



*Prince William County
&
Manassas City*

**Community Development Block
Grant (CDBG)**

Competitive Application

Program Year XIX
(July 1, 2010 - June 30, 2011)

**Deadline for Submission
September 23, 2009**

Prince William County Office of Housing and Community Development
Community Preservation & Development Division
Dr. A.J. Ferlazzo Building
15941 Donald Curtis Drive, Suite 112
Woodbridge, Virginia 22191

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BACKGROUND

Prince William County was designated by the U.S. Department of Housing and Urban Development (HUD) as an urban county beginning July 1, 1992 (FY 93) based upon 1990 census data. Prince William County became eligible to receive annual Community Development Block Grant funding under Title I of the Housing and Community Development Act of 1974. The grant funds are to be used primarily for activities that benefit low- and moderate-income persons.

Planning for addressing the housing needs of the Prince William Area (Prince William County, City of Manassas and City of Manassas Park) was enhanced in July 1992 with the development of the Area's (5) year Comprehensive Housing Affordability Strategy (CHAS). The CHAS development process included much citizen input and involvement. The primary need identified in the CHAS was the shortage of adequate housing that is affordable to low- and moderate-income residents including the rehabilitation of existing housing units. The CHAS also identified the need for a local housing entity to focus and direct resources, including infrastructure development, homeless facilities and homeownership opportunities.

The CHAS document was replaced effective July 1995 by a new unified process called the Consolidated ("Housing and Community Development") Plan. This Plan satisfied the minimum statutory requirements for four Community Planning and Development (CPD) formula programs: Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), Emergency Shelter Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA). The Plan is the result of a collaborative process whereby the community establishes a unified vision for community development activities. Projects to be funded through the Area's annual Community Development Block Grant will serve as a resource to meet the housing needs identified in the Prince William Area Consolidated ("Housing and Community Development") Plan.

The Prince William County Office of Housing and Community Development (OHCD) will be responsible for administering the Area's Program Year XIX CDBG annual allocation which will include 1) non-competitive funding pools for several prioritized County initiatives, and 2) formula-based subrecipient allocations to the two independent cities (Manassas and Manassas Park).

Competitive CDBG funding pools have also been established which will provide opportunities for non-profit, for-profit and governmental entities to access CDBG funds for creative projects that will serve the housing and community development needs of low- and moderate-income persons in Prince William County and Manassas City.

The competitive funding pools are as follows:

Prince William County

- ◆ Non-Profit, Faith-Based Organizations, For-Profit and Governmental Entity:

\$600,000

Governmental Entity includes incorporated Towns, County and Regional Governmental entities when all activities occur in the County.

Manassas City

- ◆ Non-Profit, Faith-Based Organizations, For-Profit and Governmental Entity:

\$40,000

Funding levels are based upon anticipated allocations. Dollar amounts may be adjusted based upon actual allocation to Prince William Area.



NATIONAL OBJECTIVES

Title I of the Housing and Community Development Act of 1974 requires that any activity funded under the Community Development Block Grant program must meet at least one of the three national objectives: 1) provide benefit to low- and moderate-income persons, 2) aid in the prevention or elimination of slums and blight, or 3) address an urgent community need.

In order to demonstrate that at least one of the three national objectives will be met, applicants submitting proposals must meet the following test, as appropriate:

I. Projects providing primary benefit to low- and moderate-income persons.

Activities considered benefiting low-and-moderate income persons are divided into four categories:

A) **Area Benefit Activities** - An area benefit activity is an activity which meets the identified needs of LMI persons residing in an area where at least 51% of the residents are LMI persons. The benefits of this type of activity are available to all persons in the area regardless of income. Examples of potentially eligible activities include street improvements, water and sewer lines, neighborhood facilities and park renovations. Area benefits can be determined based upon census tracts or a neighborhood survey. See Attachment F on how to complete a survey.



B) **Limited Clientele Activities** - A limited clientele activity is an activity which benefits a specific group of people (rather than all the residents in a particular area), at least 51% are LMI persons. To qualify under this category, the activity must meet one of the three (3) following tests:

1) Benefit a clientele who are generally presumed to be principally LMI. The following groups are presumed by HUD to meet this criterion:



Abused children
Elderly persons
Battered spouses
Homeless persons

Handicapped persons
Illiterate persons
Migrant farm workers; **or**

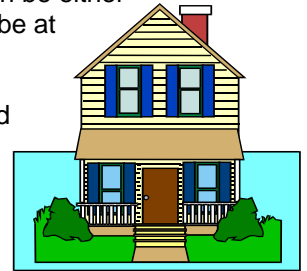


2) Require information on family size and income so that it is evident that at least 51% of the clientele are persons whose family income does not exceed the LMI limits; **or**

3) Have income eligibility requirements, which limit the activity exclusively to LMI persons.

Some examples of limited clientele activities include construction of senior centers, public services for the homeless, meals on wheels, remedial reading or tutorial projects and construction of job training facilities for the handicapped.

- C) **Housing Activities** - A housing activity adds or improves permanent, residential structures that will be occupied by LMI persons upon completion. The housing can be either owner or renter occupied. Rental units occupied by LMI persons must be at affordable rents based on established standards.



Occupancy of housing shall be determined using the following rules and shall be maintained for a period of at least fifteen (15) years:

- ◆ Residential rehabilitation: Compliance is based upon household income of occupants.
- ◆ Housing construction: Compliance is based on the same rules as for residential rehabilitation with the following exception:
Non-elderly, multi-family rental structures must have at least 20% of the units occupied by LMI persons. Where LMI occupancy is between 20% and 50%, the CDBG portion of the total development cost may not be greater than the portion of units occupied by LMI persons. Total development costs include the cost of all work from design and engineering through completion of the physical improvements and, if integral to the project, the cost of acquisition.
- ◆ Acquisition of property or conversion of buildings for permanent housing: Compliance is based on household income of the occupants in the structures, according to the applicable rules listed above for residential rehabilitation and new housing construction.

Any residential unit that is to be rehabilitated must, at a minimum, be brought into conformance with HUD Section 8 Housing Quality Standards. Any non-residential structure that is to be rehabilitated must, at a minimum, be brought into conformance with the BOCA minimum property standards. All properties built before 1978 must be evaluated for lead-based paint.

- D) **LMI Jobs** - A LMI jobs activity creates or retains permanent jobs, at least 51% of which are either taken by LMI persons or considered to be available to LMI persons.

- ◆ Jobs are considered to be "available to" LMI person only when both:

Special skills that can only be acquired with substantial (i.e., one year or more) training or work experience or education beyond high school are not a prerequisite to fill such job, or the business nevertheless agrees to hire unqualified persons and train them; **and**,



Local government or the assisted business takes actions that would ensure that LMI persons receive "first consideration" for filling such jobs.

- ◆ Principles involved in providing "first consideration":

The business must use a hiring practice that in all likelihood will result in over 51% of persons hired being LMI persons; **and**,

The business must seriously consider a sufficient number of LMI jobs applicants to meet this intent; **and**,

The distance from residence and availability of transportation to job site must be considered in determining whether a particular LMI person can be seriously considered an applicant for the job.

- ◆ In counting jobs, the following policies apply:

Part-time jobs must be converted to full-time equivalents; **and,**

Only **permanent** jobs count -- temporary jobs may not be included; **and,**

Seasonal jobs may be counted only if the season is long enough for the job to be considered as the employee's principal occupation; **and,**

All permanent jobs created by the activity must be counted even if the activity has multiple sources of funding; **and,**

Jobs indirectly created by an assisted activity (i.e., trickle-down jobs) may not be counted.

- ◆ Examples of potentially eligible activities include:

Construction of a business incubator which is designed to offer both space and assistance to new firms to help them become viable small business; **and,**

Loans to pay for the expansion of a plant or factory; **and,**

Assistance to a business which has publicly announced its intention to close with a resultant loss of jobs, a majority of which are either held by LMI persons or could be expected to turn over to LMI persons during the next two years.

