

REGION V

DRAFT

**2012 CDBG REGIONAL
PROGRAM STATEMENT**

**LAKE AGASSIZ
REGIONAL COUNCIL**

**417 MAIN AVENUE
FARGO, ND 58103
PHONE: (701) 235-1197
FAX: 235-6706
info@lakeagassiz.com**

*Alternative formats for disabled persons are available upon request
and TTY-Relay ND 800-366-6888, Voice 800-366-6889*

ALLOCATION OF FUNDS

The Lake Agassiz Regional Council will be allocated \$323,107 in FY 2012. This amount will be distributed among eligible projects and programs of activities in the following manner:

Public Facilities (LI AND VLI Benefit)	\$298,107
Public Facilities (Urgent Need)	0
Housing Rehabilitation*	0
Removal of Architectural Barriers	25,000
Community Development Loan Fund**	0
Planning Activities***	No Set-Aside
Emergency Public Facilities	No Set-Aside
Total	<u>\$323,107</u>

* Although there is no set-aside for housing rehabilitation projects, preapplications will be accepted. Should the board recommend a housing rehabilitation project for funding, funds may be transferred from other categories, provided that funds are available.

** The Community Development Loan Fund is supplemented by repayments to the State Revolving Loan Fund.

*** A Notice of Fund Availability will be sent to cities and counties in the region should funds be available for planning activities beginning June 1, 2012.

EMERGENCY PUBLIC FACILITY APPLICATIONS

In the event of a public facility emergency not addressed with the Urgent Need Set-aside, funding may be obtained by assigning any unallocated public facility funds or funds returned or transferred from other emphasis areas, including economic development, at the discretion of the Lake Agassiz Regional Council Board. The funding recommendation will then be submitted to DCS for concurrence. The board will recommend funds based on documentation of the emergency and evidence that CDBG funds are required to assist in remedying the problem. The public facilities scoring process will be waived for emergency applications.

ELIGIBLE ACTIVITIES

All activities listed as eligible in the North Dakota Community Development Block Grant Program Distribution Statement are eligible in the Lake Agassiz Regional Council Community Development Block Grant Program Distribution Statement. A copy of the North Dakota Community Development Block Grant Program Distribution Statement may be obtained by contacting the Lake Agassiz Regional Council, 417 Main Avenue, Fargo, ND 58103, telephone (701) 235-1197 or the ND Division of Community Services, Century Center, 1600 East Century Ave., Suite 2, Bismarck, ND 58502-2057, telephone (701) 328-5300.

CONFLICT OF INTEREST

All officers, directors, delegates, council members, committee members and staff members of Lake Agassiz Regional Council and its component committees shall avoid conflict, whether real or

perceived, between individual, professional or business interests and the interests and decision-making capacity of the Council.

In the event that any officer, director, delegate, council member, committee member or staff member has any direct or indirect interest or any direct or indirect relationship with any individual or organization which proposes to enter into any transaction with the Council or its component committees, such person shall give notice of such interest or relationship to the Council and shall thereafter refrain from discussing or voting on the transaction in which he or she has an interest and from otherwise exerting influence in any way on the Council or its components to affect a decision to participate or not to participate in such a transaction.

TRANSFERS WITHOUT NOTICE

After scoring and ranking has taken place, transfers of \$20,000 or less may be made among funding categories without public notice and will be limited to two transfers per fiscal year. The DCS will be notified in writing within 10 days of a Board decision to transfer funds. Minutes of the board decision will accompany the notification.

IMPLEMENTATION SCHEDULE

Public Facilities, Housing and Removal of Architectural Barriers:

January 20, 2012	Pre-applications for Public Facilities (LI AND VLI Benefit), Public Facilities (Urgent Need), Housing Rehabilitation, Other Housing Projects and Removal of Architectural Barriers Projects due at Lake Agassiz Regional Council Office
February 17, 2012	Scoring Review and Recommendations for Funding by Lake Agassiz Regional Council Board of Directors
February 20, 2012	Written Notice to Communities of Recommendations for Funding
March 15, 2013	Final Date for completion of Full Applications and Submittal to DCS for Final Approval

Community Development Loan Fund:

Applications are accepted at any time.

