract Analysis*: HUD-provided, low-and moderate-income data
  - ❖ *LMI Survey*: data that is methodologically sound

# How Do I Identify the Service Area?

Some activity types come with a Service Area already identified

- Police Precincts
- Fire stations
- Schools

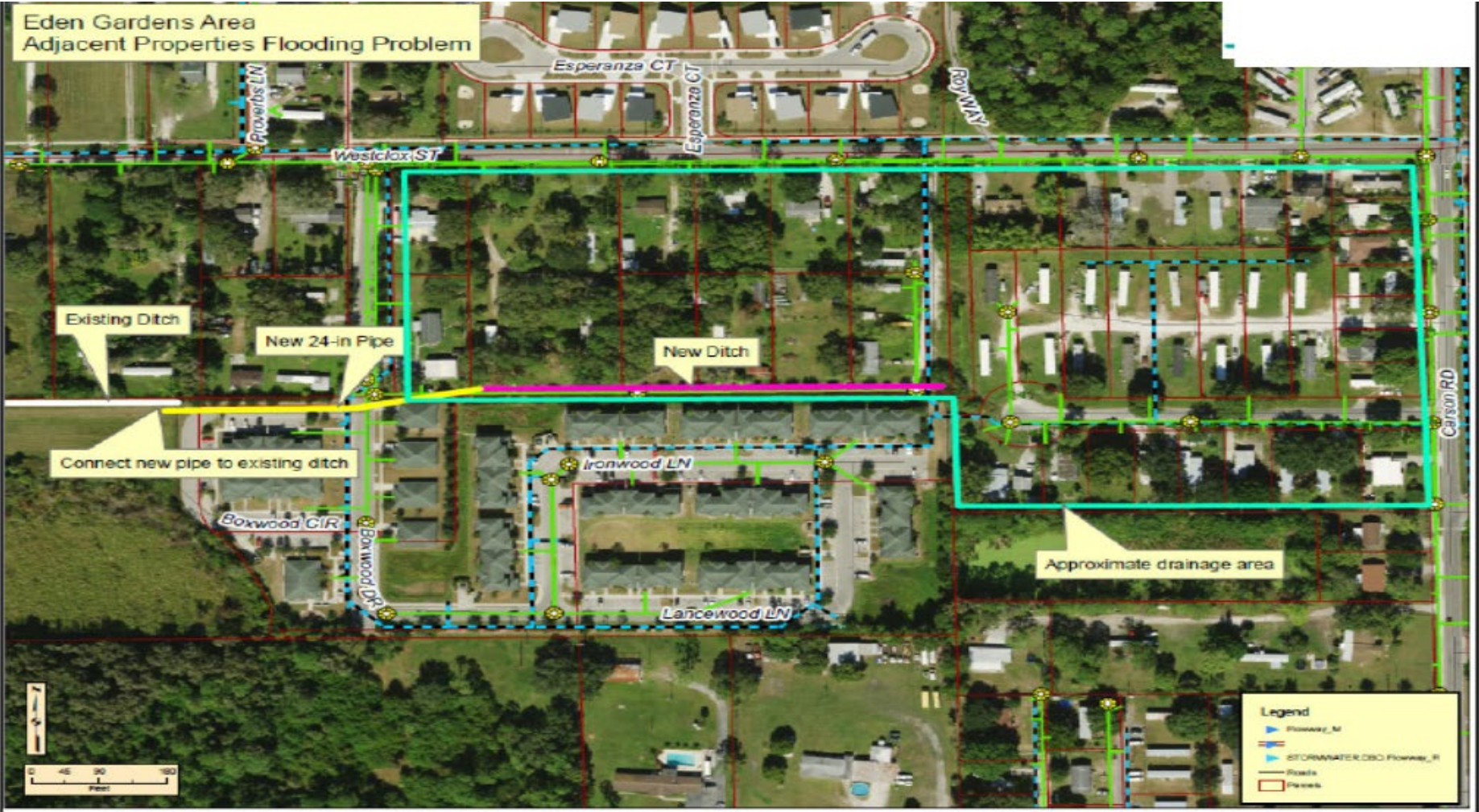
For other activities Grantees must identify the Service Area

- The grantee's determination of the area served will usually be accepted by HUD **EXCEPT:**
- **WHEN** there are indications that the grantee-defined area is **clearly** too small or too large.