II. Projects which aid in the prevention or elimination of slums and blight. An activity will be considered to address prevention or elimination of slums and blight in an area if:

- ◆ The deteriorated area meets the definition of slums, blight, or deteriorated or deteriorating area and is formally designated a slum or blighted area in accordance with State Law. In Virginia, this definition and procedure for designation is available in Title 36, Article 7 of the Code of Virginia, **and**
- ◆ Be in an area with a substantial number of deteriorated buildings or improvements, **and**
- ◆ Be in an area designated by the local government as in need of physical improvements due to blighted effects, with clearly delineated boundaries, **and**
- ◆ Address at least one or more of the conditions which contributed to the deterioration.



III. **Projects which address an urgent community development need**. An activity will be considered to address this objective if the following conditions are met:

- ◆ The activity is designed to alleviate existing conditions which pose a serious and immediate threat to the health, safety or welfare of the community, **and**
- ◆ The conditions are of recent origin or recently became urgent. Recent is defined as being within an 18 months period immediately preceding the application deadline, **and**
- ◆ Have no other funds available to address the problem, **and**
- ◆ There exists a current declaration of emergency by the Governor of Virginia or of a health threat by the State Health Commissioner.

Major catastrophes or emergencies such as floods or earthquakes are examples of urgent needs.



PROJECTS THAT CANNOT DEMONSTRATE THAT AT LEAST ONE OF THE THREE NATIONAL OBJECTIVES OF THE PROGRAM WILL BE MET WILL NOT BE CONSIDERED FOR FUNDING.

APPLICANT ELIBIBILITY

- ◆ Non-Profit Organizations with IRS 501 (c) tax-exempt status
- ◆ Faith-Based Organization
- ◆ For-Profit Organization
- ◆ Governmental Entity - including incorporated Towns, County/City and regional governmental entities only when all activities occur in the County/City.



MAXIMUM AWARD

Awards for projects shall not exceed the following amounts:

Prince William County:

- ◆ Non-Profit, Faith-Based Organization, For-Profit and Governmental Entity: \$270,000
- ◆ Maximum of \$40,000 for Public Service projects.

Manassas City:

- ◆ Non-Profit, Faith-Based Organization, For-Profit and Governmental Entity: \$40,000
- ◆ Maximum of \$40,000 for Public Service projects.

Funding Levels

- ◆ New projects must not have received CDBG funding for past two years.
- ◆ For Public Service Delivery Agencies, such as those that provide a single service such as a home repair program, that project will be based upon those used for public service activities. The activity must be a new or increase level of service.
- ◆ Second year funded non-public service projects will be funded at 50% of first year funding level for the same project. Funding during the past two years for the same project is considered second year funding. Third year funded projects will be funded at 25% of first year funding level. Fourth year projects are not eligible for funding.
- ◆ Second year funded public service projects will be funded at original award amount. Funding during the past two years for the same project is considered second year funding. Third year funded projects will be funded at 50% of first year funding level. Fourth year projects are not eligible for funding.
- ◆ No more than three (3) projects or a maximum of \$270,000 for County projects or \$40,000 for City projects shall be awarded to any one project sponsor.

TYPES OF ASSISTANCE AND TERMS

The *Program Year* shall be July 1, 2010 to June 30, 2011. Project activities shall take place over a period not to exceed one (1) year, terminating by June 30, 2011.

Public Service Activities

- **Forgivable Loans** – Non-construction operating projects shall be fully forgiven at the end of the Program Year if the project has completed its specified purpose.

Rehabilitation Activities (Options)

- **Option 1**
Deferred Deed of Trust – The amount of assistance provided for rehabilitation will be secured by a Deferred Deed of Trust and Note on the property. The trust will not be due and payable until the property ceases to be used for the designated purpose, or is sold, or the borrower fails or neglects to pay the taxes, assessments, or premiums for hazard, flood (if required) or mortgage insurance, or terms of the deed of trust are violated, the principal only amount of the loan becomes due and payable to the County.

➤ **Option #2**

Repayable Loan – The amount of assistance provided will be secured by repayable Deed of Trust and Note on the property with zero percent interest payable with principal only, over 15 to 30 years with payments beginning July 2011. The total loan will not be due and payable until the property ceases to be used for the designated purpose, or is sold, or the borrower fails or neglects to pay the taxes, assessments, or premiums for hazard, flood (if required) or mortgage insurance, or terms of the deed of trust are violated.

In the event that an owner wishes to sell the property and there is not enough equity in the property to repay the loan the County would foreclose on the property, even after the sale. With an outstanding Deed of Trust, the property cannot be transferred free and clear.

Acquisition/Rehabilitation Activities (Options)

➤ **Option #1**

The total amount of assistance provided, plus a share of the market appreciation of the Property, will be secured through a second deed of trust on the property. The second trust will not be due and payable until the property ceases to be utilized for the intended purpose of purchase, or is sold, or the primary loan is refinanced for the purpose of removing equity from the property, or the borrower fails or neglects to pay the taxes, assessments, or premiums for hazard, flood (if required) or mortgage insurance, or terms of the deed of trust are violated, whichever occurs first. After 30 years loan is forgiven.

The share of market appreciation is the amount of funds the borrower must pay the County, in addition to the principal balance of the Loan, due to increased market value of the property at the time of resale, or repayment of the Loan. Market value will be the greater of the contract sales price, or the value as determined by a licensed appraiser at the expense of the borrower which is acceptable to the County. The County's share of the market appreciation of the property will be calculated prior to deductions for real estate fees/commissions, settlement fees, judgments, liens or considerations for home improvements made by the Borrower and will equal the product of the market value at the time of sale or refinance, minus the original total acquisition cost multiplied by a fraction, the numerator of which is the principal sum of the Loan and the denominator is the property's original total acquisition cost.

Example:	Market Value at time of sale:	\$300,000
	Original Total Acquisition cost:	-\$200,000
	Amount of Market Appreciation:	\$100,000
	Principal Sum of Loan	\$75,000
	Fraction:	$\$75,000/\$200,000=.38$
	County Share of Market Appreciation:	$\$100,000 \times .38=\$38,000$
	Borrower Share of Market Appreciation:	$\$100,000 \times .62=\$62,000$

In the event of foreclosure by the First Lender, the County, at its sole discretion, may release the Borrower from their obligation to repay the entire principal and a share of the total market appreciation, or a portion thereof. These stipulations are set forth in the Deed of Trust, and Note.

➤ **Option #2**

The amount of assistance provided will be secured by repayable Deed of Trust and Note on the property with zero percent interest payable with principal only, over 15 to 30 years with payments beginning July 2011. The total loan will not be due and payable until the property ceases to be used for the designated purpose, or is sold, or the borrower fails or neglects to pay the taxes, assessments, or premiums for hazard, flood (if required) or mortgage insurance, or terms of the deed of trust are violated.

Subordination of All Loans – All Loans will not be subordinated at anytime during the deferral or repayment period to a home equity loan, reverse mortgage or any other form of refinance of the first trust that result in removal of equity from the property for any reason (i.e. cash, loan consolidation, debt repayment, home improvements, education expenses, etc.).

THRESHOLD REQUIREMENTS

- ◆ Organizations must have been in business for at least two (2) years.
- ◆ Applications will not be considered for funding if not signed and completed on application provided (Attachment D) and/or same format with attachments.
- ◆ Applications will not be considered for funding which cannot demonstrate benefit to 51% LMI or if the project is not an eligible CDBG activity.
- ◆ Applications will not be considered for funding if proposed activity does not address measurable Consolidated Plan Priority Needs Objectives (Attachment C Federal Benchmarks 2006-2010) or if measure has been obtained.
- ◆ Applications will not be considered for funding if they score less than 150 points (75%).
- ◆ Applications will not be considered for funding if they request funding above the maximum level (\$270,000 for County and \$40,000 Manassas City).
- ◆ Public service projects are limited to \$40,000 per organization for County and/or Manassas City activities. **All public service projects must demonstrate that project is a new or increased level of service for first year funding request.**
- ◆ All projects must provide a Board Resolution to authorize application submission, dollar amount, description of project, match if applicable, and loan type along with applicable repayment provisions labeled as Attachment V to the application.

ELIGIBLE ACTIVITIES

- A. **Acquisition of Real Property** - CDBG funds may be used to acquire real property in whole or in part by purchase, long-term lease (15 years) or donation provided the acquisition meets a national objective of the CDBG program.