Planning Activities:

June 1, 2012 through February, 28, 2013	Pre-applications accepted, reviewed, scored and recommended for funding throughout this period, pending availability of funds
March 15, 2013	Final Date for completion of Full Applications and Submittal to DCS for Final Approval

SUBMISSION REQUIREMENTS AND SELECTION PROCESS

Housing Rehabilitation

Housing Rehabilitation activities include the rehabilitation of existing structures occupied (owned or rented) by low and very low-income households.

Submission Process - Housing Rehabilitation

1. Obtain and complete a CDBG FY 2012 Pre-Application form mailed to all communities and counties in Region V and also available from the office of the Lake Agassiz Regional Council, 417 Main Avenue, Fargo, ND 58103, telephone: (701) 235-1197 or online at www.lakeagassiz.com. (click on "" "Community Development Block Grant")
2. **January 20, 2012** – Due date for pre-applications and all required supplementary information. Pre-applications must be received in LARC offices by 5:00 p.m. Applications submitted via e-mail or fax must be followed by signed original copies.
3. **January 23, 2012 – February 11, 2012** - LARC staff determines eligibility, reviews and scores pre-applications.
4. **February 17, 2012** – LARC Board of Directors convenes to review staff scoring, hear project presentations, rank need for each project and develop funding recommendations.
5. **February 20, 2012** – LARC staff notifies applicants of recommendations for funding.
6. **March 15, 2013** – Final date for completion of full applications and submittal to the Division of Community Services.

Selection Process - Housing Rehabilitation (550 points maximum)

The Lake Agassiz Regional Council Staff will assign points to housing rehabilitation projects in the following manner (maximum 350 points):

1. Proposed number of households to be assisted with project funds.

More than 15	100 points
10-15	75 points
Under 10	50 points

2. Percentage of housing units in the community built prior to 1939, according to the most recent Census data available at the time of the pre-application.

50% or more	50 points
40 - 49.9%	40 points
30 - 39.9%	30 points
20 - 29.9%	20 points
< 20%	10 points

3. What activities does the community undertake to encourage housing maintenance and improvement?

Enforcement of Building Code	25 points
Community Clean-Up/Fix-Up	25 points
Enforcement of Nuisance Ordinance	25 points
Prior Housing Rehabilitation Program	25 points

4. Are there employment opportunities within the community or within a reasonable commuting radius of the community, which have created a demand for additional and/or upgraded housing as measured by local vacancy rates?

Yes, within the community	50 points
Yes, within commuting distance	25 points
No	0 points

5. Percentage of VLI households assisted by the project

>50%	50 points
25-50%	25 points
<25%	10 points

The LARC Board of Directors will assign up to 200 points for the perceived need of each project in the following manner:

Each housing rehabilitation applicant will be invited to present a 5-10 minute summary of its project including a description of the need for rehabilitation, current local efforts to upgrade housing, growth of the community, if applicable, and a general description of beneficiaries (e.g. low-income households, elderly, female heads of households, etc.). After all presentations have been heard, each board member will assign need points to each project in increments of 40 points, with 200 points the highest score and 40 points the lowest. Projects may be placed anywhere along the scale, and no two applicants may receive the same score. The need points of each project will be added together and averaged to arrive at a final need score.

The score for the need criterion will then be added to the objective score to arrive at a final score.

A tie score will be broken by written ballot of the Board. The Board will be polled, with the Chairman abstaining from the vote. If a tie again results, the Chairman will cast the deciding vote.

Projects will be displayed in rank order. Projects must attain a minimum of score of 310 points in order to receive funding. Projects that receive the minimum score or higher will be funded in full, plus applicable administrative costs. Should funds be insufficient to fund any application in full, the board may:

1. Offer the remaining funds in the allocation to the applicant; if the applicant declines the offer, the board will offer the remaining funds to the next eligible applicant in rank order;
2. Transfer unobligated funds from other categories and offer awards as described above;

3. Transfer funds to any other category, including economic development, for immediate or later distribution; or
4. Any combination of the above.

