

Community Development Block Grant

CDBG

2018 APPLICATION

For Community Planning Projects



State of New Mexico

Local Government Division

Department of Finance and Administration

NEW MEXICO CDBG PLANNING APPLICATION OVERVIEW

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CDBG PLANNING QUALIFICATIONS OVERVIEW

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

Program Objectives

- Benefit principally low and moderate income families.

Eligible Applicants

- All counties and incorporated municipalities except CDBG entitlement communities.
- State recognized special districts as defined in NMAC section 2.110.2.10 subsection B.
- Special Districts as defined in NMAC 2.110.2.10 subsection B must provide the following information with application;
 - Articles of Incorporation
 - Bi-Laws
 - State Corporation Commission filing/status inquiry
 - Non-Profit Corporate Report
 - Balance Sheet (as required by NMAC Rule 2.2.2.16)
 - Statement of Budget and Equity
 - Financial Status Report
 - Listing of association governing body (list term dates) and contact information.

Ineligible Applicants

- Indian Pueblos and tribes receive funding directly from HUD.
- The CDBG entitlement cities of: Albuquerque, Las Cruces, Santa Fe, Farmington and Rio Rancho receive funding directly from HUD.
- Public non-profit groups, etc. cannot apply directly for assistance but may apply through an eligible municipality or county

Eligible Project Activity (NMAC 2.110.2.11, F)

- Comprehensive Plan (Grant assistance *must* be used for a comprehensive plan if a county or municipality has a plan older than five years);
- Feasibility studies;
- Base mapping, Aerial photography, GIS systems
- Asset management Plan;
- Improvement of infrastructure capital improvement plans;
- Climate Change Mitigation and Adaptation Plan;

- Development of codes and ordinances;
- Preliminary Engineering Report (according to USDA/RUS guidelines);
- Data Gathering Analysis and special studies; and,
- Regionalization of Infrastructure and Service Delivery

Ineligible Activities

- Planning funds cannot be used to produce plans and specifications, prepare bid and contract documents for professional or construction services.
- Costs involved in preparing applications and securing funding.

Program Requirements

- Applicants must conduct at least one public hearing prior to selecting a project to advise citizens of estimated CDBG funds available; types of projects available; obtain recommendations from citizens regarding community development and housing needs. A minimum of three hearings is recommended.
 - Citizen participation must be encouraged with emphasis on low and moderate income persons by publishing public hearing notices in English and Spanish, and using other means such as media or posting flyers in an effort to reach the public.
 - Recommendations from the public are to be considered and the project must be selected at an official regularly scheduled meeting of the governing body.
- CDBG planning application(s) can only qualify under the low and moderate income (LMI) National Objective.

Monetary Application Requirements

- Application requests are limited to a maximum \$50,000.
- Rural applicants must provide a minimum of 5% cash match. Non-rural applicants must provide a minimum of 10% cash match. Rural applicants are defined as having 3,000 or less municipality population or 25,000 or less county population. Non-Rural applicants are defined as having a population above 3,001 for municipalities and over 25,001 for counties.
- 5bmiUXX]h]cbU`VWg\`]bW`XYX`]b`h`Y`dfc`YVh`Vi`X[`Yh]g`Vcbg]XYfYX`Yj`YfU[`]b[``5bma`UW`cf`Yj`YfU[`Y`Z`bX]b[`a`i`gh`VY`gYW`fYX`Uh]a`Y`cZ`Udd`]W]cb`UbX`\Uj`Y`Yj`]XYbW

- Applicants must provide an request in writing seeking approval from DFA/LGD for a waiver of the matching requirements in the absence of local resources, if approved, a copy of the approved waiver must be submitted with the application.
- Applications are scored by rating certain criteria such as description and need; benefit to low and moderate income persons; leveraging; citizen participation; planning; cost benefit; and age of comprehensive plan.



TRANSMITTAL LETTER

On Applicant Entity letterhead, provide an application transmittal letter that includes these required elements:

- Proposed Project Name/Title
- Name of Applicant Entity (Municipality, County)
- CDBG Funding Amount Requested for Project
- Signature of Chief Elected Official

CERTIFICATIONS AND ASSURANCES

I, the undersigned chief elected official of the applicant entity hereby certify that:

- The information contained herein is true, correct, and complete to the best of my knowledge and belief,
- The attached resolution (Example in Exhibit C) adopted by the governing body of the applicant entity authorizes me to file this application for assistance from the State of New Mexico and commit General Funds as a cash contribution toward this project,
- I will comply with the Code of Federal Requirements (CFR) Title 24 – Housing and Urban Development, which govern the Community Development Block Grant (CDBG) program.
- I have read and will comply with the CDBG Grant Agreement (Exhibit E),
- I have read and will comply with NMAC 2.110.2 (Exhibit F),
- I have read, will comply with, and have signed and notarized on pages 16-17 of the Applicant Statement of Assurances and Certifications (pages 8-17),
- I have read, completed, and signed the Applicant/Recipient Disclosure/Update Report (Exhibit 1-F) on page 18.
- I have read and completed the Program Requirements on pages 21-22.

Signature, Chief Elected Official

Applicant Entity (County or Municipality)

Name (Typed or Printed)

Title Date

SWORN TO AND SUBSCRIBED
Before me on this _____ day
Of _____, 20____

Notary Public

My commission expires



APPLICANT STATEMENT OF FEDERAL ASSURANCES AND CERTIFICATIONS

The applicant hereby assures and certifies that:

(a) It possesses:

(1) Legal authority to apply for the grant and to execute the proposed project, and its governing body has duly adopted or passed as an official act a resolution, motion or similar action authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the applicant's chief executive officer and/or other designated official representatives to act in connection with the application and to provide such additional information as may be required; and

(2) Has developed its application, including its projected use of funds, so as to give maximum feasible priority to activities that will benefit low and moderate income persons or aid in the prevention or elimination of slums or blight. (The requirement for this certification will not preclude the State from approving an application where the applicant certifies and the State determines, that all or part of the proposed project activities are designed to meet other community development needs that have arisen during the preceding twelve-month period and have particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community and where other financial resources are not available to meet such needs.)
Furthermore:

(A) With respect to activities it claims benefit low and moderate income persons, it has determined and documented that not less than fifty-one percent (51%) of the beneficiaries of the activity are low and moderate income persons.

(b) It is following a detailed citizen participation plan which:

(1) Provides for and encourages citizen participation with particular emphasis on participation by persons of low and moderate income who are residents of slum and blight areas and of areas in which Community Development Block Grant (CDBG) funds are proposed to be used;

(2) Provides citizens with reasonable and timely access to local meetings, information, and records relating to its proposed and actual use of CDBG funds;

(3) Provides for technical assistance to groups representative of persons of low and moderate income that request such assistance in developing proposals with the level and type of assistance to be determined by the applicant;

(4) Provides for public hearings to obtain citizen views and to respond to proposals and questions at all stages of the community development program, including at least the development of needs, the review of proposed activities, and review of program performance, which hearings shall be held after adequate notice at times and locations

convenient to potential or actual beneficiaries, and with accommodation for the handicapped;

(5) Provides for a timely written answer to written complaints and grievances, within 15 working days where practicable; and

(6) Identifies how the needs of non-English speaking residents will be met in the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate.

(c) It has provided for and encouraged citizen participation, with particular emphasis on participation by persons of low and moderate income and of areas in which CDBG funds are proposed to be used, by:

(1) Furnishing citizens information concerning the amount of funds available for proposed community development activities and the range of activities that may be undertaken, including the estimated amount proposed to be used for activities that will benefit persons of low and moderate income and its plans for minimizing displacement of persons as a result of activities assisted with CDBG funds and to assist persons actually displaced as a result of such activities;

(2) Publishing a proposed project plan/application in such a manner to afford citizens an opportunity to examine its content and to submit comments on the proposed project plan/application and on the community development performance of the jurisdiction(s);

(3) Holding one or more public hearings, as indicated below, to obtain citizen views and to respond to proposals and questions related to community development needs, proposed activities and past CDBG performance. All hearings were held more than ten (10) days after notice, at times and locations convenient to potential or actual beneficiaries, and with accommodation for the handicapped and for the needs of non-English speaking residents where a significant number of such residents could have been reasonably expected to participate.

Applicant/Participant*	Date	Time	Location

* In the case of a "joint" application, each participating municipality and county must hold at least one public hearing.