Example: The real property acquired may be:

- Land
- Air Rights
- Easements
- Water Rights
- Right-of -Ways
- Building and other Real Property Improvements



- B. **Disposition** - CDBG funds may be used to pay cost incidental to disposing of real property acquired with CDBG funds, provided the property will be used to meet a national objective of the CDBG program.

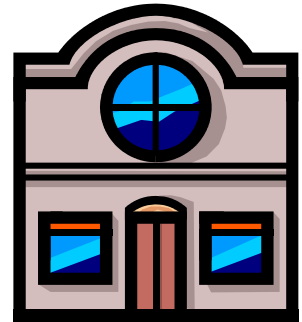
Example: Disposition cost includes fees paid for:

- Appraisals
 - Surveys
 - Marketing
 - Legal Services
 - Financial Services
 - Transfer Taxes
- and other cost involved in the sale of property

- C. **Public Facilities and Improvements** - CDBG funds may be used for acquisition, construction, reconstruction, rehabilitation or installation of public improvements or facilities, provided such improvements or facilities meet a national objective of the CDBG program.

Example: Public facilities and improvements include, but are not limited to:

- Shelters for the Homeless
- Water and Sewer Facilities
- Flood and Drainage Improvements
- Fire Protection Facilities/Equipment
- Community, Senior and Health Centers
- Parking, Streets, Curbs, Gutters, Sidewalks, Parks and Playgrounds and expenses involved in the transfer of property.



- D. **Public Services** - CDBG funds may be used to provide public services (including labor, supplies and materials), provided the public services meet a national objective of the CDBG program and provided that each of the following criteria is met:

- 1) The public service must be either a new or quantified increase in the level of service.
- 2) The amount of CDBG funds obligated to support public service activities is limited to \$40,000 per project sponsor for County and/or City projects.



Example: Public services include, but are not limited to:

- Child Care
- Health Care
- Job Training
- Recreational Programs
- Educational Programs
- Services for Senior Citizens
- Services for Homeless Population
- Drug Abuse Counseling & Treatment
- Fair Housing Activities

- E. **Removal of Architectural Barriers** - CDBG funds may be used to remove material and architectural barriers which restrict the mobility and accessibility of elderly and handicapped persons to publicly or privately owned buildings, facilities and improvements. The regulations provide that removal of architectural barriers qualifies as meeting a national objective. This is based upon data showing that, on a national basis, a majority of handicapped persons are LMI.



Example: Architectural barrier removal includes the installation of:

- Ramps
- Curb Cuts
- Wider Doorways
- Elevators
- Physical Modifications to Buildings, Facilities and Improvements to Make Them Accessible

- F. **Housing Rehabilitation** - CDBG funds may be used to finance the rehabilitation of any publicly or privately-owned residential property, including the conversion of non-residential property for housing, provided such rehabilitation meets a national objective of the CDBG program.

Housing rehabilitation does not include:

- 1) Creation of a secondary housing unit attached to a primary unit
- 2) Installation of luxury items, such as swimming pools
- 3) Cost of equipment, furnishings, or other personal property not an integral structural fixture, or
- 4) Labor cost for homeowners to rehabilitate their own property.

- G. **New Housing Construction** - CDBG funds may be used to finance or subsidize the construction of new permanent residential structures under the following limited circumstances, provided such new construction meets a national objective of the CDBG program.

The funds can only be used by a:

1. Local development company
2. Small Business Investment Company; or,
3. Neighborhood-based nonprofit organization

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These development organizations must demonstrate that the construction of housing is affordable to LMI persons. Several activities, which support new housing, may be carried out using CDBG funds even if they do not fall within the limited circumstances under which new housing construction is eligible. These activities are eligible under other categories (e.g., Acquisition of Real Property, Public Facilities and Improvements) provided they meet a national objective.

INELIGIBLE ACTIVITIES

The following activities may not be assisted with CDBG funds:

- ◆ Buildings used for the general conduct of government. (Except removal of architectural barriers).
- ◆ General government expenses required to carry out the regular responsibilities of local government.
- ◆ Political activities.
- ◆ New construction of housing units in most cases.
- ◆ Purchase of construction equipment, fire protection equipment, furnishings and personal property.
- ◆ Planning and feasibility studies not initiated by the Office of Housing and Community Development.
- ◆ Projects that do not address a measurable objective found within the 5-Year Consolidated Housing and Community Development Plan.

This is not an exhaustive list of ineligible activities; other considerations may need to be given on a project by project basis.

LEVERAGE/MATCH

A match is not required for activities undertaken with CDBG funding but the greater the financial support or leveraging from local and other sources, the greater the potential impact that CDBG funds will have on meeting local community needs. Therefore, 10 bonus points will be awarded to organizations that provide a leverage/match.

For non-profits, faith-based organizations, for-profit or governmental entities that have governing Board of Directors provide Board Resolution as to availability of leverage/match. For non-profits, faith-based organizations, for-profit or governmental entities which do not have a Board of Directors, verification can be letter from Executive Director/President. The evidence MUST state the dollar value and verify the availability of match resources for the "Project" by Board Resolution. I

LEAD-BASED PAINT REQUIREMENTS

All projects must follow Lead-Based Paint regulations which deal with notification of occupants about the existence of lead hazards, identification of lead-based paint and control of lead-based paint hazards to limit lead exposure to residents. Regulations affect rehabilitation, homebuyer programs, special needs housing, acquisition and tenant-based rental assistance. Properties built after 1978 are exempt from these regulations. For more information about how these requirements might affect your proposed project, contact Bill Lake, 703-792-7532

PROGRAM SCHEDULE

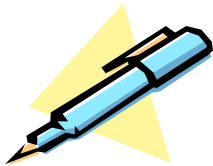
The funding cycle shall be Program Year XVI (July 1, 2007 to June 30, 2008)

Applications Available	August 11, 2009
Application Workshop	August 11, 2009
<i>Dr. A.J. Ferlazzo Building, Locust Shade Conf. Room 8:30 a.m. – 10:30 a.m.</i>	
<i>Manassas City Dept. of Family Services 6:00 p.m. – 8:00 p.m.</i>	
Deadline for Receipt of Application	September 23, 2009
Completion of Scoring	November 1, 2009
Official Announcements of Awards	April 1, 2010
Contract Negotiations	May 1 - June 2010
Subrecipient Agreements Signed	July 1, 2010
Funds Available	July 1, 2010

(These are target dates subject to change)

SUBRECIPIENT AGREEMENTS

The Office of Housing and Community Development (OHCD) will enter into Subrecipient Agreements with non-profit, faith-based organizations and for-profit sponsors or Memorandum of Agreements with County/City agencies, based on competitive selection and availability of funds. OHCD may de-obligate and re-allocate funds if the subrecipient fails to adhere to the terms and conditions outlined in the Agreement or for other unacceptable performance. The CDBG project Agreements shall:



- Stipulate the total amount of the award;
- Stipulate a specified contract period;
- Indicate the method of funds disbursement; and
- Set forth performance requirements and production schedule.

FUNDS DISBURSEMENT

Funds disbursement shall be made on a reimbursement basis as outlined in the Subrecipient Agreement or Memorandum of Agreement, and will be approved based on eligible expenditures and documentation.

DEED OF TRUST/NOTE

For Rehab and Acquisition activities a Deed of Trust and Promissory Note will be signed.



PROJECT SELECTION CRITERIA

Applications will be ranked competitively; a total of 200 points will be available plus 10 bonus points. If an application scores less than 150 points (75%) it will not be considered for funding. The following are the criteria upon which applications will be evaluated.

Applications will be funded based upon score. For applications that receive the same scores, applications will be ranked based upon date and time applications are received.

I. Project Description - 110 points maximum

The content and soundness of an applicant's project design will be evaluated. Narrative should answer who will administer the project, how the project affects the Consolidate Plan, what are the measurable outcomes, where is the project located and why, how will lead-based paint requirements be addressed, type of loan along with applicable repayment provisions. This evaluation shall include a review of proposed project activities set forth in the narrative and the budget to support these activities. Several factors will be considered when reviewing a project's CDBG budget. Budget considerations include methods used to derive cost estimates, completeness and date of cost estimates, the relationship between cost and the activities to be undertaken. If this is a public service project is there an increase level of service? Describe the project not your agency.



