

PROJECT CRITERIA GUIDELINES

Guidelines for Selecting Projects to Be Submitted for Community Development Block Grant Funding

Any activity requiring household surveys as a method of justification will require a building footprint map and a census tract map with the houses in the service area clearly marked and addresses shown.

PROJECT CRITERIA SECTION

A. PUBLIC IMPROVEMENTS

Public Improvement Projects include: sewer and water, demolition, recreation, and general infrastructure activities.

ALL PROJECTS MUST HAVE A MINIMUM CONSTRUCTION BUDGET OF \$20,000.00. ALL PROJECTS MUST HAVE A MINIMUM CDBG FUNDING REQUEST OF \$20,000.00.

SEWER AND WATER

The sewer and water program is a competitive funding program which requires a match share component. Funding consideration of applications are also based on an evaluation and ranking system. Eligible projects not selected for funding under the competitive sewer and water program criteria may still receive funding consideration under one of several other programs' criteria.

Program Policy

- 1) Allegheny County Economic Development (ACED) policy requires the application to provide a minimum local match of 35% or higher, based on the project's construction costs. Verification of local matching funds may be required prior to funding commitment. Sanitary sewer, storm sewer, and water system applications are then considered for up to 65% Community Development Block Grant (CDBG) funding based on the project's construction costs indicated on the application at the time it is submitted. Since final project design and specifications are not required at the time of the application's submission, the 65% CDBG grant allocation is based on the estimated construction costs and is considered a budgeted amount subject to adjustment when the project's final bid price is revealed. In the event the bid price exceeds the CDBG allocation, the additional costs shall become a local share responsibility. In the event the bid price is less than the CDBG allocation, the 65% rule shall apply to the lower bid price.
- 2) The CDBG allocation shall be used for construction costs and/or low/moderate income (L/M) household special assessment fees (tap-in) only. All non-construction costs are the responsibility of the recipient.
- 3) Special assessment fees and costs may vary, but for the purpose of this application, fall into two categories.
 - a. *Special assessments defined as a pro-rated portion of the public improvement assessed as a one time charge to each individual homeowner for the recovery of costs of the new installation.* These types of special assessment costs are

not reimbursable but will require a waiver review process to be conducted for low/moderate homeowners in the project area who cannot be assessed these costs due to CDBG grant fund assistance provided towards construction of the project.* (**Please read special notation concerning these costs**).

** **Note:** For new sanitary sewer and water installation projects, operating agencies, authorities and municipalities requesting CDBG assistance must become familiar with the low/moderate waiver procedures, process and method for determining household income to qualify for a waiver. Waiver review and consideration will be required by the homeowner upon project completion and ownership.*

- b. *Special assessments defined as **tap-in costs** are fees or costs associated with entering the new installation and system. (Like the special assessment costs identified above, tap-in costs cannot be imposed against any L/M homeowners in the project area.) CDBG funding can be utilized to pay for tap in fees on behalf of L/M households on condition that the request is made at the time of the application and providing that adequate funding is available. Special assessment costs (tap-in) will not be considered in addition to construction costs. L/M special assessment (tap-in) costs must either be waived or deducted from the 65% grant construction award. The tap-in cost assessment must be included in the breakdown of total project costs and indicate the per-household assessment, the number of L/M and non-L/M households and define each assessment type, if more than one.*
- 4) Requests for funding consideration **must** include the following items in the project application:

A detailed narrative of the problem and how it will be corrected. Please include all relevant detail, along with a separate project summary breakdown sheet showing total project costs, total construction costs (include any contingency amounts) and when necessary, specify special assessment costs. All items of construction must include unit measures, quantities and approximate costs; submission of lump sum estimates cannot be evaluated and shall not be given consideration for funding.

Special Note:

When submitting sanitary sewer, waterline or storm sewer applications, the following must be clearly indicated:

- a. If the work to be completed is a **new installation** or a **replacement of an existing line**.
- b. List the **Municipality** in which the project is located and include the name of any Authority if it is the applicant for the project.