(4) As applicable, providing citizens with reasonable and timely access to local meetings, information and records regarding its proposed and past use of CDBG funds;

- (5) In preparing its project plan/application, considering any such comments and views and, if deemed appropriate, modifying the proposed project plan/application;
- (6) Making the final project plan/application available to the public;
- (7) Identifying its community development needs, including the needs of low and moderate income persons, and the activities to be undertaken to meet such needs.

(d) In the event it is awarded CDBG funds by the State it will:

(1) Follow a residential anti-displacement and relocation assistance plan which shall:

(A) In the event of such displacement, provide that:

- (i) Governmental agencies or private developers shall provide within the same community comparable replacement dwellings for the same number of occupants as could have been housed in the occupied and vacant occupiable low and moderate income dwelling units demolished or converted to use other than for housing for low and moderate income persons, and provide that such replacement housing may include existing housing assisted with project based assistance provided under Section 8 of the United States Housing Act of 1937;
- (ii) Such comparable replacement dwellings shall be designed to remain affordable to persons of low and moderate income for 10 years from the time of initial occupancy;
- (iii) Relocation benefits shall be provided for all low or moderate income persons who occupied housing demolished or converted to a use other than for low or moderate income housing, including reimbursement for actual and reasonable moving expenses, security deposits, credit checks, and other moving-related expenses, including any interim living costs; and, in the case of displaced persons of low and moderate income, provide either:
 - (I) compensation sufficient to ensure that, for a 5-year period, the displaced families shall not bear, after relocation, a ratio of shelter costs to income that exceeds 30 percent; or,
 - (II) if elected by a family, a lump-sum payment equal to the capitalized value of the benefits available under sub clause (I) to permit the household to secure participation in a housing cooperative or mutual housing association.
- (iv) Persons displaced shall be relocated into comparable replacement housing that is:

- (I) decent, safe, and sanitary;
 - (II) adequate in size to accommodate the occupants;
 - (III) functionally equivalent; and,
 - (IV) in an area not subject to unreasonably adverse environmental conditions;
 - (B) persons displaced shall have the right to elect, as an alternative to the benefits under this subsection to receive benefits under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 if such persons determine that it is in their best interest to do so; and,
 - (C) where a claim for assistance under subparagraph (A)(iv) is denied by grantee, the claimant may appeal to the State, and that the decision of the State shall be final unless a court determines the decision was arbitrary and capricious.
- (2) Comply with the provisions of the above paragraph (1) except that paragraphs (A)(i) and (A)(ii) shall not apply in any case in which the Secretary of the U.S. Department of Housing and Urban Development finds, on the basis of objective data, that there is available in the area an adequate supply of habitable affordable housing for low and moderate income persons. A determination under this paragraph is final and no reviewable.
- (3) Provide citizens with reasonable notice of, and opportunity to comment on, any substantial change proposed to be made in the use of CDBG funds from one eligible activity to another by following the same procedures required in paragraph (c) for the preparation and submission of the final project plan/application.
- (e) It will:
- (1) Minimize displacement of persons as a result of activities assisted with CDBG funds and provide for reasonable benefits to any person involuntarily and permanently displaced as a result of the use of CDBG funds to acquire or substantially rehabilitate property;
 - (2) Affirmatively further fair housing in addition to conducting and administering its project in conformity with Public Law 88-352 and Public Law 90-284 as certified in paragraph (h) hereinafter;
 - (3) Not attempt to recover any capital costs of public improvements assisted in whole or part with CDBG funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless:
 - (A) CDBG funds are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than the CDBG program, or

- (B) for purposes of assessing any amount against properties owned and occupied by persons of moderate income who are not persons of low income, it certifies that it lacks sufficient CDBG funds to comply with the requirements of subparagraph (A);
- (f) Its chief executive officer or other officer of the applicant approved by the State:
 - (1) Consents to assume the status of responsible Federal official under the National Environmental Policy Act of 1969 (NEPA) and other provisions of Federal law, as specified in 24 CFR Part 58, which further the purposes of NEPA, insofar as the provisions of such Federal law apply to the Colorado Community Development Block Grant (CDBG) Program;
 - (2) Is authorized and consents on behalf of the applicant and himself/herself to accept the jurisdiction of the Federal courts for the purpose of enforcement of his/her responsibilities as such an official.
- (g) It will comply with the financial management regulations, policies, guidelines and requirements set forth in the CDBG Public Facilities and/or Housing Guidebook.
- (h) It will comply with:
 - (1) **Section 110 of the Housing and Community Development Act of 1974**, as amended, and any State regulations regarding the administration and enforcement of labor standards;
 - (2) **Davis-Bacon Fair Labor Standards Act (40 USC 276a - 276a-5)** requiring that, on all prime contracts which exceed \$2,000 for federally-assisted construction, alteration or rehabilitation, laborers and mechanics employed by contractors or subcontractors shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor. (This requirement applies to the rehabilitation of residential property only if such property is designed for use of eight or more families.)
 - (3) **Contract Work Hours and Safety Standards Act of 1962 (40 USC 327 et seq.)** requiring that mechanics and laborers employed on federally-assisted contracts which exceed \$2,000 be paid wages of not less than one and one-half times their basic wage rates for all hours worked in excess of forty in a work week.
 - (4) **Copeland "Anti-Kickback" Act of 1934 (40 USC 276 (c))** prohibiting and prescribing penalties for "kickbacks" of wages in federally- financed or assisted construction activities.
- (i) It will comply with:
 - (1) **Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352; 42 USC 2000 (d))** prohibiting discrimination on the basis of race, color, religion or religious affiliation, or national origin in any program or activity receiving federal financial assistance.

- (2) **The Fair Housing Act (42 USC 3601-20)**, as amended, prohibiting housing discrimination on the basis of race, color, religion, sex, national origin, handicap, and familial status.
 - (3) **Section 109 of the Housing and Community Development Act of 1974 (42 USC 5309)**, as amended, providing that no person shall be excluded from participation (including employment), denied program benefits or subjected to discrimination on the basis of race, color, national origin or sex under any program or activity funded in whole or in part under Title I (Community Development) of the Housing and Community Development Act.
 - (4) **Executive Order 11063 (1962)**, as amended by Executive Order 12259, requiring equal opportunity in housing by prohibiting discrimination on the basis of race, color, religion, sex or national origin in the sale or rental of housing built with federal assistance.
 - (5) **Executive Order 11246 (1965)**, as amended by Executive Orders 11375, prohibiting discrimination on the basis of race, color, religion, sex or national origin in any phase of employment during the performance of federal or federally-assisted contracts in excess of \$2,000.
 - (6) **Section 3 of the Housing and Community Development Act of 1968 (12 USC 1701 (u))**, as amended, providing that, to the greatest extent feasible, opportunities for training and employment that arise through HUD-financed projects, will be given to lower-income persons in the unit of the project area, and that contracts be awarded to businesses located in the project area or to businesses owned, in substantial part, by residents of the project area.
 - (7) **Section 504 of the Rehabilitation Act of 1973 (29 USC 793)**, as amended, providing that no otherwise qualified individual shall, solely by reason of a handicap, be excluded from participation (including employment), denied program benefits or subjected to discrimination under any program or activity receiving federal funds. Effective communication with persons of all types of disabilities must be ensured.
 - (8) **Age Discrimination Act of 1975, (42 USC 6101)**, as amended, providing that no person shall be excluded from participation, denied program benefits or subjected to discrimination on the basis of age under any program or activity receiving federal funds.
- (j) It will comply with:
- (1) **Section 104(d) of the Housing and Community Development Act of 1974, as amended (42 USC 5301)**, known as the "**Barney Frank Amendment**," and the **HUD implementing regulations at 29 CFR Part 570**, requiring that local grantees follow a residential anti-displacement and relocation assistance plan which provides for the replacement of all low/moderate-income dwelling units that are demolished or converted to another use as a direct result of the use of CDBG funds, and which

provides for relocation assistance for all low/moderate-income households so displaced.