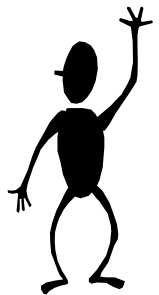
Estimates for cost must be documented by statements from experts (i.e., contractor statement, price quotes, salary structure, supply catalog, etc.) and labeled as **“Attachment I, Cost Estimates”**.

- 40 points ■ Overall soundness and content of project design in addressing all issues relevant to project implementation and management, are their matching funds.
- 40 points ■ Clarity and reasonableness of proposed administrative and project related procedures, and the identification of staff to carry out same.
- 20 points ■ Reasonable, realistic project costs and **ability to start project within first quarter.**
- 10 points ■ Does the proposed project adequately address Consolidated Plan Priority Needs? If not, project is not eligible for funding or if the need has been obtained.

II. Benefit to Low- and Moderate-Income (LMI) - 15 points maximum

Considerations for scoring applications under the low- and moderate-income criterion include: LMI benefit category "activity" selected; how LMI persons will be determined; the absolute number of persons to be served; the percent of qualifying LMI persons to be served; and how the low- and moderate-income persons will benefit.

The CDBG program goal, in part is to provide assistance "...benefiting persons of low- and moderate-income." All projects will be required to benefit low- and moderate-income persons (See Attachment B), and must not be designed to exclude participation by such persons. A project will be considered to benefit low- and moderate-income persons if it meets one of the four requirements listed below:



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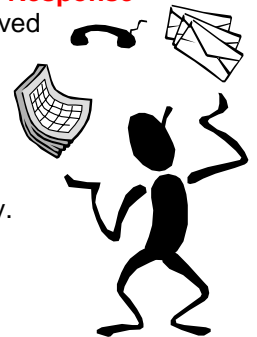
1. The activities are carried out in a neighborhood consisting predominantly of persons of low- and moderate-income and provide services for such persons "**Area Benefit Activities**"; or
2. Involve facilities or services designed for use predominantly by persons of low- and moderate-income "**Limited Clientele Activities**" (*public services activities*); or
3. Involve activity which adds or improves permanent residential structures occupied by persons of low- and moderate income "**Housing Activities**" (*residential rehabilitation, new housing construction, acquisition for permanent housing*); or
4. Involve employment of persons, a majority of whom are persons of low- and moderate-income "**LMI Jobs**".

For the purpose of evaluating project applications 51% of benefiting persons must be LMI. **Projects that cannot demonstrate benefit to 51% LMI will not be funded.**

- 0 points ■ Benefit to 51-65% LMI persons, or
- 0 points ■ Benefit to 66-80% LMI persons, or
- 10 points ■ Benefit to 81-100% LMI persons.
- 5 points ■ Methodology used to determine activity category to benefit LMI persons and how the number of persons served was derived.

III. Sponsor Capacity - 75 points maximum

Project sponsors must demonstrate the ability to carry out the proposed activities. Project sponsors will be evaluated on experience, administrative capacity, and financial management. Include "**Attachment II, Current Budget**", "**Attachment III, Audit [including Management Letter and Management Response Letter]**" and "**Attachment IV, Income Tax Return [Form 990 or 990-EZ]**". If applicant received CDBG funding for previous activities, organizations ability to complete project within prescribed time-frame and timely adhering to reporting requirements will be considered.



Responses will be evaluated based on the following factors:

- 25 points ■ Current or previous experience with related program or project activity.
- 25 points ■ Adequacy of existing/proposed staff to carry out the project.
- 25 points ■ Appropriateness and adequacy of financial management system.

IV. Leverage/Match - 10 Bonus points

The greater the financial support or leveraging from local and other sources, the greater the potential impact that CDBG funds will have on meeting local community needs. Therefore, if a leverage/match is being provided documentation of the dollar leverage/match must be provided. The evidence must state the dollar value and verify the availability of resources for project by Board Resolution or signed statement of in-kind contribution to project for professional services. Match funds cannot be from Federal dollars.

For non-profits, faith-based organizations, for-profit or governmental entities that have governing Board of Directors provide Board Resolution as to availability of leverage/match. For non-profits, faith-based organizations, for-profit or governmental entities which do not have a Board of Directors, verification can be letter from Executive Director/President. The evidence MUST state the dollar value and verify the availability of match resources for the "Project" by Board Resolution. Identify verification of leverage/match must be included in "**Attachment V, Leverage/Match**". **If leverage/match is provided 10 bonus points are awarded in scoring process.**

V. Board Authorization Resolution

All applicants must provide a Board Resolution that authorizes the organization to make application for CDBG funds for project(s). For non-profit, faith-based organizations, for-profit or governmental entities, which do not have Board of Directors, verification can be letter from Executive Director. Identify verification of Board Resolution as "**Attachment VI, Board Authorization Resolution**". The resolution must state the project along with a description and dollar amount of request. Resolution must also indicate loan type along with applicable repayment provisions.

Public Service Activities

- **Forgivable Loans** – Non-construction operating projects shall be fully forgiven at the end of the Program Year if the project has completed its specified purpose.

Rehabilitation Activities (Options)

The loan will not be subordinated at anytime during the deferral or repayment period to a Home Equity Loan, other loan, or refinances of the first loan that result in removal of equity from the property for any reason (i.e. cash, loan consolidation, debt repayment, home improvements, education expenses, etc.).

- **Option 1**
Deferred Deed of Trust – The amount of assistance provided for rehabilitation will be secured by a Deferred Deed of Trust and Note on the property. The trust will not be due and payable until the property ceases to be used for the designated purpose, or is sold, or the borrower fails or neglects to pay the taxes, assessments, or premiums for hazard, flood (if required) or mortgage insurance, or terms of the deed of trust are violated, the principal only amount of the loan becomes due and payable to the County.

The loan will not be subordinated at anytime during the deferral or repayment period to a Home Equity Loan, other loan, or refinances of the first loan that result in removal of equity from the property for any reason (i.e. cash, loan consolidation, debt repayment, home improvements, education expenses, etc.).

- **Option #2**
Repayable Loan – The amount of assistance provided will be secured by repayable Deed of Trust and Note on the property with zero percent interest payable with principal only, over 15 to 30 years with payments beginning July 2011. The total loan will not be due and payable until the property ceases to be used for the designated purpose, or is sold, or the borrower fails or neglects to pay the taxes, assessments, or premiums for hazard, flood (if required) or mortgage insurance, or terms of the deed of trust are violated.

The loan will not be subordinated at anytime during the deferral or repayment period to a Home Equity Loan, other loan, or refinances of the first loan that result in removal of equity from the property for any reason (i.e. cash, loan consolidation, debt repayment, home improvements, education expenses, etc.).

In the event that an owner wishes to sell the property and there is not enough equity in the property to repay the loan the County would foreclose on the property, even after the sale. With an outstanding Deed of Trust, the property cannot be transferred free and clear.

Acquisition/Rehabilitation Activities (Options)

The loan will not be subordinated at anytime during the deferral or repayment period to a Home Equity Loan, other loan, or refinances of the first loan that result in removal of equity from the property for any reason (i.e. cash, loan consolidation, debt repayment, home improvements, education expenses, etc.).

➤ **Option #1**

The total amount of assistance provided, plus a share of the market appreciation of the Property, will be secured through a second deed of trust on the property. The second trust will not be due and payable until the property ceases to be utilized for the intended purpose of purchase, or is sold, or the primary loan is refinanced for the purpose of removing equity from the property, or the borrower fails or neglects to pay the taxes, assessments, or premiums for hazard, flood (if required) or mortgage insurance, or terms of the deed of trust are violated whichever occurs first. After 30 years loan is forgiven.

The share of market appreciation is the amount of funds the borrower must pay the County, in addition to the principal balance of the Loan, due to increased market value of the property at the time of resale, or repayment of the Loan. Market value will be the greater of the contract sales price, or the value as determined by a licensed appraiser at the expense of the borrower which is acceptable to the County. The County's share of the market appreciation of the property will be calculated prior to deductions for real estate fees/commissions, settlement fees, judgments, liens or considerations for home improvements made by the Borrower and will equal the product of the market value at the time of sale or refinance, minus the original total acquisition cost multiplied by a fraction, the numerator of which is the principal sum of the Loan and the denominator is the property's original total acquisition cost.