Should there be no set-aside for housing in a particular year, qualified housing applications may be funded in full or in part only if funds are available in other categories after projects in those categories have been ranked and recommended for funding.

Preapplications recommended for funding will be invited to submit full applications. A full application must not deviate in general project scope, proportion of local match, if any, or implementation schedule as described in the pre-application. An applicant that has been invited to submit a full application may choose not to go forward with a full application, in which case the next highest ranked project, if any, will receive an invitation to submit a full application, subject to the size of the funding request and funds available.

Should the board reject a preapplication(s) when funds are clearly available in the Housing Rehabilitation category, it will provide a written explanation to the preapplicant and the DCS.

Several alternatives will be considered by the Board for redistribution of funds turned back from funded projects for reasons such as cost under-runs or the inability to use all allocated funds (such as in special assessment type projects).

1. Prior to February 28, 2013 funds may be:
 - Offered to current year unfunded Housing Rehabilitation applicants in rank order.
 - Transferred to Public Facilities – LI and VLI Benefit Activities and offered to current year applicants in rank order.
 - Transferred to Public Facilities – Urgent Need and offered to current year unfunded applicants in rank order
 - Transferred to Removal of Architectural Barriers and offered to current year unfunded applicants in rank order.
 - Transferred to a previously funded project in any category that demonstrates a need for additional funding.
 - Held for emergency applications up to February 28, 2013.
 - Transferred to the Community Development Loan Fund.

Should no applications for Housing Rehabilitation be received, the Board may transfer housing set-aside funds to any of the other categories, including the Community Development Loan Fund at the February 17, 2012 scoring and ranking meeting.

Public Facilities –LI and VLI Benefit Activities

Definition: Projects that benefit low-income and very low-income households, as defined by HUD, through direct payment of special assessments to such households or by the reduction of overall

project costs in a benefiting area that is comprised of a total population that is at least 51% low-income and/or very low-income.

Submission Process – LI and VLI Benefit Activities

1. Obtain and complete a CDBG FY 2012 Pre-Application form mailed to all communities and counties in Region V and also available from the office of the Lake Agassiz Regional Council, 417 Main Avenue, Fargo, ND 58103, telephone: (701) 235-1197 or online at www.lakeagassiz.com. (click on “Community Development Block Grant”)
2. **January 20, 2012** – Due date for pre-applications and all required supplementary information. Pre-applications must be received in LARC offices by 5:00 p.m. Applications submitted via e-mail or fax must be followed by signed original copies.
3. **January 23, 2012 – February 11, 2012** - LARC staff determines eligibility, reviews and scores pre-applications.
4. **February 17, 2012** – LARC Board of Directors convenes to review staff scoring, hear project presentations, rank need for each project and develop funding recommendations.
5. **February 20, 2012** – LARC staff notifies applicants of recommendations for funding.
5. **March 15, 2013** – Final date for completion of full applications and submittal to the Division of Community Services.

Selection Process – LI and VLI Benefit Activities (780 points maximum)

The Lake Agassiz Regional Council staff will assign points to Public Facilities – LI and VLI Benefit pre-applications in the following manner (Maximum 500 points):

1. Project type (projects cannot include deferred maintenance activities)

<i>Water System Expansion Activities</i> (including but not limited to development of or access to new source, new water reservoir construction that increases capacity, water treatment plant expansion)	150 points
<i>Sanitary Sewer System Expansion Activities</i> (including but not limited to lagoon cell construction or expansion that increases treatment capacity, lift station rehabilitation or new construction that increases capacity, expansion of sanitary sewer distribution system)	150 points
<i>Sanitary Sewer System Rehabilitation Activities</i> (including but not limited to sewer main replacement or relining, lift station rehabilitation or replacement that does not increase capacity, lagoon repair or replacement That does not increase capacity)	125 points
<i>Flood Mitigation and Protection</i> (including surface drainage improvement, storm sewer main improvement or expansion, storm sewer lift station rehabilitation or expansion, dikes construction)	125 points