- (2) **Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended -- Title III, Real Property Acquisition (Pub. L. 91-646 and HUD implementing regulations at 49 CFR Part 24)**, providing for uniform and equitable treatment of persons displaced from their homes, businesses, or farms by Federal or Federally- assisted programs and establishing uniform and equitable land acquisition policies for federal assisted programs. Requirements include bona fide land appraisals as a basis for land acquisition, specific procedures for selecting contract appraisers and contract negotiations, furnishing to owners of property to be acquired a written summary statement of the acquisition price offer based on the fair market price, and specified procedures connected with condemnation.
 - (3) **Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended -- Title II, Uniform Relocation Assistance (Pub. L. 91-646 and HUD implementing regulations at 49 CFR Part 24)**, providing for fair and equitable treatment of all persons displaced as a result of any federal or federally-assisted program. Relocation payments and assistance, last-resort housing replacement by displacing agency, and grievance procedures are covered under the Act. Payments and assistance will be made pursuant to state or local law, or the grant recipient must adopt a written policy available to the public describing the relocation payments and assistance that will be provided. Moving expenses and up to \$22,500 or more for each qualified homeowner or up to \$5,250 or more for each tenant are potential costs.
- (k) It will comply with:
- (1) **National Environmental Policy Act of 1969 (42 USC 4321 et seq.)**, as amended, and the implementing regulations of HUD (24 CFR Part 58) and of the Council on Environmental Quality (40 CFR Parts 1500 - 1508) providing for establishment of national policy, goals, and procedures for protecting, restoring and enhancing environmental quality.
 - (2) **National Historic Preservation Act of 1966 (16 USC 470 et seq.)**, as amended, requiring consideration of the effect of a project on any district, site, building, structure or object that is included in or eligible for inclusion in the National Register of Historic Places.
 - (3) **Executive Order 11593, Protection and Enhancement of the Cultural Environment, May 13, 1971 (36 FR 8921 et seq.)** requiring that federally-funded projects contribute to the preservation and enhancement of sites, structures and objects of historical, architectural or archaeological significance.
 - (4) **The Archaeological and Historical Data Preservation Act of 1974, amending the Reservoir Salvage Act of 1960 (16 USC 469 et seq.)**, providing for the preservation of historic and archaeological data that would be lost due to federally-funded development and construction activities.

- (5) **Executive Order 11988, Floodplain Management, May 24, 1977 (42 FR 26951 et seq.)** prohibits undertaking certain activities in flood plains unless it has been determined that there is no practical alternative, in which case notice of the action must be provided and the action must be designed or modified to minimize potential damage.
 - (6) **Executive Order 11990, Protection of Wetlands, May 24, 1977 (42 FR 26961 et seq.)** requiring review of all actions proposed to be located in or appreciably affecting a wetland. Undertaking or assisting new construction located in wetlands must be avoided unless it is determined that there is no practical alternative to such construction and that the proposed action includes all practical measures to minimize potential damage.
 - (7) **Safe Drinking Water Act of 1974 (42 USC 201, 300 f et seq., 7401 et seq.)**, as amended, prohibiting the commitment of federal financial assistance for any project which the Environmental Protection Agency determines may contaminate an aquifer which is the sole or principal drinking water source for an area.
 - (8) **The Endangered Species Act of 1973 (16 USC 1531 et seq.)**, as amended, requiring that actions authorized, funded, or carried out by the federal government do not jeopardize the continued existence of endangered and threatened species or result in the destruction or modification of the habitat of such species which is determined by the Department of the Interior, after consultation with the State, to be critical.
 - (9) **The Wild and Scenic Rivers Act of 1968 (16 USC 1271 et seq.)**, as amended, prohibiting federal assistance in the construction of any water resources project that would have a direct and adverse effect on any river included in or designated for study or inclusion in the National Wild and Scenic Rivers System.
 - (10) **The Clean Air Act of 1970 (42 USC 1857 et seq.)**, as amended, requiring that federal assistance will not be given and that license or permit will not be issued to any activity not conforming to the State implementation plan for national primary and secondary ambient air quality standards.
 - (11) **HUD Environmental Criteria and Standards (24 CFR Part 51)** providing national standards for noise abatement and control, acceptable separation distances from explosive or fire prone substances, and suitable land uses for airport runway clear zones.
- (l) It will:
- (1) Comply with **The Lead-Based Paint Poisoning Prevention Act -- Title IV (42 USC 4831)** prohibiting the use of lead-based paint in residential structures constructed or rehabilitated with federal assistance, and requiring notification to purchasers and tenants of such housing of the hazards of lead-based paint and of the symptoms and treatment of lead-based paint poisoning.
 - (2) Comply with the **Armstrong/Walker "Excessive Force" Amendment, (P.L. 101-144) & Section 906 of Cranston-Gonzalez Affordable Housing Act of 1990**, which requires

that a recipient of HUD funds must certify that they have adopted or will adopt and enforce a policy prohibiting the use of excessive force by law enforcement agencies within their jurisdiction against individuals engaged in nonviolent civil rights demonstrations; or fails to adopt and enforce a policy of enforcing applicable state and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstration within its jurisdiction.

- (3) Comply with the **"Government-wide Restriction on Lobbying, (P.L. 101-121)**, which prohibits spending CDBG funds to influence or attempt to influence federal officials; which requires the filing of a disclosure form when non-CDBG funds are used for such purposes; which requires certification of compliance by the state; and which requires the state to include the certification language in grant awards it makes to units of general local government at all tiers and that all subrecipients shall certify accordingly as imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to civil penalty of not less than \$10,000 and not more than \$100,000 for each failure.

- (4) Comply with the **Department of Housing and Urban Development Reform Act of 1989 (24 CFR part 12)** requiring applicants for assistance for a specific project or activity from HUD, to make a number of disclosures if the applicant meets a dollar threshold for the receipt of covered assistance during the fiscal year in which an application is submitted. An applicant must also make the disclosures if it is requesting assistance from HUD for a specific housing project that involves assistance from other governmental sources.

- (5) Give the State, the U.S. Department of Housing and Urban Development (HUD), and any authorized representatives access to and the rights to examine all records, books, papers or documents related to the application and grant; and

- (m) It will comply with all parts of Title 1 of the Housing and Community Development Act of 1974, as amended, which have not been cited previously as well as with other applicable laws and regulations.

Signature, Chief Elected Official

Signature, Chief Elected Official**

Name (Typed or Printed)

Name (Typed or Printed)

Title Date

Title Date

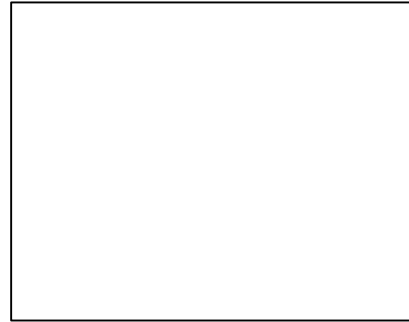
** Additional signatures are required only in the case of "joint" applications. If this is a joint application, the Chief Elected Official of each county and/or municipality participating in the application must sign.

SWORN TO AND SUBSCRIBED
Before me on this _____ day
Of _____, 20__

Notary Public

My commission expires

Place Seal Here



Applicant/Recipient Disclosure/Update Report (Exhibit 1-F)

U.S. Department of Housing
and Urban Development

OMB Approval No. 2510-0011 (exp. 11/30/2018)

Instructions. (See Public Reporting Statement and Privacy Act Statement and detailed instructions on page 2.)

Applicant/Recipient Information

Indicate whether this is an Initial Report or an Update Report

1. Applicant/Recipient Name, Address, and Phone (include area code):	2. Social Security Number or Employer ID Number:
3. HUD Program Name	4. Amount of HUD Assistance Requested/Received
5. State the name and location (street address, City and State) of the project or activity:	

Part I Threshold Determinations

- | | |
|---|--|
| 1. Are you applying for assistance for a specific project or activity? These terms do not include formula grants, such as public housing operating subsidy or CDBG block grants. (For further information see 24 CFR Sec. 4.3).
<input type="checkbox"/> Yes <input type="checkbox"/> No | 2. Have you received or do you expect to receive assistance within the jurisdiction of the Department (HUD), involving the project or activity in this application, in excess of \$200,000 during this fiscal year (Oct. 1 - Sep. 30)? For further information, see 24 CFR Sec. 4.9
<input type="checkbox"/> Yes <input type="checkbox"/> No. |
|---|--|

If you answered "No" to either question 1 or 2, **Stop!** You do not need to complete the remainder of this form. **However,** you must sign the certification at the end of the report.

Part II Other Government Assistance Provided or Requested / Expected Sources and Use of Funds.

Such assistance includes, but is not limited to, any grant, loan, subsidy, guarantee, insurance, payment, credit, or tax benefit.

Department/State/Local Agency Name and Address	Type of Assistance	Amount Requested/Provided	Expected Uses of the Funds

(Note: Use Additional pages if necessary.)

Part III Interested Parties. You must disclose:

- All developers, contractors, or consultants involved in the application for the assistance or in the planning, development, or implementation of the project or activity and
- any other person who has a financial interest in the project or activity for which the assistance is sought that exceeds \$50,000 or 10 percent of the assistance (whichever is lower).