Factors to be considered when identifying a Service Area:

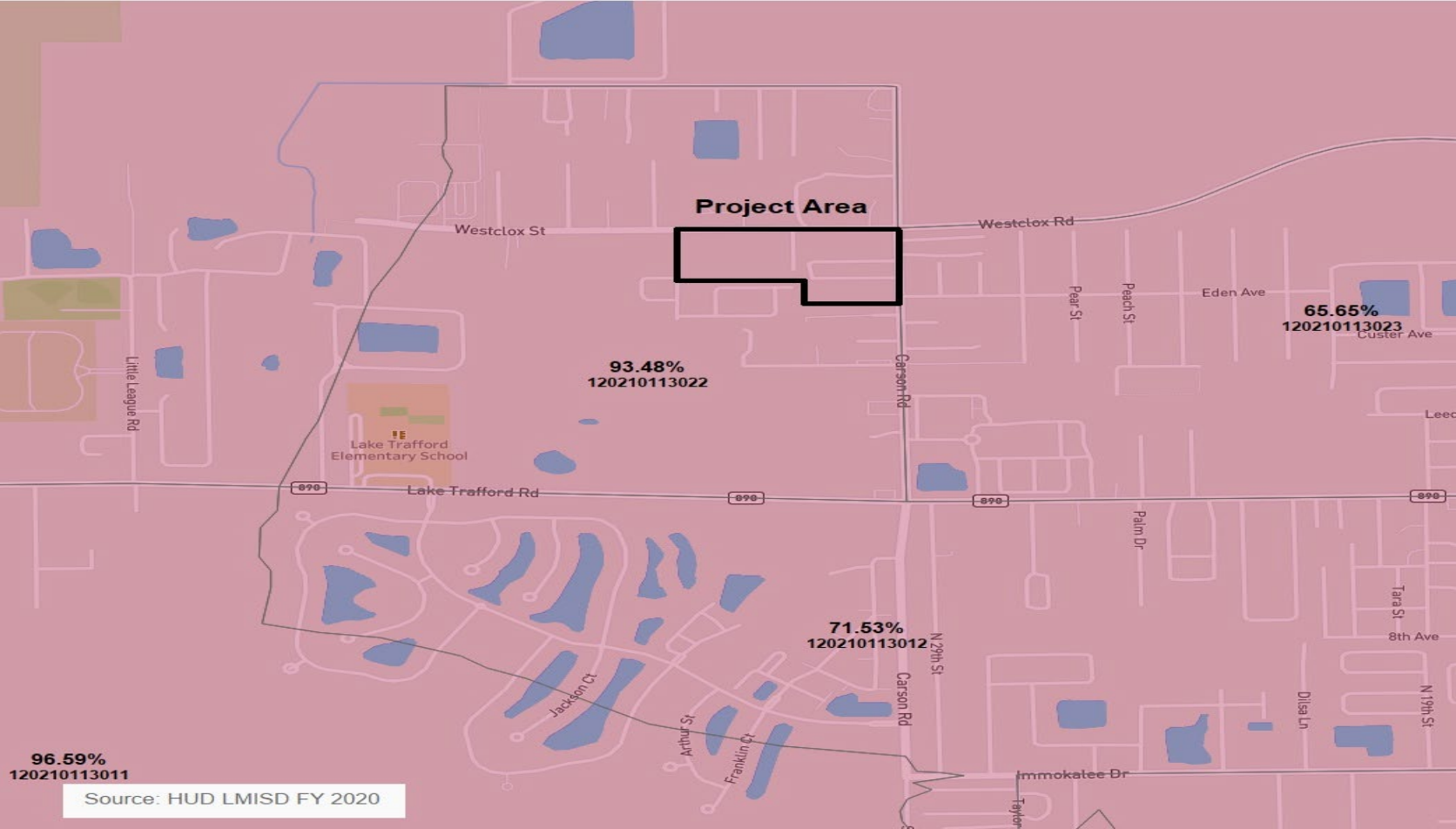
- The nature of the activity;
- The location of the activity;
- Accessibility to LMI persons compared to non-LMI persons; and
- The availability of comparable activities nearby.