Example:	Market Value at time of sale:	\$300,000
	Original Total Acquisition cost:	-\$200,000
	Amount of Market Appreciation:	\$100,000
	Principal Sum of Loan	\$75,000
	Fraction:	$\$75,000/\$200,000=.38$
	County Share of Market Appreciation:	$\$100,000 \times .38=\$38,000$
	Borrower Share of Market Appreciation:	$\$100,000 \times .62=\$62,000$

In the event of foreclosure by the First Lender, the County, at its sole discretion, may release the Borrower from their obligation to repay the entire principal and a share of the total market appreciation, or a portion thereof. These stipulations are set forth in the Deed of Trust, and Note.

The loan will not be subordinated at anytime during the deferral or repayment period to a Home Equity Loan, other loan, or refinances of the first loan that result in removal of equity from the property for any reason (i.e. cash, loan consolidation, debt repayment, home improvements, education expenses, etc.).

➤ **Option #2**

The amount of assistance provided will be secured by repayable Deed of Trust and Note on the property with zero percent interest payable with principal only, over 15 to 30 years with payments beginning July 2011. The total loan will not be due and payable until the property ceases to be used for the designated purpose, or is sold, or the borrower fails or neglects to pay the taxes, assessments, or premiums for hazard, flood (if required) or mortgage insurance, or terms of the deed of trust are violated.

Program Design and Competitive Application Program Year XIX (July 1, 2010- June 30, 2011)

The loan will not be subordinated at anytime during the deferral or repayment period to a Home Equity Loan, other loan, or refinances of the first loan that result in removal of equity from the property for any reason (i.e. cash, loan consolidation, debt repayment, home improvements, education expenses, etc.).

DEFINITIONS

At-Risk – persons whose living conditions/arrangements, or economic circumstances are such that they are in imminent danger of becoming homeless.

Audit – is a detailed examination of the financial statements and financial records of organization. Audits provide a review of specific transactions and systems. Auditors use various sampling techniques to determine the frequency of errors and the size errors. If the level of errors is unacceptable, the auditor works with the organization to improve its internal control systems. The auditor then prepares a letter, referred to as the ***management letter***, and sends it to the Board of Directors of the organization discussing its internal control weaknesses. Audits determine if the accounting procedures used by the organization conform with the generally acceptable accounting principles (GAAP). These principles insure that the accounting of the organization is objective, fair, complete, and accurate.

Audit Findings – Pertinent statements of fact. Audit findings emerge by a process of comparing what should be with what is.

Audit Opinion Letter – A signed representation by an auditor as to the reliability and fairness of a set of financial statements. It is usually presented at the beginning of an audit report.

Audit Report – A signed, written document which presents the purpose, scope, and results of the audit. Results of the audit may include findings, conclusions (opinions), and recommendations.

Barrier-Free Housing – refers to housing units/facilities which are accessible and functional for ingress, egress and internal movement for persons in wheelchairs and/or persons with mobility impairments.

Borrower – person, individual, family, household or organization that will receive, or has received assistance through the Prince William County CDBG Program.

Congregate Housing – a building or facility with a central food preparation and eating area which houses persons who share a need for a supervised living environment including elderly and disabled persons, but do not require medical treatment or institutional care.

Developmentally Disabled – persons with a mental disability or disabilities, wherein such condition(s) existed at birth or occurred prior to age 23.

Emergency – conditions which developed or became critical within the 18 month period preceding the application deadline and no other funding available to address the problem.

Extremely-Low-Income – persons whose incomes are 0% to 30% of the Area Median Family Income as established by the U. S. Department of Housing and Urban Development (HUD) based on family size.

Family – same meaning given the term in 24 CFR 5.403. Family includes but is not limited to:
(1) A family with or without children (the temporary absence of a child from the home due to placement in foster care shall not be considered in determining family composition and family size);
(2) An elderly family;
(3) A near-elderly family;
(4) A disabled family;
(5) A displaced family;

Program Design and Competitive Application Program Year XIX (July 1, 2010- June 30, 2011)

(6) The remaining member of a tenant family; and

(7) A single person who is not an elderly or displaced person, or a person with disabilities, or the remaining member of a tenant family.

For-Profit – an organization that provides goods and/or services, usually on a competitive basis, with the intent of receiving a profit as a result of business activities; said profits are distributed to individuals associated with the business.

Governmental Agency – includes incorporated towns, County agencies and regional governmental entities. Entities are only eligible as a sponsor when all activities occur in County.

Homeless – persons having no regular, fixed nightly shelter, excluding public or privately provided facilities available to person on a short-term or emergency shelter basis.

Household – all the persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

Internal Control Weakness – A defect in the design or operation of internal controls. A material weakness is a reportable condition that does not reduce to a relatively low level the risk that employees in the normal course of their duties would not detect material errors or fraud in a timely manner.

Internal Controls – Policies and procedures designed to provide reasonable assurance that specific entity objectives will be achieved. It consists of: the control environment, risk assessment, control activities, information and communications, and monitoring.

LMI – "Low and moderate-income."

Low-Income – persons whose incomes are 31% to 50% of the Area Median Family Income, as established by the U. S. Department of Housing and Urban Development (HUD), based on family size.

Management Letter – is a detailed letter from the auditors that is usually addressed to the board of directors or its audit committee. It presents weaknesses identified during the audit and offers recommendations to address them. It is customary for the auditor to obtain management's responses to a draft of the management letter, and to consider these responses before preparing the final document.

The board and management of the organization should discuss the comments provided by the auditor in the management letter and develop an action plan after reviewing the recommendations.

Even a well-run organization will inevitably have a number of areas where, by accident or design, standard controls and procedures are not followed. The fact that the management letter contains a number of observations and recommendations does not necessarily mean that financial management is weak or that the control system is in a dangerous state. Rather, readers must appraise the significance of each item.

The management of the organization sometimes has sound business reasons for departing from controls or procedures that are standard in other businesses. Management, boards, and donors should give serious consideration to the contents of the auditor's management letter-but they should never automatically assume that every recommendation must be implemented.

Organizations should be encouraged by donor agencies to share their management letters with donors, prospective donors, investors, or significantly interested parties. They should feel confident that their responses to the items noted in the letter would demonstrate their control over the internal control environment in their organization. It is rare that an organization would not receive a management letter, as improvements can always be made, but it is up to the organizations management to implement prudent recommendations. It is not a requirement that the organization implement the recommendations, although subsequent management letters will indicate the status of previously noted items.

Management Response Letter – A letter addressed to the auditor, signed by the client's chief executive office and chief financial officer. During an audit, management makes many representations to the auditor. Written representations from management in the letter confirm oral representations given to the auditor, document the continuing appropriateness of such representations, and reduce the possibility of misunderstanding.

Market Value – current value of the property at the time of resale or repayment of the loan due to refinance of the first loan. Market value will be the greater of the contract sales price, or the value as determined by a licensed appraiser at the expense of the borrower which is acceptable to the County.

Material Weakness – A condition in which internal controls do not reduce to a relatively low level the risk that material errors or fraud may occur and not be detected in a timely period by employees in the normal course of their duties.

Memorandum of Agreement – the formal CDBG project document which will be executed between governmental agencies and Office of Housing and Community Development (OHCD) which shall set forth terms, conditions and approved activities.

Middle-Income – persons whose incomes are 81% - 95% of the Area Median Family Income, as established by HUD, based on family size.

Moderate-Income – persons whose incomes are 51% - 80% of the Area Median Family Income, as established by HUD, based on family size.

National Objectives

Low - and Moderate-Income Persons – individuals whose family income is less than 80% of the median family income for Prince William County. (See ATTACHMENT B Income Levels)

Slum and Blight Areas – areas with buildings or improvements which, by reason of dilapidation, obsolescence, overcrowding, faulty arrangement of design, lack of ventilation, light and sanitary facilities, excessive land coverage, deleterious land use or absolute layout, or any combination of these or other factors, are detrimental to the safety, health, morals, or welfare of the community.