Alphabetical list of all persons with a reportable financial interest in the project or activity (For individuals, give the last name first)	Social Security No. or Employee ID No.	Type of Participation in Project/Activity	Financial Interest in Project/Activity (\$ and %)

(Note: Use Additional pages if necessary.)

Certification

Warning: If you knowingly make a false statement on this form, you may be subject to civil or criminal penalties under Section 1001 of Title 18 of the United States Code. In addition, any person who knowingly and materially violates any required disclosures of information, including intentional non-disclosure, is subject to civil money penalty not to exceed \$10,000 for each violation.

I certify that this information is true and complete.

Signature: X	Date: (mm/dd/yyyy)
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Public reporting burden for this collection of information is estimated to average 2.0 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection information unless that collection displays a valid OMB control number.

Privacy Act Statement. Except for Social Security Numbers (SSNs) and Employer Identification Numbers (EINs), the Department of Housing and Urban Development (HUD) is authorized to collect all the information required by this form under section 102 of the Department of Housing and Urban Development Reform Act of 1989, 42 U.S.C. 3531. Disclosure of SSNs and EINs is voluntary. HUD is authorized to collect this information under the Housing and Community Development Act of 1987 42 U.S.C.3543 (a). The SSN or EIN is used as a unique identifier. The information you provide will enable HUD to carry out its responsibilities under Sections 102(b), (c), and (d) of the Department of Housing and Urban Development Reform Act of 1989, Pub. L. 101-235, approved December 15, 1989. These provisions will help ensure greater accountability and integrity in the provision of certain types of assistance administered by HUD. They will also help ensure that HUD assistance for a specific housing project under Section 102(d) is not more than is necessary to make the project feasible after taking account of other government assistance. HUD will make available to the public all applicant disclosure reports for five years in the case of applications for competitive assistance, and for generally three years in the case of other applications. Update reports will be made available along with the disclosure reports, but in no case for a period generally less than three years. All reports, both initial reports and update reports, will be made available in accordance with the Freedom of Information Act (5 U.S.C. §552) and HUD's implementing regulations at 24 CFR Part 15. HUD will use the information in evaluating individual assistance applications and in performing internal administrative analyses to assist in the management of specific HUD programs. The information will also be used in making the determination under Section 102(d) whether HUD assistance for a specific housing project is more than is necessary to make the project feasible after taking account of other government assistance. You must provide all the required information. Failure to provide any required information may delay the processing of your application, and may result in sanctions and penalties, including imposition of the administrative and civil money penalties specified under 24 CFR §4.38.

Note: This form only covers assistance made available by the Department. States and units of general local government that carry out responsibilities under Sections 102(b) and (c) of the Reform Act must develop their own procedures for complying with the Act.

Instructions

Overview.

- A. Coverage.** You must complete this report if:
- (1) You are applying for assistance from HUD for a specific project or activity **and** you have received, or expect to receive, assistance from HUD in excess of \$200,000 during the during the fiscal year;
 - (2) You are updating a prior report as discussed below; or
 - (3) You are submitting an application for assistance to an entity other than HUD, a State or local government if the application is required by statute or regulation to be submitted to HUD for approval or for any other purpose.
- B. Update reports (filed by "Recipients" of HUD Assistance):**
- General.** All recipients of covered assistance must submit update reports to the Department to reflect substantial changes to the initial applicant disclosure reports.

Line-by-Line Instructions.

Applicant/Recipient Information.

All applicants for HUD competitive assistance, must complete the information required in blocks 1-5 of form HUD-2880:

1. Enter the full name, address, city, State, zip code, and telephone number (including area code) of the applicant/recipient. Where the applicant/recipient is an individual, the last name, first name, and middle initial must be entered.
2. Entry of the applicant/recipient's SSN or EIN, as appropriate, is optional.
3. Applicants enter the HUD program name under which the assistance is being requested.
4. Applicants enter the amount of HUD assistance that is being requested. Recipients enter the amount of HUD assistance that has been provided and to which the update report relates. The amounts are those stated in the application or award documentation. NOTE: In the case of assistance that is provided pursuant to contract over a period of time (such as project-based assistance under section 8 of the United States Housing Act of 1937), the amount of assistance to be reported includes all amounts that are to be provided over the term of the contract, irrespective of when they are to be received.
5. Applicants enter the name and full address of the project or activity for which the HUD assistance is sought. Recipients enter the name and full address of the HUD-assisted project or activity to which the update report relates. The most appropriate government identifying number must be used (e.g., RFP No.; IFB No.; grant announcement No.; or contract, grant, or loan No.) Include prefixes.

Part I. Threshold Determinations - Applicants Only

Part I contains information to help the applicant determine whether the remainder of the form must be completed. **Recipients filing Update Reports should not complete this Part.**

If the answer to **either** questions 1 or 2 is No, the applicant need not complete Parts II and III of the report, but must sign the certification at the end of the form.

Part II. Other Government Assistance and Expected Sources and Uses of Funds.

- A. Other Government Assistance.** This Part is to be completed by both applicants and recipients for assistance and recipients filing update reports. Applicants and recipients must report any other government assistance involved in the project or activity for which assistance is sought. Applicants and recipients must report any other government assistance involved in the project or activity. Other government assistance is defined in note 4 on the last page. For purposes of this definition, other government assistance is expected to be made available if, based on an assessment of all the circumstances involved, there are reasonable grounds to anticipate that the assistance will be forthcoming.

Both applicant and recipient disclosures must include all other government assistance involved with the HUD assistance, as well as any other government assistance that was made available before the request, but that has continuing vitality at the time of the request. Examples of this latter category include tax credits that provide for a number of years of tax benefits, and grant assistance that continues to benefit the project at the time of the assistance request.

The following information must be provided:

1. Enter the name and address, city, State, and zip code of the government agency making the assistance available.
 2. State the type of other government assistance (e.g., loan, grant, loan insurance).
 3. Enter the dollar amount of the other government assistance that is, or is expected to be, made available with respect to the project or activities for which the HUD assistance is sought (applicants) or has been provided (recipients).
 4. Uses of funds. Each reportable use of funds must clearly identify the purpose to which they are to be put. Reasonable aggregations may be used, such as "total structure" to include a number of structural costs, such as roof, elevators, exterior masonry, etc.
- B. Non-Government Assistance.** Note that the applicant and recipient disclosure report must specify all expected sources and uses of funds - both from HUD **and any other source** - that have been or are to be, made available for the project or activity. Non-government sources of

funds typically include (but are not limited to) foundations and private contributors.

Part III. Interested Parties.

This Part is to be completed by both applicants and recipients filing update reports. Applicants must provide information on:

1. All developers, contractors, or consultants involved in the application for the assistance or in the planning, development, or implementation of the project or activity and
2. any other person who has a financial interest in the project or activity for which the assistance is sought that exceeds \$50,000 or 10 percent of the assistance (whichever is lower).

Note: A financial interest means any financial involvement in the project or activity, including (but not limited to) situations in which an individual or entity has an equity interest in the project or activity, shares in any profit on resale or any distribution of surplus cash or other assets of the project or activity, or receives compensation for any goods or services provided in connection with the project or activity. Residency of an individual in housing for which assistance is being sought is not, by itself, considered a covered financial interest.

The information required below must be provided.

1. Enter the full names and addresses. If the person is an entity, the listing must include the full name and address of the entity as well as the CEO. Please list all names alphabetically.
2. Entry of the Social Security Number (SSN) or Employee Identification Number (EIN), as appropriate, for each person listed is optional.
3. Enter the type of participation in the project or activity for each person listed: i.e., the person's specific role in the project (e.g., contractor, consultant, planner, investor).
4. Enter the financial interest in the project or activity for each person listed. The interest must be expressed both as a dollar amount and as a percentage of the amount of the HUD assistance involved.

Note that if any of the source/use information required by this report has been provided elsewhere in this application package, the applicant need

not repeat the information, but need only refer to the form and location to incorporate it into this report. (It is likely that some of the information required by this report has been provided on SF 424A, and on various budget forms accompanying the application.) If this report requires information beyond that provided elsewhere in the application package, the applicant must include in this report all the additional information required.

Recipients must submit an update report for any change in previously disclosed sources and uses of funds as provided in Section I.D.5., above.