# Stormwater Project Service Area Map



# Use Census Geography To Determine Percent Low-Mod

Project Area LMI Status




# Construction of a Recreation Area

- ▶ **Issue:** A portion of Fawcett Avenue borders a creek and floods repeatedly. The County plans to acquire and demolish the flood-damaged houses and construct a recreation area with biking and walking trails. The area is in a 100-year floodplain.
- ▶ **LMI Data:** The proposed recreation area is located in Soggy Bottom, a Census Designated Place with a population of 25,000 – 80% LMI. The entire County has a population of 400,000 – 38% LMI.
- ▶ **Considerations for determining Service Area:**
  - ▶ The nature of the activity – Recreation (eligible under CDBG regulations)
  - ▶ The location of the activity – In a majority-LMI Census Designated Place
  - ▶ LMI Accessibility – Agricultural area, 45-minute drive from higher density areas. The trails will be accessible to Soggy Bottom residents, relatively inaccessible to other areas
  - ▶ Availability of comparable activities – There are 11 other community parks with trails in the County which has a total population of about 400,000
- ✓ **Low-Mod Service Area**

← → ↻ 🏠 🔒 <https://hud.maps.arcgis.com/home/item.html?id=ffd0597e8af24f88b501b7e7f326bedd> ★ 🔍 📄 🗑️ 👤 ⋮

Home Gallery Map Scene Groups 🔍 Sign In

Low- and Moderate-Income Summary Data, based on 2011-2015 ACS Low- and Moderate-Income Summary Data, based on 2011-2015 ACS Overview



Low-Moderate Income Summary Data for CDBG, NSP, and CDBG-DR Area-Benefit Activities (based on the 2011-2015 ACS)

Web Mapping Application by [Robert.C.Peterson@hud.gov](mailto:Robert.C.Peterson@hud.gov)\_HUD

Created: Feb 15, 2019 Updated: Aug 26, 2020 View Count: 70,842

Description

TRAINING VIDEO: [General Overview of CDBG Area Benefit, the LMISD Data, and Surveys.](#)

These low- and moderate-income summary data (LMISD) are based on special tabulations of the American Community Survey 2011-2015 5-year estimates (2015 ACS). These data will replace the prior LMISD based on the American Community Survey 2006-2010 5-year estimates (2010 ACS) for the purposes of demonstrating compliance with the CDBG National Objective of providing benefit to low- and moderate-income persons on an area basis ("Area Benefit" or LMA) and other purposes discussed in [CPD Notice 19-02](#)

These data provide estimated counts of persons based on their family income as either:

- Low:** at or below 50% of the area median income AMI,
- LowMod:** at or below 80% of AMI, and
- LMMI:** at or below 120% of AMI (*just for the NSP program*)

[View Application](#)


Details

Size: 62 KB  
API: JavaScript  
Purpose: Ready To Use  
★★★★★

[f](#) [t](#) [s](#)

Share

Owner



<https://hud.maps.arcgis.com/home/item.html?id=ffd0597e8af24f88b501b7e7f326bedd>

# Using a Survey to Determine Service Area LMI

- ▶ Select Survey Type
  - ❖ Telephone
  - ❖ Door-to-Door
  - ❖ Mail
  - ❖ Web-Based
- ▶ Participants for the survey must be selected through a random sampling process



