

2020

REGION IV

RED RIVER REGIONAL COUNCIL

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**ALTERNATIVE FORMATS FOR DISABLED
PERSONS ARE AVAILABLE UPON REQUEST**

The Red River Regional Council (RRRC) is a four-county, voluntary association of governments. The RRRC provides assistance in community, physical, and economic development to cities and counties in Grand Forks, Nelson, Pembina and Walsh counties in northeastern ND. This is ND sub state Planning Region IV. The members of the RRRC include representatives from the four-county region. Membership is designed to provide broad representation of governmental and economic interests.

2020 FUNDING ALLOCATION

The funding allocation for 2020 is \$205,407.00. Following is the allocation breakdown:

Total FY 2020 funding	\$205,407.00
Allocation by emphasis area:	
Public Facilities	\$205,407.00
Housing	\$ 0
Planning	\$ 0
Emergency/Other	\$ 0
Economic Development – CDLF and ED Infrastructure	\$ 0

Economic Development proposals that are approved for funding will be funded from revolved CDLF funds.

IMPLEMENTATION SCHEDULE FOR 2020 PUBLIC FACILITIES, HOUSING AND PLANNING

June 24, 2020	Pre-application deadline
On or about August 20, 2020	CDBG Review Committee meeting (scoring/ranking) of pre-applications and recommendation to Board of Directors
February 19, 2021	Final date for completion of full applications submitted to Division of Community Services (DCS) for approval*

ECONOMIC DEVELOPMENT APPLICATIONS

Applications for Economic Development funds will be accepted at any time and will be considered if funds are available.

*At the option of the RRRC, due dates for final applications may be extended. This option may be exercised without public notice at the sole discretion of the Board of Directors if final applications are invited after February 19, 2021 due to availability of additional funds resulting from additional allocations, returned or unobligated funds, or fund transfers. In such cases, the Board of Directors may extend the final application deadline as it determines is appropriate, but

not later than seven days prior to the latest date by which applications and amendments must be received by DCS.

ACRONYMS

CDBG	Community Development Block Grant
CDLF	Community Development Loan Fund
DCS.....	ND Department of Commerce - Division of Community Services
ED	Economic Development
FTE	Full Time Equivalent
PDS	Program Distribution Statement
RLF	Revolving Loan Fund
RRRC.....	Red River Regional Council
VL and LI.....	Very Low and Low Income

CDBG FUNDING CATEGORIES

- A. **Housing:** Housing projects as described in the State Program Distribution Statement (PDS) that address single-family and affordable multi-family developments, including rehabilitation, repair, expansion or similar activities proposed that will better assure meeting needs, immediate and long-term viability, and health and safety issues; or conversion or eligible soft costs for new construction of providing affordable housing. Multi-family awards may be made in the form of grants, loans, or a combination.
- B. **Public Facilities:** Eligible activities as described in the State PDS to include infrastructure, public safety (e.g., fire halls, trucks, ambulances and related equipment) and removal of architectural barriers.
- C. **Emergencies:** Eligible activities needed to alleviate an immediate and urgent condition that poses a serious health, welfare or safety threat, including an event such as fire, flood or tornado resulting in severe damages that may result in a loss of jobs and/or inability of the community to provide essential services to its market area. At a minimum, the threat cannot have occurred or become apparent more than 18 months prior to submission of an application or pre-application, but generally it should not have occurred, or a solution identified, until after the regular public facility pre-application deadline.
- D. **Planning:** Eligible activities relating to the establishment of a Capital Improvements Plan, Community Strategic Plan, Comprehensive Plan, Zoning, or other plans.
- E. **Other:** Other activities which do not fit into any other category but which are eligible for CDBG assistance. Any proposal within this category must meet one of the national objectives.

- F. **Economic Development:** Eligible activities and projects as described in the State PDS. Economic development funds may be in the form of CDLF loans or grants to businesses (or related entities), or as grants and/or loans for economic development infrastructure.