Notes:

1. All citations are to 24 CFR Part 4, which was published in the Federal Register. [April 1, 1996, at 63 Fed. Reg. 14448.]
2. Assistance means any contract, grant, loan, cooperative agreement, or other form of assistance, including the insurance or guarantee of a loan or mortgage, that is provided with respect to a specific project or activity under a program administered by the Department. The term does not include contracts, such as procurements contracts, that are subject to the Fed. Acquisition Regulation (FAR) (48 CFR Chapter 1).
3. See 24 CFR §4.9 for detailed guidance on how the threshold is calculated.
4. "Other government assistance" is defined to include any loan, grant, guarantee, insurance, payment, rebate, subsidy, credit, tax benefit, or any other form of direct or indirect assistance from the Federal government (other than that requested from HUD in the application), a State, or a unit of general local government, or any agency or instrumentality thereof, that is, or is expected to be made, available with respect to the project or activities for which the assistance is sought.
5. For the purpose of this form and 24 CFR Part 4, "person" means an individual (including a consultant, lobbyist, or lawyer); corporation; company; association; authority; firm; partnership; society; State, unit of general local government, or other government entity, or agency thereof (including a public housing agency); Indian tribe; and any other organization or group of people.

PROGRAM REQUIREMENTS

All Program Requirements must be met to be eligible for CDBG funding.

A. THRESHOLD (NMAC 2.110.2.17.E.)

Check all boxes that apply. Threshold requirements must be met at the time of application.

- Any previous CDBG project's monitoring findings and concerns must be resolved.
- The current operating budget for any local public body as defined in Section 6-6-1 NMSA 1978 (as amended) applying for CDBG funds must be certified by the division.
- The applicant's quarterly/monthly financial reports to the division must be current.
- An applicant must have submitted to the New Mexico State Auditor its most current audit(s) that were required to be conducted and submitted for review per the New Mexico State Auditor's required report due dates for the previous fiscal year(s) and an applicant must be in compliance with the budget certification rule, NMAC 2.2.3
- Applicant must be eligible under CDBG Uniform Grant Guidance (UGG).

B. PUBLIC PARTICIPATION (NMAC 2.110.2.15)

Check boxes as appropriate. Provide supporting source documentation in the "Public Participation" portion of the application.

- Number of public hearings held.
- Public hearings: Date Time

- Posted and/or published notice in English and Spanish. Include copies.
- Minutes of public hearings. Attach minutes.
- Sign-in sheets for public hearings. Include copies.
- Evidence of posting hearing notices. More than 10 days in advance of the hearing date is required.
- Attach and describe actions that have been taken in addition to the public notices and hearings to encourage and foster community participation in the CDBG process (if applicable).

PROGRAM REQUIREMENTS (continued)

All Program Requirements must be met to be eligible for CDBG funding.

C. NATIONAL OBJECTIVE: BENEFIT TO LOW AND MODERATE INCOME (LMI) PERSONS (NMAC 2.110.2.16.A)

Low and Moderate Income (LMI) persons that the proposed project will serve directly. From DFA/LGD approved Survey, American Community Survey (ACS), or Limited Clientele.

Source of LMI Information:

Attach DFA/LGD approval letter and all other supporting documentation pertaining to LMI and include in the "Survey/ACS" portion of the application.

Proposed Project	Total Number of Persons	Number of Low/Moderate Income Persons	Percent Low/Moderate Income Persons
FULL			

APPLICATION GUIDELINES

Read these instructions carefully before completing the application. The applicant must refer to CDBG Rules and Regulations to ensure compliance with program requirements. CDBG Rules and Regulations in the New Mexico Administrative Code (NMAC) can be found in Exhibit I and online at http://nmdfa.state.nm.us/CDBG_Information_1.aspx.

Planning Applications may be submitted at any time. Applications that are in compliance are received and evaluated throughout the year.

An applicant must submit an original (hard copy) and two separate electronic copies of each application to the Department of Finance and Administration, Local Government Division, Bataan Memorial Building, Room 202, 407 Galisteo Street, Santa Fe NM 87501, and one electronic copy to the appropriate council of governments.

Application and all required information must be included. Applications that are incomplete or noncompliant will be deemed ineligible, returned to the applicant, and not considered for funding.

Application tabs will be provided and must be used.

Application must be typed.

Application narratives must be in complete sentences, using clear and concise language.

Attachments must be submitted per application instructions. Additional attachments will not be accepted.

CDB will not reimburse any costs incurred in preparing the application or incurred prior to the execution of the grant agreement.

If you have questions, please contact a CDB Project Manager.

Ariana Vigil	(505) 827-8074
David Buchen	(505) 827-4957
Donna Stewart	(505) 827-4972
Maria Urban	(505) 827-8061
Maxx Hendren	(505) 827-4747
Sonja Unrau	(505) 827-4370
Stephen Weinkauff	(505) 827-8060
Steve Lacy	(505) 827-4939

GUIDELINES FOR APPLICATION FORM

1. **Project Name/Title:** Enter name or title of proposed project.
2. **Applicant Entity:** Name (county or municipality) and DUNS #. If joint application, list the name of the “lead” municipality or county. If there are other municipalities or counties participating in this project, list their names.
3. **Chief Elected Official:** Enter contact information for individual with authority to enter into contracts for the entity. If joint application, enter contact information for chief elected official of the “lead” municipality or county.
4. **Designated Contact Person for the Application:** Enter contact information for individual responsible for all communications pertaining to this application.
5. **CDBG Funding Request:** Enter requested amount.
6. **Project Location:** Enter street address, city, zip, county, and latitude and longitude in decimal degrees. For example, 35.180833 and -103.722222.
7. **Project Type:** Check only one box.
8. **Rural/Non-Rural Status:** Check only one box.
9. **Brief Description of Proposed Project:** In no more than 300 words, briefly describe the proposed project by addressing the five bullet points listed on page 30.
10. **Full Project/LMI Benefit Information:** Complete table as indicated. For definition and discussion; see Exhibit A-1.
11. **Full Project/Beneficiary Race/Ethnicity Information:** Complete table as indicated. For definition and discussion; see Exhibit A-1.
12. **Full Project/Demographic Information:** Complete table as indicated. Number used for Female Head of Household is a subset of the number used for Female. Number used for Disabled Persons is a subset of numbers for both Male and Female.
13. **Full Project/Source of LMI Information:** Check one box.
14. **Full Project Budget and Funding Sources:** Project Cost Activities tables, Cash Match funding table, and Leveraging funding table must be completed as indicated. Do not modify the format of these tables. Cash Match funding must be evidenced by a supporting Resolution adopted by the local government body committing general funds to the project. Include amount, resolution number, and resolution date. Leveraging funding must include source and type, amount, date secured, and reversion/termination date. Fully executed Agreement, award letter, and/or contract at time of application must be provided. Provide Cost Benefit by entering Total CDBG \$, Total LMI Beneficiaries, and Cost per LMI Beneficiary (calculated by dividing Total CDBG \$ by Total LMI Beneficiaries).
15. **Most Recently Received CDBG Funding:** Enter responses as requested.
16. **CDBG Grant Administration:** Enter responses as requested.
17. **Asset Management Plan:** Check all boxes that apply. Provide supporting source documentation.
18. **Planning:** Check all boxes that apply. Provide copies of supporting source documentation.
19. **Feasibility and Readiness:** Check all boxes that apply. Provide copies of supporting source documentation.
20. **Performance Outcome Measures:** Check one box for section (a) and one box for section (b).

APPLICATION CHECKLIST

Important

The following must be prepared, submitted and received by the Local Government Division as part of a complete application package. Applications without all of the following required elements will be returned to the applicant and will not be considered for funding.

- Transmittal Letter with notarized signature of Chief Elected Official (CEO)
- State Certifications and Assurances with notarized signature of CEO
- Applicant Statement of Federal Assurances and Certifications with notarized signature of CEO
- Applicant/Recipient Disclosure/Update Report (Exhibit 1-F)
- Program Requirements (Items A-C)
- Application Form (Items 1-20)
- Project Narrative
 - Full Scope of Work
- LMI Documents
- Resolution by local government body with notarized signature of CEO (Exhibit C)
- Supporting source documentation (as applicable)

APPLICATION FORM
For Community Infrastructure and Public Facilities Projects

1. PROJECT NAME/TITLE		
2. APPLICANT ENTITY County or Municipality		DUNS #

If a joint application, list the name of the "lead" municipality or county.

Are any other municipalities and/or counties participating in this project? If yes, list below:

--

3. CHIEF ELECTED OFFICIAL

If a joint application, chief elected official of the "lead" municipality or county.