<i>Water System Rehabilitation Activities</i> (including but not limited to watermain replacement, water treatment plant rehabilitation, water reservoir replacement that does not increase capacity)	125 points
<i>Fire Protection Activities</i>	80 points
<i>Community Center Activities</i>	70 points
<i>Other CDBG Eligible Activities</i>	60 points
2. Very low-income and low-income benefit of project	
100.0%	100 points
51.0% to 99.9%	90 points
Under 51.0%	Not Eligible
3. Project matching funds	
Assign 3 points for each percentage of total project costs paid from local or other sources	150 points max.
4. Number of prior unsuccessful pre-applications for this project.	
Two or more	50 points
One	25 points
None	0 points
5. Number of successful CDBG Public Facilities applications for other projects within the past five years:	
None	50 points
One	25 points
Two or more	0 points

The LARC Board of Directors will assign up to 280 points for the perceived need of each project. In determining need for a project, the board may take into account a number of factors including an applicant's water and sewer rates, mill levy, bonded indebtedness and level of reserve funds. The board will assign the need in the following manner:

Each public facilities applicant will be invited to present a 5-10 minute summary of its project including a description of the problem, the severity of the problem, the local capacity to fund the project, current rates (as applicable) and benefit to the community. After all presentations have been heard, each board member will assign need points to each project in increments of 40 points, with 280 points the highest score and 40 points the lowest. Projects may be placed anywhere along the scale, and no two applicants may receive the same score. The need points of each project will be added together and averaged to arrive at a final need score.

The score for the need criterion will then be added to the objective score to arrive at a final score.

A tie score will be broken by written ballot of the Board. The Board will be polled, with the Chairman abstaining from the vote. If a tie again results, the Chairman will cast the deciding vote.

Projects will be displayed in rank order. Projects must attain a minimum score of 450 points in order to receive funding. Projects that receive the minimum score or higher, will be funded in rank order in full, plus applicable administrative costs, Should funds be insufficient to fund any application in full, the board may:

1. Offer the remaining funds in the allocation to the applicant; if the applicant declines the offer, the board will offer the remaining funds to the next eligible applicant in rank order;
2. Transfer unobligated funds from other categories and offer awards as described above;
3. Transfer funds to any other category, including economic development, for immediate or later distribution; or
4. Any combination of the above.

Pre-applications recommended for funding will be invited to submit full applications. Full applications must not deviate in general project scope, proportion of matching funds commitments or planned implementation schedule as identified in the respective pre-applications. An applicant which has been invited to submit a full application may choose not to go forward with a full application, in which case the next highest ranked project, if any, will receive an invitation to submit a full application, subject to the size of the funding request and funds available.

Several alternatives will be considered by the Board for redistribution of funds turned back from funded projects for reasons such as cost under-runs or the inability to use all allocated funds (such as in special assessment type projects).

1. Prior to February 28, 2013 funds may be:
 - Offered to current year unfunded LI and VLI applicants in rank order.
 - Transferred to Public Facilities – Urgent Need and offered to current year unfunded applicants in rank order
 - Transferred to Removal of Architectural Barriers and offered to current year unfunded applicants in rank order.
 - Transferred to Housing Rehabilitation and offered to current year unfunded applicants in rank order.
 - Transferred to a previously funded project in any category that demonstrates a need for additional funding.
 - Held for emergency applications up to February 28, 2013.
 - Transferred to the Community Development Loan Fund.

Public Facilities – Urgent Need Activities

Definition – Upon local certification, an activity that is designed to alleviate existing condition(s) which pose a serious and immediate threat to the health or welfare of the community, which are of recent origin or which recently became urgent, which the applicant is unable to finance on its own and for which other sources of financing are not available. A problem is considered to be of recent origin if it developed or became urgent within the 18 months preceding the Urgent Need Certification by the unit of general local government.