Urgent Community Development Need – conditions which pose a serious and immediate threat to the health and welfare of the community where other financial resources are not available to meet such needs.

Non-profit – shall refer to organizations which have attained 501 (c) (3) tax-exempt status.

Project Sponsor - shall refer to any non-profit, for-profit organization/business, governmental agency or public service authority.

Share of Market Appreciation – amount of funds the borrower must pay the County, in addition to the principal balance of the Loan, due to increased market value of the property at the time of resale, or repayment of the Loan prior to the end of the loan. Market value will be the greater of the contract sales price, or the value as determined by a licensed appraiser at the expense of the borrower which is acceptable to the County. The County's share of the market appreciation of the property will be calculated prior to deductions for real estate fees/commissions, settlement fees, judgments, liens or considerations for home improvements made by the Borrower and will equal the product of the market value at the time of sale or refinance, minus the original total acquisition cost multiplied by a fraction, the numerator of which is the principal sum of the CDBG Loan and the denominator is the property's original total acquisition cost.

Program Design and Competitive Application Program Year XIX (July 1, 2010- June 30, 2011)

(Example:	Market Value at time of sale:	\$300,000
	Original Total Acquisition cost:	-\$200,000
	Amount of Market Appreciation:	\$100,000
	Principal Sum of CDBG Loan	\$75,000
	Fraction:	$\$75,000/\$200,000=.38$ or 38%
	County Share of Market Appreciation:	$\$100,000 \times .38=\$38,000$
	Borrower Share of Market Appreciation:	$\$100,000 \times .62=\$62,000$

Single Room Occupancy (SRO) - shall refer to permanent facilities for the homeless, consisting of a single room housing unit with either private or shared bath facilities with the optional provision of kitchen facilities.

Special Needs Population - shall mean persons with disabilities (mental, physical, developmental), the elderly, and persons with AIDS.

Subrecipient - neighborhood-based nonprofit organizations, small business investment companies and local development corporations.

Supportive Living Arrangement - shall refer to any situation wherein paid or volunteer staff is provided to assist a resident with the responsibilities associated with independent living so as to assure a safe and healthful home environment.

Total Market Appreciation – difference between the greater of the contract sales price or the value as determined by a licensed appraiser and the original total acquisition cost (original purchase price plus allowable closing costs). The appraisal will be at the expense of the Borrower and must be acceptable to the County.

Transitional Housing - shall mean living units (housing) provided on a short-term basis (up to 18 or 24 month) for homeless persons/families, along with supportive services, which assists them in preparing for and securing permanent housing.

Application Submission Checklist

Before submitting your application(s) please use the following checklist to be sure that you have included all required items. All applications are to be typed on **“Attachment D”** **FY2011 – CDBG Competitive Application** which is available through the OHCD website www.pwcgov.org/housing

Application(s) must be assembled in the following order including a signed original and 5 copies.

“Attachment D” with attachments behind application.

Attachment I	“Cost Estimates” limited to one (1) page per estimate
Attachment II	“Current Budget”
Attachment III	“Audit [Management Letter & Management Response Letter]”
Attachment IV	“Income Tax Return [Form 990 or 990 - EZ for non-profit]”
Attachment V	“Leverage/Match”
Attachment VI	“Board Authorization Resolution”
Attachment VII	“Contracts and/or Agreements with other Organizations” Those that will assist in the administration of the project
Attachment VIII	“IRS 501(c) determination, State/County/City Business License”
Attachment IX	“Articles of Incorporation”

If applications are received one week before deadline, applications will be screened to ensure that all applicable attachments and signatures are included. If items are missing will notify applicant of missing items and give them the opportunity to correct oversight before deadline. Applications will not be evaluated for content but only for attachments and signatures.

Failure to provide signed original and 5 typed copies of **“Attachment D”**, including all applicable attachments following application, **will eliminate** the application from being evaluated. If applying for both County and City funds for same project must provide two signed originals and 10 typed copies of **“Attachment D”**, including all applicable attachments following application. Faxed, electronically submitted or applications not submitted on **“Attachment D”** **FY2011 – CDBG Competitive Application** will also not be evaluated.

Deadline for submission is **September 23, 2009 at 5:00 p.m.** Any applications received after 5:00 p.m. **will not be considered** for evaluation. Submit applications to the following address:

Prince William County Office of Housing and Community Development
Community Preservation and Development Division
Attn: Bill Lake, Community Preservation and Development Manager
Dr. A. J. Ferlazzo Building
15941 Donald Curtis Drive, Suite 112
Woodbridge, Virginia 22191-4291

For further information contact: Bill Lake, Community Preservation and Development Manager
703-792-7532 or e-mail blake@pwcgov.org

PRINCE WILLIAM AREA
2009 MEDIAN INCOME TABLES
 Effective March 19, 2009

Extremely Low Income - Gross household income 30% area median income (AMI), adjusted for household size per the following table:

1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
\$21,550	\$24,650	\$27,700	\$30,800	\$33,250	\$35,750	\$38,200	\$40,650

Low Income - Gross household income 50% area median income (AMI), adjusted for household size per the following table:

1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
\$35,950	\$41,100	\$46,200	\$51,350	\$55,450	\$59,550	\$63,650	\$67,800

Moderate Income - Gross household income 80% area median income (AMI), adjusted for household size per the following table:

1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
\$44,800	\$51,200	\$57,600	\$64,000	\$69,100	\$74,250	\$79,350	\$84,500

Middle Income - Gross household income 120% area median income (AMI), adjusted for household size per the following table: **Only used for Neighborhood Stabilization Program (NSP) Funded Activities**

1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
\$82,680	\$94,440	\$106,320	\$118,080	\$127,560	\$136,920	\$146,400	\$155,880

NOTE: Prince William County is part of the Washington-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area. The Washington-Arlington-Alexandria, DC-VA-MD HUD Metro Area contains the following areas: District of Columbia, DC; Calvert County, MD; Charles County, Maryland; Frederick County, MD; Montgomery County, MD; Prince George's County, MD; Arlington County, VA; Clark County, VA; Fairfax County, VA; Fauquier County, VA; Loudoun County, VA; Prince William County, VA; Spotsylvania County, VA; Stafford County, VA; Alexandria City, VA; Fairfax City, VA; Falls Church City, VA; Fredericksburg City, VA; Manassas City, VA; and Manassas Park City, VA.J

Median family income estimates are available at HUD's internet site:

<http://www.huduser.org/datasets/il/html> Median Family Income for Washington Metropolitan Area is \$102,700.

Outcome Performance Measurements for Prince William Area FY06 - FY10

OBJECTIVE I. SUITABLE LIVING ENVIRONMENT	Expected FY06	Actual FY06	Expected FY07	Actual FY07	Expected FY08	Actual FY08	Expected FY09	Actual FY09	Expected FY10	Actual FY10	5-Year Goal	Expected YTD	Expected YTD %	Year-To-Date Total	Year-To-Date %
A. Outcome: Availability/Accessibility															
1). 7,800 persons will have access to improved or newly developed services through the provision of funds to local shelters and homeless providers for the purpose of providing a suitable living environment.	1883	1221	1883	1865	1903	1825	1833				7,800	7502	96.18%	4911	62.96%
2). 8 transitional housing units will be created and/or maintained over the next five years through acquisition, construction or rehabilitation for the purpose of providing a suitable living environment for the homeless.	2	2	2	2			1				8	5	62.50%	4	50.00%
3). 400 elderly persons will have access to services which may include feeding programs, transportation, and in-home health care for the purpose of enhancement of a suitable living environment.					1000	915	1000				400	2000	500.00%	915	228.75%
4). 100 persons with severe mental illness will have access to services which may include case management, referral, homeless shelter and counseling for the purpose of enhancement of a suitable living environment.											100	0	0.00%	0	0.00%
5). 50 persons with disabilities will have access to services which may include transportation, medical, job training and housing assistance for the purpose of enhancement of a suitable living environment.	50	32	77	54							50	127	254.00%	86	172.00%
6). 2 communities will have access to water and/or sewer connections through infrastructure improvements for the purpose of creating a suitable living environment.					1	0					2	1	50.00%	0	0.00%
7). 4 Park and Recreation projects will be available to low-and moderate-income persons through improvement to parks and recreation facilities for the purpose of creating a suitable living environment.	1	1	2	2							4	3	75.00%	3	75.00%
8). 4 projects will be available to remove architectural barriers for the purpose of creating a suitable living environment.			1	2			2				4	3	75.00%	2	50.00%
9). 600 youth/children will have access to services for the purpose of creating a suitable living environment.	77	261									600	77	12.83%	261	43.50%
10). 100 people will have access to transportation services for the purpose of creating a suitable living environment.											100	0	0.00%	0	0.00%
B. Outcome: Sustainability															
1). 3 communities/neighborhoods will have sustained decent housing through flood management for the purpose of creating a suitable living environment.											3	0	0.00%	0	0.00%