Name		Title	
Address		Phone	
Email			

4. DESIGNATED CONTACT PERSON FOR THE APPLICATION

Name _____ Title _____
 Address _____ Phone _____
 Email _____

5. CDBG FUNDING REQUEST

6. PROJECT LOCATION

Street Address _____
 City / Zip / County _____
 Latitude _____ (for example, 35.180833)
 Longitude _____ (for example, -103.722222)

7. PROJECT TYPE

8. RURAL / NON-RURAL STATUS

9. BRIEF DESCRIPTION OF PROPOSED PROJECT (limit 300 words)

- What is the need/problem to be addressed?
- Explain the work required to address the problem.
- Is it a priority based on the health, safety, or welfare of the community? If yes, how?
- What is the timeline for project completion?
- What are the specific outcomes of the project? Who will benefit from the proposed project?

FULL PROJECT

10. Beneficiary Low and Moderate Income (LMI)

(a) Project Activity	(b) Total Persons Served	(c) Total Persons Between 80% & 50% MFI	(d) Total Persons Between 50% & 30% MFI	(e) Total Persons Under 30% MFI	(f) Total LMI Persons	(g) Percent LMI Benefit
1						
2						

11. Beneficiary Race/Ethnicity

Racial / Ethnic Group	Total Persons	Of Hispanic Ethnicity
White		
Black/African American		
Asian		
American Indian/Alaska Native		
Native Hawaiian/Pacific Islander		
American Indian/Alaska Native & White		
Asian & White		
Black/African American & White		
American Indian/Alaska Native & Black/African American		
Other Multi-Race		
TOTAL PERSONS SERVED*		

** Number of Total Persons Served in Tables 10 and 11 must match.*

12. Demographic Information

Male	Female	# Female Headed Household	# Disabled Persons**

*** 2010 HUD Census Data must be used to determine the number of Disabled persons.*

13. Source of LMI Information

**14. FULL PROJECT
BUDGET AND FUNDING SOURCES**

Project Cost Activities	Project Funding Sources		
	CDBG	Cash Match	Leveraging
Administration (contractual)			
Architect / Engineer			
Other Professional			
Inspection (testing)			
TOTALS			

*Must use Davis-Bacon wage rates to prepare Construction budget and cost estimates.

Matching Funds (Full Project)

Required Cash Match

Additional Leveraged Funds

Cash Match **

Source and Type	Amount	Resolution Number	Resolution Date
1.			
2.			
3.			

** Must provide supporting Resolution.

Leveraging ***

Source and Type	Amount	Date Secured	Date Reverts
1.			
2.			
3.			

*** Must provide fully executed Agreements for leveraged funding sources.

Cost Benefit Full Project	(a) Total CDBG \$	(b) Total Beneficiaries (Full Project)	(c) Total LMI Beneficiaries (Full Project)	(d) Cost per LMI Beneficiary (a/c)

15. MOST RECENTLY RECEIVED CDBG FUNDING

Provide: (a) CDBG Project Number, (b) Project Name/Title, (c) Funding Amount, and (d) whether project was completed within twenty-four (24) months of grant execution.

16. CDBG GRANT ADMINISTRATION

Will applicant administer the project? Yes No

If No, provide name of professional grant administrator, evidence of procurement, copy of contract, and professional fees, if applicable.

For all applicants, describe CDBG grant administration experience. Provide examples of grants managed (infrastructure, planning, economic development, housing, etc.), successfully completed CDBG projects, and goals attained and administrative capacity. Describe the knowledge, skills and abilities required of a CDBG grant administrator and how this particular grant administrator will be successful and facilitate the project should it be awarded. Include experience with the procurement process (administrative, architect/engineer, construction), compliance with CDBG federal and state regulations, auditing experience, construction oversight, labor standards and overall organizational ability.

17. ASSET MANAGEMENT PLAN (NMAC 2.110.2.17.L)

Check all boxes that apply. Provide supporting source documentation.

Attendance at an asset management training within the last three years that includes the five core components as described in the international infrastructure asset management model (Exhibit E). Provide date(s) and proof of attendance.
Development of an asset management plan that includes some, but not all of the five Core components. Provide a copy of Asset Management Plan. Indicate which of the five core components the applicant entity has currently adopted into their plan as included in the submission.
Development of a complete asset management plan with all five components. Provide a copy of Asset Management Plan that includes Asset Inventory, Level of Service Agreement, Critical Assets, Life Cycle Costing, and Long-term Funding Strategy.

18. PLANNING (NMAC 2.110.2.19.D (5))

Check all boxes that apply. Provide supporting source documentation.

Applicant has adopted a local Infrastructure Capital Improvement Plan (ICIP), which has qualified for publication in the most recent state ICIP prior to the CDBG application deadline. Evidence of the adopted ICIP for the current year must be provided as part of the application.
The project has qualified for publication in the most recent state ICIP prior to the CDBG application deadline and application has selected CDBG as one of its possible funding sources. Evidence of such publication identifying the project and selecting CDBG funds as a possible funding source must be provided with the application.
Project shows consistency with applicant’s comprehensive plan.
Applicant has adopted a drought contingency plan, setting in place various drought management stages and accompanying restrictions on water use.
Applicant has adopted a water conservation ordinance, setting in place various methods for conserving potable water.
Applicant has implemented a water conservation ordinance, accompanied by evidence of exercising at least two various methods for conserving potable water.

19. FEASIBILITY AND READINESS *Check all boxes that apply. Provide supporting source documentation*

- Professional services contract executed
- Completed environmental review process

20. PERFORMANCE OUTCOME MEASURES

<i>(a) Check one box that describes your Project Objective.</i>
<i>(b) Check one box that describes the Outcome your project will achieve.</i>

Planning Narrative

Must be included in application

All Other Plans

Need & Description Narrative

In addition to the following questions, applicant must complete A-3

All Questions must be answered in Q & A format in the order listed. All answers must be in complete sentences. Yes and No answer are not acceptable. Do not omit any questions. Please provide any supporting documents to substantiate your answers.

1. Describe the purpose of the plan?
2. What community needs will this plan address?
3. How is this need identified in your comprehensive plan or other local government plans?
4. What specific outcomes will result from completion of this plan?
5. What led to the prioritization and development of your proposed plan?
6. How are the people affected and what daily hardships do they face due to the problem to be addressed?
7. Degree to which the proposed plan is consistent with past planning efforts, or if not, the clear reason why.
8. What steps have been taken to involve the community?
9. What official orders or regulatory requirements relate to this plan?
(Have you met with the regulatory agency? If so, with whom and what was the result)
10. What is your community size?
11. Has alternative funding been explored? If yes, please indicate the source(s) and results of other funding solicitation.

Impact Narrative

1. What is the potential economic/community development impact of the Plan on the area?
2. Is the Plan appropriate for any anticipated expectant population trends?
3. Describe your organizational capacity and commitment of the local government to administer the grant funds, manage the project, and oversee the Professional Services Contract.
4. Describe your capacity of the local government to operate and manage the project into the foreseeable future.

Feasibility Narrative

1. How does the community plan on procuring services to complete the Plan?
2. Can the Plan be completed within 18 months? Provide a timeline, i.e. Prepare RFP/Notice for professional services, commission approval etc.

**Scope of Work for Full Plan
A-3**

Name of Plan: _____

Please complete a defined scope of work for this proposed plan.



Exhibit A

SURVEY METHODOLOGY

SURVEY METHODOLOGY

Community Infrastructure and Public Facilities projects in the CDBG program must meet the U.S. Department of Housing and Urban Development (HUD) national objective benefiting at least 51% or more low and moderate income (LMI) persons. The following Survey Methodology was designed to assist states in determining whether most of the individuals in a proposed target area are of low and moderate income.

The New Mexico Department of Finance and Administration, Local Government Division, Community Development Bureau (CDB) recommends that the Survey Methodology be used when the most recent census data provided by HUD does not meet project needs, including geographic areas smaller than municipalities.

The purpose of a sample survey is to ask questions of a portion of the population in order to make estimates about the entire population. The survey will determine whether at least 51 percent of the persons living in a target area have low and moderate incomes.

The procedures are divided into seven major sections, each of which discusses a different step in administering the survey. In order to obtain accurate results, it is necessary to complete each step properly.

STEP 1: REQUEST APPROVAL FROM CDB

The applicant must request approval from CDB to conduct a survey. The applicant must include in the request the type of survey (step 2), a sample survey form with correct income limits (step 3) and the sample (step 4). This must be done prior to completing steps 5-7. Once CDB approval is obtained, proceed to step 5.