Submission Process – Urgent Need

1. Obtain and complete a CDBG FY 2012 Pre-Application form mailed to all communities and counties in Region V and also available from the office of the Lake Agassiz Regional Council, 417 Main Avenue, Fargo, ND 58103, telephone: (701) 235-1197 or online at www.lakeagassiz.com. (click on “Community Development Block Grant”)
2. **January 20, 2012** – Due date for pre-applications and all required supplementary information. Pre-applications must be received in LARC offices by 5:00 p.m. Applications submitted via e-mail or fax must be followed by signed original copies.
3. **January 23, 2012 – February 11, 2012** - LARC staff determines eligibility, reviews and scores pre-applications.
4. **February 17, 2012**– LARC Board of Directors convenes to review staff scoring, hear project presentations, rank need for each project and develop funding recommendations.
5. **February 20, 2012** – LARC staff notifies applicants of recommendations for funding.
6. **March 15, 2013** – Final date for completion of full applications and submittal to the Division of Community Services.

Selection Process – Urgent Need (550 points maximum)

The Lake Agassiz Regional Council staff will assign points to Public Facilities – Urgent Need pre-applications in the following manner (Maximum 350 points):

1. Project appears to meet the definition of Urgent Need as described above

Clearly meets definition	100 points
May meet definition	50 points

2. Proposed project involves a construction activity that will remedy the identified problem.

Project will completely remedy the problem	100 points
Project will partially remedy the problem	50 points

3. Project matching funds

Assign 3 points for each percentage of total project cost paid from local or other sources.	150 points max.
---	-----------------

The LARC Board of Directors will assign up to 200 points for the perceived need of each project. In determining need for a project, the board may take into account a number of factors including an applicant's water and sewer rates, mill levy, bonded indebtedness and level of reserve funds. The board will assign the need in the following manner:

Each Public Facilities – Urgent Need applicant will be invited to present a 5-10 minute summary of its project including a description and discussion of the severity of the problem, including the immediate threat to health and welfare of the community, the local capacity to fund the project and benefit to the community. After all presentations have been heard, each board member will assign need points to each project in increments of 40 points, with 200 points the highest score and 40 points the lowest. Projects may be placed anywhere along the scale, and no two applicants may receive the same score. The need points of each project will be added together and averaged to arrive at a final need score.

The score for the need criterion will then be added to the objective score to arrive at a final score.

A tie score will be broken by written ballot of the Board. The Board will be polled, with the Chairman abstaining from the vote. If a tie again results, the Chairman will cast the deciding vote.

Projects will be displayed in rank order. Projects must attain a minimum of score of 295 points in order to receive funding. Projects that receive the minimum score or higher, will be funded in full plus applicable administrative costs. Should funds be insufficient to fund any application in full, the board may:

1. Offer the remaining funds in the allocation to the applicant; if the applicant declines the offer, the board will offer the remaining funds to the next eligible applicant in rank order;
2. Transfer unobligated funds from other categories and offer awards as described above;
3. Transfer funds to any other category, including economic development, for immediate or later distribution; or
4. Any combination of the above.

Should there be no set-aside for Public Facilities-Urgent Need in a particular year, qualified urgent need applications may be funded in full or in part only if funds are available in other categories after projects in those categories have been ranked and recommended for funding.

Pre-applications recommended for funding will be invited to submit full applications. Full applications must not deviate in general project scope, proportion of matching funds or planned implementation schedule as identified in the respective pre-applications. An applicant who has been invited to submit a full application may choose not to go forward with a full application, in which case the next highest ranked project will receive an invitation to submit a full application subject to the size of the request and availability of funds.

Should the board reject a preapplication(s) when funds are clearly available in the Public Facilities – Urgent Need category, it will provide a written explanation to the preapplicant and the DCS.