GRANT APPLICATION SUBMISSION REQUIREMENTS

A. Public Facilities, Planning, and Housing

1. **Applicants have the option of submitting either a pre-application or full application by June 24, 2020. This is to allow applicants wishing to begin a project as soon as possible the opportunity to receive a final grant award in a timelier manner.** To be considered for scoring, the minimum requirements of a preliminary application must be met. However, because scoring is based only on information required in the pre-application, full applications would have no advantage in scoring over pre-applications.
2. Generally, the only difference between pre-applications and full applications is documentation that all state and federal procedures and policies, such as public hearings, identification of community development needs, displacement policies, etc. have been fulfilled. However, pre-applicants who have been invited for a full application may change the proposal shown in the pre-application, but only if the proposal is within the same emphasis area and is intended to address the same problem identified in the pre-application. If any changes could affect the score it received in the pre-application, the CDBG Committee reserves the right to re-score, adjust rankings and alter award recipients and amounts.
3. Although specific match amounts are not required, at a minimum local match is required to fully cover engineering/architectural costs (if any) and CDBG administration costs. The match requirement may be waived in whole or part by the CDBG Committee if it can be clearly documented there are insufficient resources to pay such costs.

If a jurisdiction has no local funds for grant administration, CDBG funds will be used for grant administration. If the estimated grant administration costs exceed the CDBG-funded costs, the jurisdiction will be required to supplement grant administration funds. Architectural/engineering costs should be documented in the application, and for purposes of budgeting, the following administration costs should be assumed unless otherwise documented:

- a. For Housing and Public Facility Special Assessment projects, 15% of CDBG project funds, with a minimum of \$5,000.
- b. For Public Facility projects, 10% of CDBG project funds, with a minimum of \$1,000.

Notwithstanding the above, the match amount proposed by the applicant should be determined by what is reasonable considering the resources available to the applicant. Failure to provide an adequate and reasonable match will result in a lower commitment score. Proposals requesting grant assistance for either engineering or administration, or both, will be required to submit additional budget and financial information.

4. Public Facility projects for which costs are estimated at \$25,000 or more require preparation of plans, drawings and specifications by a licensed architect or registered engineer.
5. Housing projects for which costs are estimated at \$100,000 or more require preparation of plans, drawings and specifications by a licensed architect or registered engineer.
6. Public Facilities projects are eligible for CDBG funds to pay for construction costs of the project if the population in the project area is 51% or greater very low and low income (VL and LI). If the population is less than 51% VL and LI, CDBG funds can only be used to pay for special assessments on behalf of VL and LI households.

B. Economic Development and Economic Development Infrastructure

1. Economic Development (CDLF) and Economic Development Infrastructure proposals will be considered at any time.
2. Final applications will not be requested or considered until eligibility has been determined by RRRC staff after submission of a pre-application.
3. Administration of 10%, minimum \$5,000, unless otherwise negotiated, will be charged.
4. Minimum requirements for CDLF business loans include:
 - a. At least 51% of the jobs created or retained by the proposed project must be available to very low and low income people;
 - b. Principal(s) must provide at least 10% of the total project in the form of equity; (the ED Committee reserves the right to increase this requirement if it deems necessary);
 - c. CDLF may only participate a maximum of fifty percent of the total project;
 - d. The CDLF target is \$10,000 investment per job to be created or retained (however, the Economic Development Committee retains the flexibility to allow up to \$50,000 per job maximum investment for economic development loans). For public facility improvements undertaken for the benefit of one or more businesses, the facility/ improvement must be less than \$10,000 per permanent full-time equivalent job to be created or retained by those businesses.