Outcome Performance Measurements for Prince William Area FY06 - FY10

OBJECTIVE II. DECENT HOUSING	Expected FY06	Actual FY06	Expected FY07	Actual FY07	Expected FY08	Actual FY08	Expected FY09	Actual FY09	Expected FY10	Actual FY10	5-Year Goal	Expected YTD	Expected YTD %	Year-To-Date Total	Year-To-Date %
A. Outcome: Availability/Accessibility															
1). 135 households each year have access to homeownership education and credit repair programs for the purpose of obtaining decent housing.	140	184	140	150	140	130	140				675	560	82.96%	464	68.74%
2). 60 people with mental and developmental disabilities over the next five years will have access to services for the purpose decent housing.	10	10									60	10	16.67%	10	16.67%
3). 200 households have access to home repair services for the purpose of providing decent housing.			150	144	8	3	8				200	166	83.00%	147	73.50%
4). 24 Households per year provided access to housing rehabilitation loans for the purpose of decent housing.	27	21	31	22	12	17	14				120	84	70.00%	60	50.00%

B. Outcome: Affordability	Expected FY06	Actual FY06	Expected FY07	Actual FY07	Expected FY08	Actual FY08	Expected FY09	Actual FY09	Expected FY10	Actual FY10	5-Year Goal	Expected YTD	Expected YTD %	Year-To-Date Total	Year-To-Date %
1). 12 households per year have affordable housing through a downpayment and closing cost assistance program for the purpose of creating decent affordable housing.	28	26	31	14	7	21	7				60	73	121.67%	61	101.67%
2). 5 affordable housing units will be created by CHDO's or other non-profit organizations for the purpose creating decent affordable housing for LMI households.	0	52	11	0		7					5	11	220.00%	59	1180.00%
3). 4 new affordable permanent supportive housing units for persons with special needs will be constructed or acquired for the purpose of providing decent housing.	1	1	1	1	2	2					4	4	100.00%	4	100.00%

OBJECTIVE III. ECONOMIC OPPORTUNITY	Expected FY06	Actual FY06	Expected FY07	Actual FY07	Expected FY08	Actual FY08	Expected FY09	Actual FY09	Expected FY10	Actual FY10	5-Year Goal	Expected YTD	Expected YTD %	Year-To-Date Total	Year-To-Date %
A. Outcome: Availability/Accessibility															
1). 200 persons will be provided access to advocacy/counseling services for the purpose of creating economic opportunities.	40	202	40	208	40	211	40				200	160	80.00%	621	310.50%

FY 2011 - CDBG Competitive Application

APPLICATION INFORMATION

Project Sponsor _____

Federal Tax ID _____

Contact Person:

Name _____ Title _____

Address _____

Telephone _____ Fax _____ E-Mail _____

PROJECT TITLE & DISCRIPTION (10 words or less:

PROJECT FUNDING REQUEST:

Prince William County:

First Year Request for this Project _____ Yes _____ No

Second Year Request for this Project _____ Yes _____ No

Third Year Request for this Project _____ Yes _____ No

Repayable Loans indicate number of years for repayment _____

Request for Repayable Loan \$ _____

Request for Forgivable Loan \$ _____

TOTAL AMOUNT OF REQUEST \$ _____

Manassas City:

First Year Request for this Project _____ Yes _____ No

Second Year Request for this Project _____ Yes _____ No

Third Year Request for this Project _____ Yes _____ No

Repayable Loans indicate number of years for repayment _____

Request for Repayable Loan \$ _____

Request for Forgivable Loan \$ _____

TOTAL AMOUNT OF REQUEST \$ _____

CERTIFICATION:

To the best of my knowledge and belief, data in this proposal are true and correct and the documents have been duly authorized by the governing body of the applicant. This document should be signed by the Executive Director or Administrative Officer of organization.

Name and Title: _____

Signature: _____

Applications will be funded based upon score. For applications that receive the same scores, applications will be ranked based upon date and time applications are received.

I. PROJECT DESCRIPTION - 110 points maximum (2 page limit for narrative)

- A. Answer each of the following questions: 1) describe the project (not your agency) with reference to "Eligible Activities", 2) who will administer the project, 3) which objective and outcome your project will address within the CP and how the project affects the Consolidated Plan, 4) where the project is located and why, 5) how lead-based paint requirements will be addressed 6) Single Service Delivery agencies and public service activity describe new or increased level of service 7) type of loan and provisions, if applicable for repayment and match, 8) what methods will be used to publicize funding of this activity with CDBG funds?

B. What is the **total** project cost? \$ _____

C. List the source and date of project cost estimates and identify as “**Attachment I, Cost Estimates**”, limit one page per estimate. This attachment must follow Attachment D application.

Source: _____	Date: _____	Cost: _____
Source: _____	Date: _____	Cost: _____
Source: _____	Date: _____	Cost: _____
Source: _____	Date: _____	Cost: _____
Source: _____	Date: _____	Cost: _____

D. Complete Project Budget

Line Item	CDBG Funds	Non-CDBG Funds	Total
Salary			
Fringe			
Supplies			
Arch./ Engineer Fees			
Acquisition			
Construction			
Rehabilitation			
Other:			
In-Kind Services			
TOTAL	\$	\$	\$

1. Will this **activity** incur ongoing operating cost? _____ Yes _____ No
2. Describe plans for providing source of funds for subsequent years **activity cost** and if application is for repayable loan, from what source will funds be provided.

II. BENEFIT TO LOW-AND MODERATE-INCOME (LMI) - 15 points maximum

Answer the following questions with regard to project's benefit to low-and moderate-income persons:

- A. Total Number of Persons Needing Service: _____
- B. Number of Persons to be Served by Project: _____
- C. Number of LMI Persons to be Served by Project: _____

Methodology - Please provide an explanation of the analysis undertaken to derive this information.

Indicate which of the four "activities" considered to benefit LMI persons (Area Benefit, Limited Clientele, Housing Activity or LMI Jobs) your project will address, how LMI persons will be determined, and how LMI persons will benefit.

III. SPONSOR CAPACITY -75 points maximum (limit narrative to this page)

- A. Experience: Are you currently operating an ongoing project and/or have you previously operated a related program like your proposed project? If yes, specify the name of the program(s), the length of time the program has been in operation, the target population, the types of work performed, the cost of the project, and how long the project took to complete. Experience of current staff to operate program.

5. Does your organization have an audit completed by an independent certified public accountant? _____ Yes _____ No Date of Audit _____

If yes, attach copy of the complete audit which includes the ***“Management Letter”*** which summarizes the audit and the ***“Management Audit Response Letter”*** if applicable and identify as ***“Attachment III, Audit”***. This attachment must follow Attachment D application.

If you answered No, please give explanation as to why your organization has not had an audit performed.

Did last audit cite any material weakness(s) or concern(s)? Please list material weakness(s) or concern(s) and corrective action taken by means of your “Management Audit Response”.

6. Does your organization have an adopted “Procurement Procedure”? _____ Yes _____ No
Explain your Procurement Procedures

7. Did your organization file and income tax return last year? _____ Yes _____ No
Attach income tax return ***[Form 990 or 990EZ non-profit]*** and label as ***“Attachment IV Income Tax Return”***. This attachment must follow Attachment D application.