The Board will consider several alternatives for redistribution of funds turned back from funded projects for reasons such as cost under-runs or the inability to use all allocated funds.

Prior to February 28, 2013 funds may be:

- Offered to current year unfunded Urgent Need applicants in rank order.
- Transferred to Public Facilities – LI and VLI Benefit and offered to current year unfunded applicants in rank order.
- Transferred to Removal of Architectural Barriers and offered to current year unfunded applicants in rank order.
- Transferred to Housing Rehabilitation and offered to current year unfunded applicants in rank order.
- Transferred to a previously funded project in any category that demonstrates a need for additional funding.
- Held for emergency applications up to February 28, 2013.
- Transferred to the Community Development Loan Fund

Removal of Architectural Barriers (ROAB)

No application for projects with a total cost of less than \$10,000 will be considered for funding.

Submission Requirements – Architectural Barriers

1. Obtain and complete a CDBG FY 2012 Pre-Application form mailed to all communities and counties in Region V and also available from the office of the Lake Agassiz Regional Council, 417 Main Avenue, Fargo, ND 58103, telephone: (701) 235-1197 or online at www.lakeagassiz.com. (*click on “Community Development Block Grant”*)
2. **January 20, 2012** – Due date for pre-applications and all required supplementary information. Pre-applications must be received in LARC offices by 5:00 p.m. Applications submitted via e-mail or fax must be followed by signed original copies.
3. **January 23, 2012 – February 11, 2012** - LARC staff determines eligibility, reviews and scores pre-applications.
4. **February 17, 2012** – LARC Board of Directors convenes to review staff scoring, hear project presentations, rank need for each project and develop funding recommendations.
5. **February 20, 2012** – LARC staff notifies applicants of recommendations for funding.

6. March 15, 2013 – Final date for completion of full applications and submittal to the Division of Community Services.

Selection Process – Architectural Barriers (550 points maximum)

The Lake Agassiz Regional Council staff will award points in the following manner:
(Maximum 350points)

Applicant has completed an ADA/504 Transition Plan

Yes	50 points
No	0 points

2. The project is a priority need identified in the applicant's ADA/504 Transition Plan (submitted with the pre-application or on file at LARC).

Yes	50 points
No	25 points
No Transition Plan	0 points

3. Matching Funds:

75% or more of total project costs	150 points
50-74% of total project costs	100 points
25-49% of total project costs	50 points
< 25% of total project costs	25 points

4. The project will affect a public structure that is frequently used by the public (for example, courthouse, city hall, public polling place, library)

Yes	100 points
No	0 points

The LARC Board of Directors will assign up to 200 points for the perceived need of each project in the following manner:

Each removal of architectural barriers applicant will be invited to present a 5-10 minute summary of its project including a description of the work to be done, the applicant's prior efforts to accomplish ADA compliance and the local capacity to fund the project.

After all presentations have been heard, each board member will assign need points to each project in increments of 40 points, with 200 points the highest score and 40 points the lowest. Projects may be placed anywhere along the scale, and no two applicants may receive the same score. The need points of each project will be added together and averaged to arrive at a final need score.

The score for the need criterion will then be added to the objective score to arrive at a final score.

A tie score will be broken by written ballot. The Board will be polled, with the Chairman abstaining from the vote. If a tie again results, the Chairman will cast the deciding vote.

Projects will be displayed in rank order. Projects must attain a minimum of score of 320 points in order to receive funding. Projects that receive the minimum score or higher will be funded in rank order in full, plus applicable administrative costs. Should funds be insufficient to fund any application in full, the board may:

1. Offer the remaining funds in the allocation to the applicant; if the applicant declines the offer, the board will offer the remaining funds to the next eligible applicant in rank order;
2. Transfer unobligated funds from other categories and offer awards as described above;
3. Transfer funds to any other category, including economic development, for immediate or later distribution; or
5. Any combination of the above.

Should there be no set-aside for ROAB in a particular year, qualified ROAB applications may be funded in full or in part only if funds are available in other categories after projects in those categories have been ranked and recommended for funding.