C. Emergency and Other: Applicants should contact the RRRC staff for guidance and instructions.

GRANT/LOAN REVIEW AND SELECTION PROCESS

A. Public Facilities, Planning, and Housing

1. The RRRC's Community Development Committee will be responsible for reviewing, scoring, ranking and making grant award recommendations. For purposes of the PDS, this committee will be referred to as the CDBG Committee. The chair of the CDBG Committee, in cases where a committee member(s) is absent or has a conflict of interest, may name an alternate(s) for the absent or in-conflict member from a pool of RRRC Board members who have served at least one year and demonstrated a record of good attendance. When possible and practical, preference should be given to those potential alternates who have no apparent conflict of interest in any known proposal.
2. Only proposals that meet the full requirements of the pre-application, and those determined by RRRC staff to be eligible, will be considered.
3. Upon receiving proposals, RRRC staff will review each for eligibility and completeness, and prior to the CDBG Committee meeting on or about August 20, 2020, staff will send to each member a copy of the submitted proposals.
4. Staff will prepare summary reviews of each application to be given to committee members at or before their meeting on or about August 20, 2020.
5. Applicant representatives will be given the opportunity to present their proposal to the committee at the meeting, with up to 15 minutes each for presentations and questions from the committee and staff.
6. After all proposals have been heard and reviewed by the committee, committee members will score proposals in each subjective scoring category. Staff will apply appropriate scores for each objective category. Committee scores will be totaled and then averaged to determine ranking.
7. Although no allocation is specified for planning proposals, proposals received, if any, will be heard, scored and ranked, and will be awarded upon approval by the CDBG Committee and approval of transfer of funds from another category.
8. Although no allocation is specified for emergencies, requests may be funded on August 20, 2020 or thereafter upon approval of the committee and approval of transfer of funds from any category.
9. For scoring purposes only on housing proposals, funds spent on related items within six months prior to consideration of the request may be recognized as match.
10. After rankings have been determined, the CDBG Committee will consider the amount of the recommended award to each project according to ranking. The CDBG Committee reserves the right to adjust the amount of each award from the amount requested as it determines appropriate, and to apply conditions to the award, including time deadlines to meet the conditions. Lower-ranked projects are not necessarily entitled to grant awards

even if allocated funds remain in the category. The CDBG Committee may retain or transfer the balance of allocated funds to any category for current or future applicants, including for planning proposals, emergency, other or economic development projects as deemed appropriate.

11. If, after making its award recommendations, funds remain in one or more categories, the CDBG Committee may:
 - a. Offer all or part of the remaining allocation to applicants in order of ranking until all or part of the allocation is obligated, or
 - b. Transfer all or part of the unobligated balance of the allocation to another category, or
 - c. Retain the unobligated balance for future awards in the same category or transfer to another category, or
 - d. Award all or part of the remaining allocation to an existing, previously funded (from the previous year) but still open project, or
 - e. Any combination of the above.
12. The CDBG Committee will make its funding recommendation(s) to the RRRC Board of Directors for consent.
13. Pre-applicants recommended for funding will be invited to submit final applications. Final applications which staff determines are different to the extent that the pre-application score may be reduced will be re-scored, re-ranked and funding levels altered as the CDBG Committee deems necessary.
14. All final applications recommended for funding will be delivered to the ND Department of Commerce Division of Community Services for review, final approval and preparation of grant awards.

B. Economic Development - CDLF

1. Funding recommendations under the Economic Development allocation, to be called the Red River Community Development Loan Fund (CDLF), will be made by the RRRC Economic Development Committee.
2. Prior to submitting a full application and business plan, applicant must first submit a pre-application, which will be reviewed by staff for eligibility. Proposals that meet eligibility requirements will be invited to submit a full application.
3. The Economic Development Committee will meet approximately bi-monthly to review all final and complete applications and business plans received at least two weeks prior to the meeting. Applications received within two weeks may be considered at the option of the Economic Development Committee, and otherwise will be held over until the next meeting.