The amount of CDBG funds requested for sewer and water projects on the application should be based on the *construction cost amount* and **not** the *total project cost amount*. An illustration of the difference is as follows:

Construction Costs - Consists of the cost of work materials and/or equipment and installation along with any contingency amount for these items. (A contingency of 5 to 10%, is acceptable.)

Total Project Costs - Consists of construction costs and when applicable, special assessment (tap-in) fees for qualifying L/M households along with engineering, legal, advertising or other related costs. Engineering, legal, advertising and other related costs are considered non-construction and are the responsibility of the recipient.

Sewer and water projects **must include** both a **project street map**, along with a **USGS topographic map** indicating direction of flow. Project street maps must clearly identify the project area, the street names, and **building footprints** for the service areas of any activity requiring household surveys as a method of justification. In order to evaluate the application content, all buildings to be directly connected to a line (sewer or water) must be clearly identified; storm water applications must also be consistent with the household surveys and clearly identify project areas for the purpose of eligibility determination and on-site verification purposes.

- 5) ACED policy will require TV camera inspection of sanitary sewer lines prior to soliciting bids for all projects involving rehab or repairs of existing lines to accurately locate the problem area and determine the condition of the line whenever such inspection is possible.
- 6) ACED policy will require the applicant to have in place a sinking or capital improvement fund for sanitary sewers and water systems or shall agree to put such a fund in place as part of any agreement involving a CDBG allocation.
- 7) A Municipality should have a Preventative Maintenance Program.
- 8) Full road reconstruction should not be included in requests for sewer and water funding. Road restoration included in the sewer and water application should be limited to only the disturbed area (trench area) or that which is directly related to the project work (storm water projects).

- 9) Unless specified differently in the letter of funding notification, projects must be awarded and/or under construction within 180 days after the CDBG Program year which takes effect July 1. Failure to comply shall result in the possible reprogramming of funds.
- 10) Emergency projects are given greater weight than non-emergency projects. Emergency projects are therefore generally considered to be a circumstance of recent or sudden occurrence which requires immediate attention. Information must be presented to establish an emergency. Letters from the Allegheny County Health Department and/or DEP will be accepted. The Local Government Unit must submit a resolution declaring the project an emergency and submit a report prepared by the local engineer. Emergency projects require that implementation begin immediately and no longer than 45 days from the date of funding notification. ACED may require a review of 3-5 years of maintenance and inspection records to assure that the problem was not the lack of preventative maintenance or other mitigating circumstances.

Criteria

- 1) Prioritization from the Allegheny County Health Department concerning possible health problems.
- 2) Does the application provide the required (35%) match share or greater?
- 3) How many homes or establishments are benefited per dollar cost?
- 4) Is the local funding match committed (secured) or pending?
- 5) Does project replace malfunctioning septic tanks or contaminated wells?
- 6) If a sewer project, will it stop sewage or storm water from backing up into or flooding basements?
- 7) Can storm water be separated from combination sewers to prevent surcharging and relieve overloading of sewage treatment plant?
- 8) Would an interconnection of municipal water systems provide more reliable water for home use and fire protection?
- 9) Is the project a continuation of a phased project or the remedial work indicated by a CDBG-funded study?
- 10) Is the project multi-municipal?
- 11) Community's fiscal status, considering tax millage, tax base, unemployment, per capita income.

- 12) Recent allocation of CDBG funds.
- 13) Will the sewer project help to eliminate SSO's or CSO's?
- 14) Does the project have a multiple ACED impact, i.e., Infrastructure/Economic Development or Infrastructure/Housing priorities?
- 15) Does the community have a long range Capital Improvement Plan and is the project consistent with such plan?
- 16) Is the project to be run through a Council of Governments (COG) as the Operating Agency?
- 17) EPA Consent order projects are viewed as community-wide assessments; applications for consent related work can only be considered for communities which are completely L/M census tract eligible and will also be subject to the scale of the funding request and availability of funds.

PUBLIC IMPROVEMENTS

Program Policy

- 1) Each COG in Allegheny County currently receives an annual CDBG allocation for project management and public improvements.