Preapplications recommended for funding will be invited to submit full applications. Full applications must not deviate in general project scope, proportion of local match or implementation schedule, as identified in the pre-application. An applicant who has been invited to submit a full application may choose not to go forward with a full application, in which case the next highest ranked project, if any, will receive an invitation to submit a full application, subject to the size of the funding request and funds available.

Should the board reject a preapplication(s) when funds are clearly available in Removal of Architectural Barriers category, it will provide a written explanation to the preapplicant and the DCS.

The following alternatives will be considered by the Board for redistribution of funds turned back from funded projects for reasons such as cost under-runs or the inability to use all allocated funds.

Prior to February 28, 2013 funds may be:

- Offered to current year unfunded Removal of Architectural Barriers applicants in rank order.
- Transferred to Public Facilities – LI and VLI Benefit and offered to current year unfunded applicants in rank order.
- Transferred to Public Facilities – Urgent Need and offered to current year unfunded applicants in rank order.
- Transferred to Housing Rehabilitation and offered to current year unfunded applicants in rank order.

- Transferred to a previously funded project in any category that demonstrates a need for additional funding.
- Held for emergency applications up to February 28, 2013.
- Transferred to the Community Development Loan Fund

Community Development Loan Fund (CDLF)

The Community Development Loan Fund consists of (1) FY 2012 funds set-aside for loans and equity investments in for-profit businesses and (2) funds repaid to DCS from loans and equity investments made in prior fiscal years. These funds are federal funds.

Four types of activities are eligible for funding through the Community Development Loan Fund: 1) direct loans or equity investments in for-profit businesses including loans for fixed assets and inventory; 2) loans to non-profit corporations which operate business enterprises or which serve as an avenue through which assistance is provided to for-profit businesses; 3) loans to for-profit businesses for development of infrastructure owned and maintained by the for-profit entity and 4) grants for the development of municipally owned infrastructure which directly serves new or expanding for-profit businesses.

Submission Process and Requirements to CDLF for Loans and Equity Investments

1. An Applicant (the business to be assisted) submits a full application that consists of a complete business plan (*LARC may provide a format*) and supplementary information including, but not limited to historical financial statements of the business, 3 years of business tax returns, as applicable, 3 years of personal tax returns of the principals, financial pro formas, including cash flow statements, income statements and balance sheets, a description of the project, anticipated use of funds, other sources of financing including owner equity and a projection of jobs to be created and/or retained as a result of the project. Applicant must also demonstrate that all other sources of funds are committed to the project, contingent upon CDLF funding.
2. The sponsoring jurisdiction (a city or county) passes a resolution of sponsorship and holds a public hearing on the request for CDLF funds.
3. LARC staff prepares a credit analysis and a recommendation to the LARC Loan Committee¹ based upon the following factors:
 - a. Need for Community Development Loan Fund Program assistance and appropriateness of the proposed use of funds;

¹ The LARC Loan Committee membership is comprised of one LARC Board Member from each of the Lake Agassiz Region's six counties and any other LARC board members who demonstrate an interest in the work of the Committee. The Committee currently has seven members.

- b. Cash flow and the ability to meet debt service requirements;
 - c. Strength of the balance sheet and profit and loss statement (existing businesses);
 - d. Reasonableness and credibility of pro forma financial statements (existing and new businesses);
 - e. Financial strength of principals;
 - f. Appropriateness of the proposed terms of the Community Development Loan Fund request;
 - g. Management strength and expertise;
 - h. Past performance of the firm or principal(s);
 - i. Other sources or lack of other sources of funding;
 - j. Marketing; and
 - k. Cost per job based on the amount of Community Development Loan Funds requested.
 - l. Community benefit.
4. The LARC Loan Committee reviews the credit analysis and staff recommendation.
 5. The LARC Loan Committee review may result in any of the following actions:
 - a. The committee may approve funding as recommended;
 - b. The committee may approve funding with conditions;
 - c. The committee may ask the business to restructure its financial package for reconsideration, or;
 - d. The committee may recommend that the application not be funded and not be allowed to restructure its financial package for further consideration.
 6. Upon approval by the LARC Loan Committee, the application materials, business plan and accompanying documentation, staff review and loan committee recommendation and minutes are submitted to DCS for final approval.