4. Prior to consideration by the Economic Development Committee, staff will review the application and business plan and prepare recommendations regarding terms, conditions and other matters.
5. After discussing the proposal with representative(s) of the applicant as well as consideration of staff reviews and recommendations, the Economic Development Committee may:
 - a. Approve as proposed;
 - b. Approve with modifications or conditions;
 - c. Agree to withhold a decision until a later date; or,
 - d. Deny the request.
6. Applications recommended for approval will be presented to the RRRC Board of Directors for consent and if approved, forwarded to the ND Department of Commerce Division of Community Services for review, final approval and preparation of grant awards.
7. Proposals which have been rejected for funding may be resubmitted at any time, and may be reconsidered by the committee if it determines that situational or proposal changes are significant enough that a change in determination is likely.
8. Amendment requests to approved loans or grants include requests for additional financing; change in the terms of the loan; loan deferment; or loan write-off. Loan recipients need to make amendment requests to the City/County. The City/County needs to approve, alter or disapprove, then forward the amendment to the RRRC for concurrence; if approved, the request will be forwarded to DCS. The City/County may ask the RRRC for technical assistance.

C. Economic Development Infrastructure

1. The process for requests for economic development infrastructure projects will be the same as described in B. above (Economic Development-CDLF).
2. Awards for economic development infrastructure may be in the form of grants, loans, or a combination, as is determined to be appropriate.
3. Proposals which have been rejected for funding may be resubmitted at any time, and may be reconsidered by the committee if it determines that situational or proposal changes are significant enough that a change in determination is likely.

D. Emergency and Other

1. For emergency and other proposals eligible for CDBG assistance, the appropriate application/pre-application form shall be used. Applicants should contact staff for guidance.

2. The committee, or a subcommittee as authorized by the committee or its chair in cases where a full committee meeting is impractical due to the immediacy of an emergency, shall review each proposal and deliver any favorable recommendation to the Division of Community Services for review, final approval and preparation of grant awards.

E. Other Transfers

1. The RRRC Board of Directors reserves the right, without notification except as may be required by state or federal regulations, to modify or transfer allocations and otherwise modify or amend this statement, including but not limited to clarifications of policy, and deadline or meeting date changes.
2. The RRRC Board of Directors may assign all returned funds from 2019 or prior year grantees to whichever allocation it deems appropriate.
3. Existing grantees requesting additional CDBG funds from either the 2020 allocation or from returned or any unallocated funds may do so through the amendment procedure. Such requests for additional funds from the 2020 allocation may be considered at any time during or after the August 20, 2020 ranking session. Requests for additional funds from 2019 or earlier returned or unallocated funds may be considered at any time.

CONFLICT OF INTEREST STATEMENT

Members of the RRRC's Community Development and Economic Development Committees review pre-applications and full applications and provide funding recommendations to the Board of Directors. To ensure committee members do not have a conflict of interest, the following steps will be taken:

1. Committee Members and RRRC Board Members must identify any personal, professional or financial interest they may have in the application under consideration. Minutes will reflect the disclosure.
2. A CDBG Review Committee member will not score applications for which he/she has a conflict of interest, nor will he/she score applications which compete for the same funds.
3. A member of the Board of Directors with a conflict of interest will abstain from voting on relevant motions, and minutes must reflect the member's desire to abstain.

SCORING AND RANKING CRITERIA

PUBLIC FACILITIES PROJECTS – Maximum 700 points

1. NEED - Maximum 150 points

The CDBG Committee will score each pre-application or full application on the basis of perceived need.

- a. High Need: 120 to 150 points will be awarded to applications which:
 - address an already demonstrated significant problem which clearly affects health, and/or safety of the community or a targeted VL&LI group within the community;
 - address a significant problem which in the immediate future is likely to affect health and/or safety; or
 - address a situation in which all or the most critical services otherwise available cannot be provided because of architectural barriers or other physical impediments to persons with handicaps.

- b. Moderate Need: 90 to 120 points will be awarded to applications which:
 - address a potentially significant problem which could clearly and significantly affect health and/or safety, but the likelihood or immediacy is not clear or apparent;
 - address an immediate problem of health and/or safety but where no life-threatening or serious health/safety problems can be anticipated; or
 - address a situation in which services to the handicapped can be provided, but not fully, or only with major inconvenience and/or additional costs.