The applications submitted by the COGs will be evaluated on their own individual merit and will compete with all applications received by ACED. The eligible projects that are not selected for funding during the initial screening period will be forwarded to the COGs for their prioritization. It will then be the responsibility for the COG's Board of Directors to identify the projects to be funded for COG-wide activities from the remaining eligible group of applications.

Once these projects have been identified, no changes to the COG-wide public improvements will be accepted without a written request to the Director or Senior Deputy Director of ACED.

- 2) All bridge reconstruction/replacement projects must be inspected and on the inventory list of Pennsylvania's bridge inspection program.
- 3) Applications which list two (2) or more scattered demolition sites must list those sites in a priority ranking.
- 4) Demolition applications which include contiguous sites in large groups or blocks will receive high priority.

- 5) Engineering services may only be CDBG-funded if competitively procured and part of a master contract. In “non-master” agreements, engineering services must be provided locally and may be included as part of the local share.
- 6) Any COG-wide recreation project with PA DCED or other grant participation must be identified as such in the original application.
- 7) Activities that involve catch basin reconstruction alone, may be done only in eligible census tracts. Where the project involves other activities such as storm sewer reconstruction or installation of a retaining wall and the catch basin portion is a small percentage of the total project, then an alternative method of income justification may be used.
- 8) Projects must be awarded or under construction within 180 days after the CDBG Program year begins, which takes effect July 1. Failure to comply shall result in the possible reprogramming of funds.
- 9) Emergency projects are given greater weight than non-emergency projects. Information must be presented to establish an emergency. Letters from the Allegheny County Health Department and/or PA DEP will be accepted. The Local Government Unit must submit a resolution declaring the project an emergency and submit a structural report prepared by the local engineer.

Criteria

- 1) Only CDBG eligible projects are considered.
- 2) Projects are rated higher if there is a high percentage of other funds involved.
- 3) Projects are evaluated in terms of ACED priority.
- 4) The applicant must demonstrate the ability to properly administer CDBG projects and requirements.
- 5) Preference is given to phased activities which have previously received funding. Phased projects which have not previously received funding are given no preference.

RECREATION

Program Policy

- 1) Applicant must provide a minimum of 15% of the proposed construction costs.

- 2) Communities must demonstrate the capability of maintaining their park system.
- 3) Projects must be awarded or under construction within 180 days after the CDBG Program year begins, which takes effect July 1. Failure to comply shall result in the possible reprogramming of funds.

Criteria

- 1) Projects utilizing other sources of funding, i.e., PA Department of Conservation and Natural Resources Grant funding, will receive priority funding.
- 2) Park rehabilitation will receive priority over new park construction and acquisition.
- 3) Activities that are an integral part of an enterprise zone or commercial revitalization district will be given priority for funding.
- 4) Riverfront park acquisition, development, bikeways or trails will be given special consideration.
- 5) Applications which are included in a master recreation plan will be given a higher priority.
- 6) Park activities located in high population density areas will be given a higher priority.
- 7) Recreation projects must include a radius map indicating the service area.
- 8) Priority will be given to recreation projects which involve private sector recreation providers developing for-profit recreation centers/programs in low/mod income areas.

B. HOUSING AND HUMAN SERVICES PROJECTS

Housing Development

Housing Development projects include new construction or rehabilitation of affordable single family homeownership units, or new construction or rehabilitation of affordable rental housing. A fully completed Allegheny County Housing Development Fund Application must be submitted for projects seeking CDBG funding.

Housing projects are evaluated using the following criteria:

- 1) Is there low/mod income benefit? How much (percent of total units)?

- 2) Project financing and leveraging of multiple resources
- 3) Location (include street map and site photos)
- 4) Applicant management or affordable housing experience
- 5) Site features
- 6) Unit layout/amenities
- 7) Building construction
- 8) M/W/DBE and VOSB participation and Section 3 compliance
- 9) Community support/participation

Human Services

Types of Human Services projects considered for funding are:

- * Senior Citizen Center improvements
- * Handicapped Accessibility projects
- * Mental Health/Mental Retardation, Drug and Alcohol, Hunger & Nutrition, Homeless, and Children and Family Services
- * General Human Services projects (these are projects that service low/moderate income clients)
- * Other activities that are in keeping with the goals of ACED's Housing and Human Services activities as outlined in the 5-Year Consolidated Plan.