STEP 2: SELECT THE TYPE OF SURVEY

Any type of survey that fulfills the criteria discussed below can be used to determine whether an area qualifies as low and moderate income. The most commonly used surveys are (a) telephone surveys, (b) door-to-door surveys, and (c) mail surveys.

(a) Telephone surveys - The interviewer must call and identify themselves, and request to speak to someone competent and knowledgeable enough to answer and respond to the survey questions. In a telephone survey, you must acquire numbers of all the households in your target area and devise a method of contacting households without telephones or those with unlisted numbers.

(b) Door-to-door surveys - A survey where the interviews are conducted in preselected areas involving knocking on the doors of homes to find qualified respondents.

(c) Mail surveys - Respondents are sent the questionnaire by mail, and asked to complete it independently and then return the questionnaire to the entity. Provisions must be made to

provide non-English-speaking residents with a questionnaire in their own language. Include in your mailing a stamped self-addressed return envelope.

STEP 3: USE OF QUESTIONNAIRE

All entities must use the survey form provided in this section. Note: Income levels must be updated using HUD income limits by County, attached in Exhibit A-4. If your County is not identified, please contact your CDB project manager.

STEP 4: SELECT THE SAMPLE

- A. Define the Sample Universe. Depending on the project, the universe may be as large as a municipality or county, or as small as the project impacted area.
- B. Identify Individual Households. Include a list of every household, vacant lot, and business in the target area and their telephone number, if available. Samples of identifying household sources include telephone directories, tax rolls, and utility company listing.
- C. Determine Sample Size: Refer to Table 1 and Table 2 on next page for information on determining how many households you need to interview.
- D. Determine the Sample: Devise a procedure to randomly select the households to be interviewed. For example, using the site <http://randomizer.org/form.htm> will generate a random numbers table for any sample size from any population size.
- E. Unreachable: Document how you will account for any unreachable families in your sample. A family that cannot be reached must be replaced randomly with the next household that appears on the randomized number table. If a sampled family cannot be reached after two or more tries, or an outright refusal, they should be replaced in the sample.

TABLE 1
Required Sample Sizes
for Universes of Various Sizes

<u>Numbers of Households in Universe</u>	<u>Sample Size</u>
1 – 55	50
56 – 63	55
64 – 70	60
71 – 77	65
78 – 87	70
88 – 99	80
100 - 115	90
116 – 138	100
139 – 153	110
154 – 180	125
181 – 238	150
239 – 308	175
309 – 398	200
399 – 650	250
651 – 1,200	300
1,201 – 2,700	350
2,701 or more	400

Table 2
Expected Response Rates
For Different Types of Surveys

<u>Survey Type</u>	<u>Expected Rate of Response</u>
Mail	25-50%
Mail, with letter follow-up	50-60%
Mail, with telephone follow-up	50-80%
Telephone	75-90%
Door-to-door	75-90%

STEP 5: CONDUCT SURVEY

- A. Recruit and train interviewers
- B. Develop an interview schedule
- C. Conduct interview and review responses

STEP 6: DETERMINE ELIGIBILITY

Once surveys are complete, enter data into Exhibit A-3 *Low and Moderate Income (LMI) Worksheet*. If the results of the worksheet are greater than 51% LMI, the project is eligible.

The worksheet is available in Excel format online at http://www.nmdfa.state.nm.us/CDBG_Information_1.aspx

STEP 7: DOCUMENT YOUR EFFORT

The following items must be included in the application:

- A. Request for survey methodology approval
- B. CDB approval of survey methodology
- C. Data supporting the sample universe
- D. Completed survey interview sheets
- E. Income survey certification
- F. LMI worksheet



SURVEY METHODOLOGY

EXHIBITS

- A-1 SAMPLE SURVEYS (ENGLISH & SPANISH)**
- A-2 INCOME SURVEY CERTIFICATION**
- A-3 LOW AND MODERATE INCOME WORKSHEET**
- A-4 LOW AND MODERATE INCOME LIMITS FROM HUD**

Exhibit A-1

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

Attempted Completed

INCOME SURVEY # _____ DATE: _____ INTERVIEWER NAME : _____

The City or County, New Mexico is considering applying for a Community Development Block Grant for Project Type Description (Refer to map)

This information will be kept **CONFIDENTIAL**. In order to consider applying for funds, we need your help in answering a few questions about the number of people living in your household and your income for the past 12 months.

- (1) How many people live in this household? _____
- (2) Female Head of Household? Yes No
- (3) Number of Handicapped? _____
(Please refer to definitions of handicapped on the form provided.)
- (4) Contact Attempts: *(Circle)*
 First Attempt: Date: _____ Time: _____ A.M. P.M.
 Second Attempt: Date: _____ Time: _____ A.M. P.M.
- (5) *(Circle One)*
 Response Non-Response Vacancy

(6) Was the total combined family income for the last 12 months above or below: *(Please refer to the chart below.)*

County 2018 Median Family Income Limits at 30%, 50%, 80%

% MFI	1 person		% MFI	2 person		% MFI	3 person		% MFI	4 person	
30%		<input type="checkbox"/> Below	30%		<input type="checkbox"/> Below	30%		<input type="checkbox"/> Below	30%		<input type="checkbox"/> Below
50%		<input type="checkbox"/> Below	50%		<input type="checkbox"/> Below	50%		<input type="checkbox"/> Below	50%		<input type="checkbox"/> Below
80%		<input type="checkbox"/> Above <input type="checkbox"/> Below	80%		<input type="checkbox"/> Above <input type="checkbox"/> Below	80%		<input type="checkbox"/> Above <input type="checkbox"/> Below	80%		<input type="checkbox"/> Above <input type="checkbox"/> Below

% MFI	5 person		% MFI	6 person		% MFI	7 person		% MFI	8 person	
30%		<input type="checkbox"/> Below	30%		<input type="checkbox"/> Below	30%		<input type="checkbox"/> Below	30%		<input type="checkbox"/> Below
50%		<input type="checkbox"/> Below	50%		<input type="checkbox"/> Below	50%		<input type="checkbox"/> Below	50%		<input type="checkbox"/> Below
80%		<input type="checkbox"/> Above <input type="checkbox"/> Below	80%		<input type="checkbox"/> Above <input type="checkbox"/> Below	80%		<input type="checkbox"/> Above <input type="checkbox"/> Below	80%		<input type="checkbox"/> Above <input type="checkbox"/> Below

(7) Gender, Ethnicity and Race of each household member. *Note: Ethnicity and Race must be checked. (Please refer to definitions on the form provided.)*

Household Member		1	2	3	4	5	6	7	8	9	10	TOTAL
GENDER	Male											
	Female											

ETHNICITY	Hispanic or Latino											
	Non Hispanic or Latino											

RACE	White											
	Black or African American											
	Asian											
	American Indian or Alaskan Native											
	Native Hawaiian or Other Pacific Islander											
	American Indian or Alaskan Native AND White											
	Asian AND White											
	Black or African American AND White											
	American Indian or Alaskan Native AND Black or African American											
Other Multi-Race												

DEFINITIONS

Ethnic

The two ethnic categories as defined by federal Office of Management and Budget are:

- a) **Hispanic or Latino.** A person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race. The term "Spanish Origin" can be used in addition to "Hispanic" or Latino."
- b) **Not Hispanic or Latino.** A person not of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race.

Race

The five racial categories as defined by the federal Office of Management and Budget are:

- a) **American Indian or Alaskan Native.** A person having origins in any of the original people of North and South America (including Central America), and who maintains tribal affiliation or community attachment.
- b) **Asian.** A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam.
- c) **Black or African American.** A person having origins in any of the black racial groups of Africa. Terms such as "Haitian" or "Negro" can be used in addition to "Black" or "African American."
- d) **Native Hawaiian or Other Pacific Islander.** A person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands.
- e) **White.** A person having origins in any of the original peoples of Europe, the Middle East or North Africa.

Disability

Disability is defined as:

- a) a mental or physical impairment that substantially limits one or more major life activities (sometimes called an actual, or present, disability);
- b) a record of a mental or physical impairment that substantially limits one or more major life activities (sometimes referred to as a history of a disability); or
- c) being "regarded as" having a mental or physical impairment that substantially limits one or more major life activities (also called a perceived disability).

PROGRAMA DE DESARROLLO DE LA COMUNIDAD (CDBG)

Tratado Completo

REVISTA DE INGRESOS # _____ FECHA: _____ NOMBRE DE REVISADOR: _____

La ciudad o condado, New México está considerando aplicar para un desarrollo comunitario Block Grant para la descripción del tipo de proyecto (vea mapa).