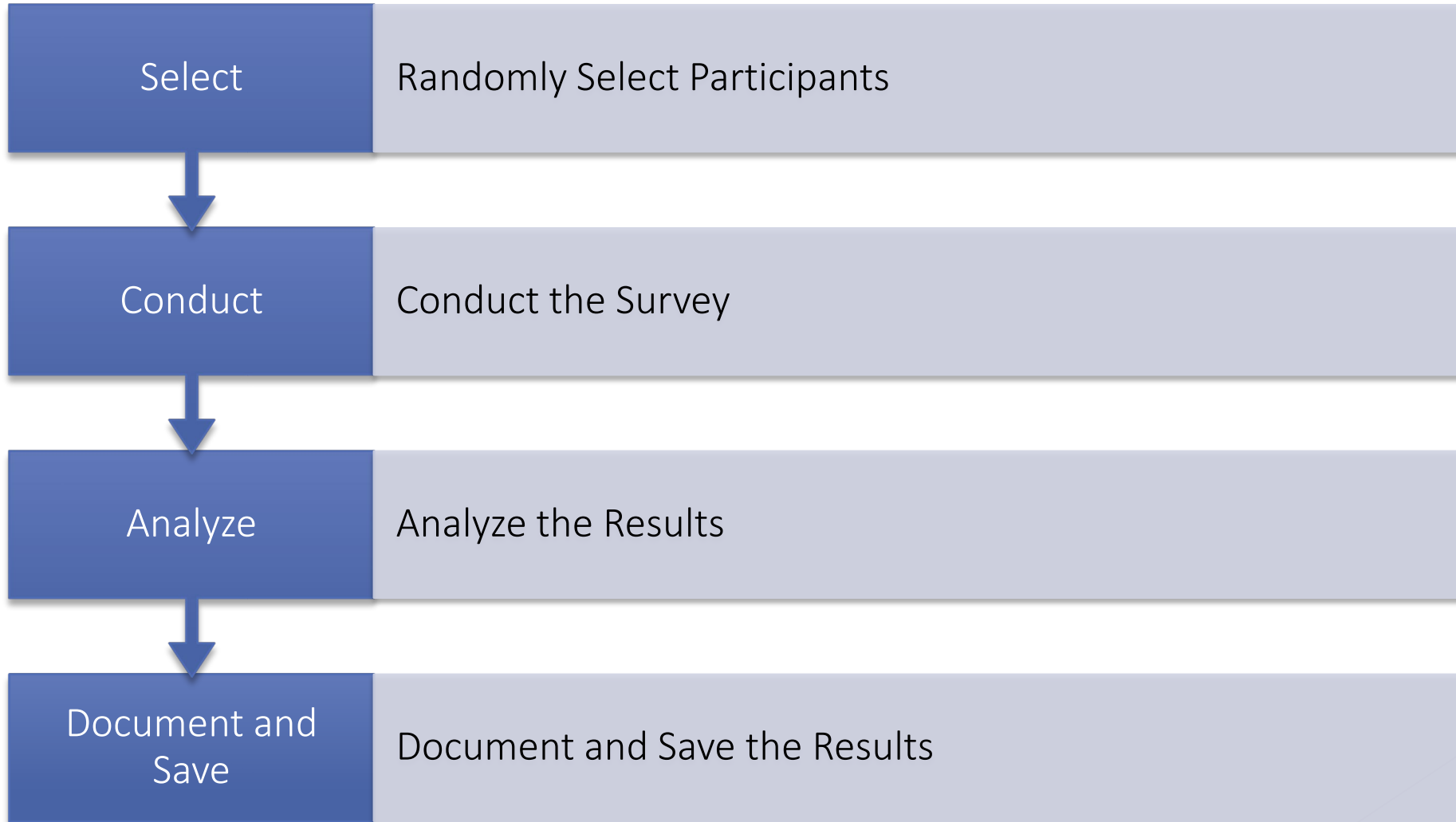
# Develop the Survey

- ▶ HUD recommends keeping it short and simple:
  - ❖ How many families reside at this address?
  - ❖ How many persons are in your family including yourself.
    - If applicable, how many are in each of the other families
  - ❖ Is the current, combined income of all family members above or below the amount listed for your family size

# Determine Sample Size

- ▶ Determine Population of Service Area
- ▶ Develop method for identifying families in area so you can interview them
- ▶ HUD recommends using Sample Size Calculator (SSC) (<http://surveysystem.com/sscalc.htm>) to determine sample size
  - ❖ HUD recommends confidence level of 95% and confidence interval (Margin of Error) of 5%

# Implement the Survey



# LMI/LMA Resources

To help navigate this deliverable there are two major resources available to you- HUD guidance page and WV guidance documents.

- [https://www.huduser.gov/portal/datasets/il/il2020/select\\_Geography.odn](https://www.huduser.gov/portal/datasets/il/il2020/select_Geography.odn)
- [www.hudexchange.info/manage-a-program/acs-low-mod-summary-data-block-groups-places](http://www.hudexchange.info/manage-a-program/acs-low-mod-summary-data-block-groups-places)
- <https://www.hudexchange.info/programs/acs-low-mod-summary-data/>

# Questions and Answers

- ▶ To learn more visit RISE WV Program Details, under Economic Development tab:  
<https://wvfloodrecovery.com/program-details/>
- ▶ Contact information:  
Alexandria Phares, [alexandria.r.phares@wv.gov](mailto:alexandria.r.phares@wv.gov)  
or 304-957-2032

Thank you!