Submission Process and Requirements to CDLF for Infrastructure Grants to Local Units of Government

1. LARC staff determines that a proposal for infrastructure improvement will meet the job creation and community benefit objectives of the Community Development Loan Fund and that the project will qualify for grant assistance.
2. Applicant jurisdiction (city or county) completes and submits a full application for a CDLF Infrastructure Grant (*with assistance from LARC staff, if needed*) that includes all of the following items:
 - a. CDBG public facilities application form;
 - b. Preliminary engineering report;
 - c. Staff review;
 - d. Assessment(s) of benefiting company(ies);
 - e. Business plan(s) of benefiting company(ies) including 3 years historical financial statements and pro forma financial projections, as applicable.
 - f. Letter(s) of commitment from benefiting company(ies);
 - g. Job creation and retention form for each benefiting company;
 - h. Hiring plan for each benefiting company;
 - i. Business assessment of beneficiary (Attachment B) for each benefiting company.
3. The sponsoring jurisdiction (a city or county) passes a resolution of sponsorship and holds a public hearing on the request for CDLF funds.
4. LARC staff prepares a written recommendation to the LARC Loan Committee. The Loan Committee makes a funding recommendation based on the information contained in the application, including the job creation and public benefit aspects of the project, the amount of the local share and the staff recommendation.
6. Upon approval by the LARC Loan Committee, the application materials, business plan and accompanying documentation, staff review and loan committee recommendation are submitted to DCS for final approval.

Planning Activities

Definition: Eligible activities relating to the establishment of strategic plans, comprehensive plans, capital improvement plans. Applicants must meet one of the three national objectives:

- *Benefit to low and very low income persons*
- *Elimination of slum and blight*

- *Urgent need.*

Submission Process – Planning Activities

1. Obtain and complete a CDBG FY 2012 Pre-application form mailed to all communities and counties in the Region and also available from the office of the Lake Agassiz Regional Council, 417 Main Avenue, Fargo, ND 58103, telephone: (701) 235-1197 or online at www.lakeagassiz.com.
2. **June 1, 2012 – January 31, 2013** – Submission period for pre-applications and all required supplementary information, subject to the availability funds. LARC will notify cities and counties on June 1 and from time to time throughout this period of the availability of funds for planning activities.
3. **June 1, 2012 through February 28, 2013** – Subject to the availability of funds, LARC staff determines eligibility, reviews and scores pre-applications. The LARC Board of Directors ranks need and develops funding recommendations.
4. **March 15, 2013** – Final date for completion of full applications and submittal to the Division of Community Services.

Selection Process (100 points maximum)

1. Applicant provides a well-reasoned basis for the proposed planning activity and an explanation of the anticipated outcome.

Yes	25 points
No	10 points
2. Matching Funds

>75%	25 points
51-74%	15 points
26 – 50%	5 points
25% or under	0 points
3. LI/VLI Benefit

51% and over	25 points
<51%	20 points (must meet national objective of elimination of slum and blight or urgent need)
4. Proposal clearly describes the steps involved in the planning process, the local resources required, proposed coordinating or steering committee, plan for public involvement, implementation process and procedure for self-evaluation.

Good	25 points
Adequate	15 points
Poor	5 points

Proposals will be ranked according to the point schedule above from which the LARC Board will develop funding recommendations.

List of Abbreviations

ADA – Americans with Disabilities Act
CDBG – Community Development Block Grant
CDLF – Community Development Loan Fund
DCS – Division of Community Services
LARC – Lake Agassiz Regional Council
LI – Low-income
ROAB – Removal of Architectural Barriers
VLI – Very low-income