In addition, Human Services projects are evaluated using the following criteria:

- 1) Persons benefiting from the proposed project, as well as outcomes resulting from those benefits.
- 2) Agency's experience, expertise, capacity and outcomes are considered.
- 3) Performance on previously funded projects, including timeliness and accuracy of reports, outcomes, monitoring and other performance-related factors.
- 4) Project has multi-municipal impact (serves more than 1 community).

- 5) Project budget, including matching funds is considered. Projects with matching funds will receive priority.
- 6) A specific site has been identified or selected and the acquisition, rehabilitation or renovation will be in a facility owned or leased by the operating agency.
- 7) Review and recommendation of applications from the Human Services Application Review Committee which includes members from the Allegheny County Department of Human Services.
- 8) Other conditions for funding Human Services projects:
 - a. The operating agency, through use of local funds, is responsible for architectural/engineering, inspection and advertising costs.
 - b. As a general rule, initial grants do not exceed \$75,000.

C. ECONOMIC DEVELOPMENT PROJECTS

Business Development Projects

All Business Development projects are evaluated by the degree to which they fulfill the following criteria:

- 1) The total number of full time equivalent (FTE) jobs to be created or retained.
- 2) Ratio of program grant dollars to total number of permanent FTE jobs.
- 3) The quality of jobs created or retained in terms of salary, skill level, stability, etc. as determined by ACED. Applicants should submit an Employment Plan with the application.
- 4) The ratio of program grant dollars to private matching funds to be invested. Matching funds are defined for this purpose as project costs not paid through CDBG proceeds.
- 5) The amount of alternative funding available to the applicant from sources other than the CDBG program.
- 6) The degree to which the feasibility of the project depends upon the grant.
- 7) The overall benefit to Allegheny County as determined by ACED.
- 8) Written commitments to create the required job opportunities must accompany the application.

- 9) The financial stability of the entity creating/retaining FTE jobs. In order to evaluate viability, the applicant is asked to submit previous 3 years financial statements (audited if available) and/or any other documentation as required by ACED.

For start-up businesses, the applicant is asked to submit a detailed business plan and 3-year “proforma”. The first year “proforma” should be a monthly basis.

Economic Development applications must lead to the direct retention or creation of jobs, 51% of which are available to and/or filled by low and moderate income persons, consistent with Part C of 24 CFR 570. Applications must demonstrate: (1) that a specific number of FTE jobs will be created or retained; (2) that new FTE jobs will be created within three (3) years; and (3) that the project cannot be undertaken without block grant funds. Applications must outline a strategy for making jobs available to low and moderate income persons.

Commercial Revitalization Projects/ Streetscape Improvement Projects

Policy

- 1) Communities must provide a long term maintenance plan.
- 2) Requests for funding consideration **must** include the following items in the project application:
 - a. All applications must specify what phase of the project will be funded (i.e. Design, Engineering, or Construction).
 - b. Applications for construction projects must include:
 - o Detailed project description
 - o Photos of the business district
 - o Map outlining the project boundaries
 - o Number of businesses that will be impacted by the project
 - o Budget with detailed sources and uses (please indicate which sources are pending and those that are secured)
 - o A long term maintenance plan that explains in detail the party(ies) that will be responsible for the up-keep of the finished project and a written commitment from those individuals and/or entities

Criteria

- 1) Project must be located within a traditional business district that meets the requirements below:

- a. More than 75% of buildings within the business corridor are zoned as commercial or mixed-use
 - b. More than 75% of the commercial buildings within the business corridor are 50 years or older
 - c. Business district must be:
 - o Pedestrian-friendly/pedestrian-scale
 - o Concentrated commercial district with first-floor retail/commercial
 - o Primarily made up of contiguous buildings
 - d. Business district must have:
 - o Buildings of historic value and/or architectural character
 - o Few “set back” buildings
 - o Few street-facing parking lots
- 2) Preference will be given to Allegheny Together communities.
- 3) Preference will be given to applicants that have identified the streetscape project through a public planning process.