IV. LEVERAGE/MATCH - 10 Bonus Points

Applicants requesting funding may want to include a dollar-for-dollar ratio of leverage/match to demonstrate financial support of the project. List the amount of leverage/match resources, from all sources available for use along with CDBG dollars for your proposed project? Leverage/Match must match or exceed CDBG funds requested in project budget to receive Bonus Points. Federal dollars cannot be used for match points, but should be included in overall budget if applicable and identified as Federal dollars.

Line Item	CDBG Funds	Non-CDBG Funds	Total
Salary			
Fringe			
Supplies			
Arch./ Engineer Fees			
Acquisition			
Construction			
Rehabilitation			
Other:			
In-Kind Services			
TOTAL	\$	\$	\$

The evidence **MUST** state the dollar value and verify the availability of match resources obligated to this project. For non-profits, for-profits or governmental entities that have a Board of Directors, a Board Resolution must be provided. For non-profits, for-profits and governmental entities that do not have a Board of Directors, a letter from the Executive Director/President will be acceptable. In-Kind Agreements for Professional Services such as legal, accounting, engineering, management, planning, etc. can also be used as a match for the project only. In-Kind contributors must state the value of their services for the project. Volunteer hours except for professional services are not applicable. Identify verification of leverage/match are to be part of the **“Attachment V, Leverage/Match”**. This attachment must follow Attachment D application.

V. BOARD AUTHORIZATION RESOLUTION - 0 points

All applicants must provide a Board Authorization Resolution that allows the organization to make application for CDBG funds for project(s). Failure to provide a Board Authorization Resolution will preclude the application from being considered for funding. The resolution must indicate the project, amount of request, match if applicable, and repayment provisions in the format provided as **“Sample Attachment E, Board Authorization Resolution”**. For non-profit, for-profit and governmental entities that do not have a Board of Directors, verification can be a letter from the Executive Director/President. Identify verification of authorization to make application and terms of loan as **“Attachment V, Board Authorization Resolution”**. This attachment must follow Attachment D application.

Sample Board Authorization & Leverage Match

Letter should be on organization letterhead

The following resolution was presented and adopted by the (Name of Organization) Board of Directors at the (Date of Meeting) Board meeting held at (Location).

Public Service Activities:

(Name) moved and (Name) seconded the motion to endorse the FY08 Community Development Block Grant (CDBG) application for (project description) in the amount of (Dollar Amount). *If applicable authorizes the matching funds for this request in the amount of (Dollar Amount).* Further, it is understood that the dollar amount of assistance will be fully forgiven for public service activities if the project has completed its specified purpose.

Motion passed unanimously.

Name
Secretary to the Board

Rehabilitation Loans:

Option #1

(Name) moved and (Name) seconded the motion to endorse the FY08 Community Development Block Grant (CDBG) application for (project description) in the amount of (Dollar Amount). *If applicable authorizes the matching funds for this request in the amount of (Dollar Amount).*

Further, it is understood that the amount of assistance provided for rehabilitation will be secured by a Deferred Deed of Trust and Note on the property. The trust will not be due and payable until the property ceases to be used for the designated purpose, or is sold, or the borrower fails or neglects to pay the taxes, assessments, or premiums for hazard, flood (if required) or mortgage insurance, or terms of the deed of trust are violated.

At the time that the property is sold, vacated, leased or transferred to any person other than the original parties to the loan, the principal only amount of the loan becomes due and payable to the County. In the event that an owner wishes to sell the property and there is not enough equity in the property to repay the loan the County would foreclose on the property, even after the sale. With that possibility, the property probably won't look attractive to a potential buyer or lender because the property cannot be transferred free and clear.

Subordination of Loan – All Loans will not be subordinated at anytime during the deferral or repayment period to a home equity loan, reverse mortgage or any other form of refinance of the first trust that result in removal of equity from the property for any reason (i.e. cash, loan consolidation, debt repayment, home improvements, education expenses, etc.).

Motion passed unanimously.

Name
Secretary to the Board

Option #2

(Name) moved and (Name) seconded the motion to endorse the FY08 Community Development Block Grant (CDBG) application for (project description) in the amount of (Dollar Amount). *If applicable authorizes the matching funds for this request in the amount of (Dollar Amount).*

The amount of assistance provided will be secured by repayable Deed of Trust and Note on the property with zero percent interest payable with principal only, over (number of years ranging from 15 to 30) years with payments beginning July 2008. The trust will not be due and payable until the property ceases to be used for the designated purpose, or is sold, or the borrower fails or neglects to pay the taxes, assessments, or premiums for hazard, flood (if required) or mortgage insurance, or terms of the deed of trust are violated.

Subordination of Loan – All Loans will not be subordinated at anytime during the deferral or repayment period to a home equity loan, reverse mortgage or any other form of refinance of the first trust that result in removal of equity from the property for any reason (i.e. cash, loan consolidation, debt repayment, home improvements, education expenses, etc.).

Motion passed unanimously.

Name
Secretary to the Board

Acquisition/Rehabilitation Activities:**Option #1:**

(Name) moved and (Name) seconded the motion to endorse the FY08 Community Development Block Grant (CDBG) application for (project description) in the amount of (Dollar Amount). *If applicable authorizes the matching funds for this request in the amount of (Dollar Amount).*

Further it is understood that the total amount of assistance provided, plus a share of the market appreciation of the Property, will be secured through a Deed of Trust on the property for 30 years. The trust will become payable if the property ceases to be utilized for the intended purpose of purchase, or is sold, or the primary loan is refinanced for the purpose of removing equity from the property, or the borrower fails or neglects to pay the taxes, assessments, or premiums for hazard, flood (if required) or mortgage insurance, or terms of the deed of trust are violated whichever occurs first. After 30 years loan is forgiven.

The share of market appreciation is the amount of funds the borrower must pay the County, in addition to the principal balance of the Loan, due to increased market value of the property at the time of resale, or repayment of the Loan prior to the end of the affordability period. Market value will be the greater of the contract sales price, or the value as determined by a licensed appraiser at the expense of the borrower which is acceptable to the County. The County's share of the market appreciation of the property will be calculated prior to deductions for real estate fees/commissions, settlement fees,

judgments, liens or considerations for home improvements made by the Borrower and will equal the product of the market value at the time of sale or refinance, minus the original total acquisition cost multiplied by a fraction, the numerator of which is the principal sum of the Loan and the denominator is the property's original total acquisition cost.

Example:	Market Value at time of sale:	\$300,000
	Original Total Acquisition cost:	-\$200,000
	Amount of Market Appreciation:	\$100,000
	Principal Sum of Loan	\$75,000
	Fraction:	$\$75,000/\$200,000=.38$
	County Share of Market Appreciation:	$\$100,000 \times .38=\$38,000$
	Borrower Share of Market Appreciation:	$\$100,000 \times .62=\$62,000$

In the event of foreclosure by the First Lender, the County, at it's sole discretion, may release the Borrower from their obligation to repay the entire principal and a share of the total market appreciation, or a portion thereof. These stipulations are set forth in the Deed of Trust, and Note.

Subordination of Loan – All Loans will not be subordinated at anytime during the deferral or repayment period to a home equity loan, reverse mortgage or any other form of refinance of the first trust that result in removal of equity from the property for any reason (i.e. cash, loan consolidation, debt repayment, home improvements, education expenses, etc.).

Motion passed unanimously.

Name
Secretary to the Board

Option #2

(Name) moved and (Name) seconded the motion to endorse the FY08 Community Development Block Grant (CDBG) application for (project description) in the amount of (Dollar Amount). *If applicable authorizes the matching funds for this request in the amount of (Dollar Amount).*

The amount of assistance provided will be secured by repayable Deed of Trust and Note on the property with zero percent interest payable with principal only, over (number of years ranging from 15 to 30) years with payments beginning July 2008. The trust will not be due and payable until the property ceases to be used for the designated purpose, or is sold, or the borrower fails or neglects to pay the taxes, assessments, or premiums for hazard, flood (if required) or mortgage insurance, or terms of the deed of trust are violated.

Subordination of Loan – All Loans will not be subordinated at anytime during the deferral or repayment period to a home equity loan, reverse mortgage or any other form of refinance of the first trust that result in removal of equity from the property for any reason (i.e. cash, loan consolidation, debt repayment, home improvements, education expenses, etc.).

Motion passed unanimously.

Name
Secretary to the Board