- c. Low Need: 60 to 90 points will be awarded to applications which:
 - address a problem which could significantly affect health and/or safety of the community, or a targeted VL&LI group within the community, but the likelihood or immediacy is not clearly documented or apparent.
 - have not shown that services to the disabled cannot be provided with any more than minor inconvenience and/or costs.
 - have not clearly shown that immediate or serious health and/or safety problems exist.

2. COMMITMENT - Maximum 125 points

The CDBG Committee will score each Application on the basis of perceived commitment. 90 to 125 points will be awarded for high commitment, 65 to 89 points for moderate commitment, and 0 to 64 points for low commitment. The following criteria will be considered:

- a. High Commitment: 90 to 125 points will be awarded to projects that demonstrate the applicant is asking for the minimum amount of grant funds and is, therefore, providing the maximum amount of local match funds. This can be shown by documenting all of the following:

Communities with 51% to 75% minority population	75 points
Communities with 26% to 50% minority population	50 points
Communities with below 26% minority population	25 points

5. PERCENTAGE OF VL and LI IN THE PROJECT AREA - Maximum 100 points

One point for every percentage point of VL and LI population will be awarded.

6. PROJECT READINESS – Maximum 100 points

Complete plans and proof of other funding committed	100 points
Complete plans and other funding located – not committed	50 points
Complete plans, other funding not located	20 points
Other	0 points

HOUSING – Maximum 700 points

1 PROJECT NEED – Maximum 150 Points

a. 101-150 points will be applied to proposals that demonstrate the project will address **all** of the following criteria:

- (1) Thorough documentation is provided for the type of housing or work proposed, utilizing assessments, census, survey, market study, occupancy rates or other reliable and pertinent statistical data; and,
- (2) Meets both current and long-term benefit in addressing existing and future needs; and,
- (3) Addresses, directly or indirectly, health and safety issues; and,
- (4) The project will have significant impact on meeting the needs as documented.

b. 51-100 points will be awarded to proposals that substantially meet most of the above criteria and no major concerns are apparent with criteria it does not clearly meet.

c. 0-50 points will be awarded to proposals which meet few of the above criteria, or which significantly fail to meet one or more of the criteria.

2 FINANCIAL NEED – Maximum 150 points

a. 101-150 points will be applied to projects that can document **all** of the following:

- (1) The project cannot proceed without CDBG assistance, or failure to receive CDBG funds would significantly reduce the benefit, viability or impact, because the applicant or recipient does not have available the necessary financial resources, nor are future revenue sources likely to become available; and,

- (2) The amount and the terms proposed or as may be offered, are reasonable and appropriate; and,
 - (3) Other potential sources of assistance have been explored and cannot provide the assistance necessary.
- b. 51-100 points will be awarded to proposals that substantially meet most of the above criteria and no major concerns are apparent with criteria it does not clearly meet.
 - c. 0-50 points will be awarded to proposals that meet few of the above criteria, or which meet most criteria but one or more major concerns are apparent which affect the demonstrated financial need.

3 APPROPRIATENESS – Maximum 150 points

- a. 101-150 points will be applied to projects that can document **all** of the following:
 - (1) The proposed project represents a logical and cost-effective strategy for addressing the needs as documented considering the amount of funds being requested, the terms proposed, the number of people who will benefit, and the degree to which they will benefit; and,
 - (2) The applicant can document the sustainability and viability of the project, as can be documented that policies proposed, and/or financial information provided indicate the feasibility of the project and the ability to assure the housing can be and will remain occupied, affordable and properly maintained; and,
 - (3) The project would meet all federal and state requirements and standards, as may apply; and,
 - (4) Cost estimates appear to be reasonable and are well documented (based on either architect/engineer estimates or multiple vendor quotes as is appropriate).
- b. 51-100 points will be awarded to proposals that substantially meet most of the above criteria and no major concerns are apparent with criteria it does not clearly meet.
- c. 0-50 points will be awarded to proposals that meet few of the above criteria, or which meet most criteria, but one or more major concerns are apparent which affect the appropriateness.

4 PERCENTAGE OF MINORITY LIVING IN PROJECT AREA – (Taken from US Census data located in American Fact Finder) – Maximum 100 points

Communities with above 76% minority population	100 points
Communities with 51% to 75% minority population	75 points
Communities with 26% to 50% minority population	50 points
Communities with below 26% minority population	25 points

- 5 PERCENTAGE OF VL and LI IN THE PROJECT AREA - Maximum 100 points
One point for every percentage point of VL and LI population will be awarded.
- 6 PROJECT READINESS – Maximum 50 points
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| Homes identified and other funding committed | 50 points |
| Homes identified and other funding located – not committed | 40 points |
| Homes identified and other funding not located | 30 points |
| Other | 0 points |

PLANNING – Maximum 300 Points

- 1 PROJECT NEED – Maximum 75 points
- Proposal clearly responds to an existing or anticipated need and describes how the planning project will help address the need or problem.
- 2 IMPACT – Maximum 50 points
- Highest scores will be applied to proposals that best meet the following criteria:
- a. Work products are clearly defined.
 - b. Work products and results clearly address described need.
 - c. Person, entity or consultant who will undertake or lead the planning effort is identified and is qualified and experienced.
- 3 IMPLEMENTATION – Maximum 50 Points
- Highest scores will be applied to those proposals that can show:
- a. The proposed planning program is required or mandated in order to access financial assistance needed to implement a project or program.
 - b. The financial assistance is likely to be offered and accessed upon undertaking or concluding the process.
 - c. Implementation is likely and will have short- and long-term benefit.
- 4 COST – Maximum 25 points
- Up to 25 points will be applied if the cost is documented and appears reasonable.
- 5 VL/LI BENEFIT – Maximum 5 points
- One point for each rounded 10% VL/LI to benefit above 50 percent will be applied.

6 MATCH – Maximum 25 points

75%-+	25 points
50%-74%	20 points
25%-49%	15 points
10%-24%	10 points
5%-9%	5 points
0%-4%	0 points

7 BONUS – Maximum 20 points

- a. 10 points will be awarded if planning activities proposed are related to, and would help address problems identified in 2017 or 2018 unfunded proposals.
- b. One point will be awarded for each year since the applicant was last awarded a (regular program) CDBG grant. (Maximum 10 points.)

8 TIMELINESS – Maximum 25 Points

Up to 25 points will be applied if the proposed work schedule is realistic and final work products will be available within program parameters as determined by the state.

9 PERCENT MINORITY IN THE COMMUNITY – Maximum 25 Points

- a. Communities with 100% minority population 25 points
- b. Communities with 50.1% to 99.9% minority population 20 points
- c. Communities with 25% to 50% minority population 15 points
- d. Communities with 5% to 24.9% minority population 10 points
- e. Communities with below 5% minority population 5 points

EMERGENCY

No point system will be utilized for emergency requests; decisions regarding funding will be based on the project need, commitment and appropriateness as well as availability of funds.

ECONOMIC DEVELOPMENT

1. No point system will be utilized for economic development (CDLF) requests; however, decisions will be based on the following:
 - a. Financial strength and reasonableness;
 - b. Likelihood of success;
 - c. Likelihood of ability to repay;

- d. Need and appropriateness for funds and terms;
 - e. Management strength, expertise and past performance;
 - f. Marketing; and,
 - g. Degree of likely benefit to the economy, VL/LI persons, and/or anticipated impact of addressing national objectives as defined in the state program statement.
2. No point system will be utilized for economic development infrastructure requests; however, decisions will be based on the following:
- a. Degree to which the infrastructure fits into the community's overall economic development strategy.
 - b. Need and appropriateness for funds and terms.
 - c. Degree of likely benefit to the economy, VL/LI persons, and/or anticipated impact of addressing national objectives as defined in the state program statement.