Esta información será guardada **CONFIDENCIAL**. Al fin de pensar solicitar fondos, necesitamos su ayuda en contestación de unas preguntas sobre el número de personas que viven en su hogar y de sus ingresos durante los 12 meses pasados.

- (1) Cuantas personas viven en este hogar? _____ (4) Contactos: _____ (Indique)
 Primera Vez: Fecha: _____ Hora: _____ A.M. P.M.
 Segunda Vez: Fecha: _____ Hora: _____ A.M. P.M.
- (2) Mujer como Cabeza de Hogar? Si No
- (3) Numero de Incapacitados? _____ (5) _____ (Indique)
 (Referase a definiciones de incapacitados en la forma añadida.)
 Responsivo No Contesta Vacante

(6) Fueron los ingresos por el ano pasado mas o menos que lo demostrado abajo: (Refiérase a los limites abajo.)

Condado de 2018 Limites de Ingresos Familiares (MFI) a 30%, 50%, 80%

1 persona			2 personas			3 personas			4 personas		
% MFI		<input type="checkbox"/> Menos	% MFI		<input type="checkbox"/> Menos	% MFI		<input type="checkbox"/> Menos	% MFI		<input type="checkbox"/> Menos
30%			30%			30%			30%		
50%		<input type="checkbox"/> Menos	50%		<input type="checkbox"/> Menos	50%		<input type="checkbox"/> Menos	50%		<input type="checkbox"/> Menos
80%		<input type="checkbox"/> Mas <input type="checkbox"/> Menos	80%		<input type="checkbox"/> Mas <input type="checkbox"/> Menos	80%		<input type="checkbox"/> Mas <input type="checkbox"/> Menos	80%		<input type="checkbox"/> Mas <input type="checkbox"/> Menos

5 personas			6 personas			7 personas			8 personas		
% MFI		<input type="checkbox"/> Menos	% MFI		<input type="checkbox"/> Menos	% MFI		<input type="checkbox"/> Menos	% MFI		<input type="checkbox"/> Menos
30%			30%			30%			30%		
50%		<input type="checkbox"/> Menos	50%		<input type="checkbox"/> Menos	50%		<input type="checkbox"/> Menos	50%		<input type="checkbox"/> Menos
80%		<input type="checkbox"/> Mas <input type="checkbox"/> Menos	80%		<input type="checkbox"/> Mas <input type="checkbox"/> Menos	80%		<input type="checkbox"/> Mas <input type="checkbox"/> Menos	80%		<input type="checkbox"/> Mas <input type="checkbox"/> Menos

(7) Sexo, pertenencia étnica y raza de cada miembro del hogar. *Note: Pertenencia étnica y raza deben ser marcados. (Refiérase a definiciones en la forma añadida.)*

Miembros de Hogar		1	2	3	4	5	6	7	8	9	10	TOTAL
SEXO	Masculino											
	Femenino											

ETNICIDAD	Hispano o Latino											
	No Hispano o Latino											

RAZA	Blanco											
	Americano Negro o Africano											
	Asiático											
	Amerindio o Natural de Alaska											
	Hawaiano Natal u otro Isleño Pacifico											
	Amerindio o Natural de Alaska y Blanco											
	Asiático y Blanco											
	Americano Negro o Africano y Blanco											
	Amerindio o Natural de Alaska y Americano Negro o Africano											
	Otra Multi-Raza											

Definiciones:

Las dos categorías étnicas revisadas por OMB son definidas abajo:

- a. **Hispano o Latino.** Una persona cubana, mejicana, puertorriqueña, sur o centroamericana u otra cultura española u origen, sin contar con raza. El término “Origen Español” puede ser usado además del “hispano” o “Latino.”
- b. **No hispano o Latino.** Una persona que no es cubana, mejicana, puertorriqueña, sur o centroamericana, u otra cultura española u origen, sin contar con raza.

Las cinco categorías raciales revisadas por OMB son definidas abajo:

- a) **Amerindio o Natural de Alaska.** Una persona que tiene orígenes en cualquiera de las gentes original del Norte o Sudamérica (incluso América Central), y que mantiene la afiliación tribal o el accesorio de comunidad.
- b) **Asiático.** Una persona que tiene orígenes en cualquiera de las gentes original del Oriente Lejano, Asia del Sudeste, o el subcontinente indio incluso, por ejemplo, Camboya, China, India, Japón, Corea, Malasia, Paquistaní, las Islas Phillipine, Tailandia, y Vietnam.
- c) **Americano negro o africano.** Una persona que tiene orígenes en cualquiera de los grupos raciales negros de África. Los términos como “haitiano” o “Negro” pueden ser usados además de “Negro” o “Americano Africano.”
- d) **Hawaiano Natal u otro Isleño Pacífico.** Una persona que tiene orígenes en cualquiera de las gentes de Hawai, Guam, Samoa, u otras Islas Pacíficas.
- e) **Blanco.** Una persona que tiene orígenes en cualquiera de las gentes de Europa, el Oriente Medio, o el África del Norte.

La discapacidad es definida como: (1) un daño mental o físico que considerablemente limita uno o varias actividades principales de vida (a veces llamada una discapacidad actual o presente); o (2) un registro de un daño mental o físico que considerablemente limita una o varias actividades principales de vida (a veces referida como una historia de discapacidad); o (3) ser “considerado como” tener un daño mental o físico que considerablemente limita uno o varias actividades principales de vida (también llamada una percibida discapacidad). (42 U.S.C. Sección 1210292) (ADA); 29 U.S.C. Secciones 705(9) (B) y 705(20)(B) (Acta de Rehabilitación).

El mapa del área de proyecto:

EXHIBIT A-2
INCOME SURVEY CERTIFICATION

I hereby certify that, to the best of my knowledge, all information found in all grant survey forms pertaining thereto, are correct and has been gathered in an appropriate and ethical manner. I also understand that the intentional falsification of any survey information associated with this grant application shall immediately result in the disqualification of the applicant’s immediate eligibility and possible future eligibility as determined appropriate by the Local Government Division, Community Development Bureau. Additionally, I understand that any person intentionally falsifying survey information in connection with this or any other grant application shall be subject to the denial of participation in the CDBG Program and/or fined and/or imprisoned in accordance with state and federal statutes and regulations.

I hereby acknowledge that I have read and understand the above paragraph:

Surveyor 1:

(Please Print)

Signature: _____

(Date)

Surveyor 2:

(Please Print)

Signature: _____

(Date)

Surveyor 3:

(Please Print)

Signature: _____

(Date)

Chief Elected Official:

(Please Print)

Signature: _____

(Date)

EXHIBIT A-3 LOW AND MODERATE INCOME WORKSHEET

PART A: INFORMATION CONTAINED IN YOUR SURVEY

1. Enter the estimated number of households in the target area. _____
2. Enter the number of households interviewed. _____
3. Enter the number of households below 30% of the MFI. _____
4. Enter the number of persons in the household below 30% of the MFI. _____
5. Enter the number of household between 30% and 50% of MFI. _____
6. Enter the number of persons in the household between 30% and 50% of MFI. _____
7. Enter the number of household between 50% and 80% of MFI. _____
8. Enter the number of persons living in household between 50% and 80% of MFI. _____
9. Enter the number of households over 80% of MFI. _____
10. Enter the number of persons living in household over 80% of MFI. _____

PART B: CALCULATIONS BASED ON DATA CONTAINED IN THE SURVEY

11. Average size of below 30% MFI household (divide line 4/3). _____
12. Average size of between 30% and 50% MFI households (divide line 6/5). _____
13. Average size of between 50% and 80% MFI household (divide line 8/7) _____
14. Average size of over 80% MFI households (divide line 10/9) _____
15. Percent of households below 30% MFI (divide line 3/2) _____
16. Percent of households between 30% and 50% (divide line 5/2) _____
17. Percent of households between 50% and 80% (divide line 7/2) _____
18. Percent of households over 80% MFI (divide line 9/2) _____
19. Estimated number of households below 30% MFI (multiply line 1*15) _____
20. Estimated number of households between 30% and 50% (multiply line 1*16) _____
21. Estimated number of households between 50% and 80% (multiply line 1*17) _____
22. Estimated number of households above 80% MFI (multiply line 1*18) _____
23. Estimated number of persons in target area below 30% MFI
(multiply line 11*19) _____
24. Estimated number of persons in target area between 30% and 50% MFI
(multiply line 12*20) _____
25. Estimated number of persons in target area between 50% and 80% MFI
(multiply line 13*21) _____
26. Estimated number of persons in target area above 80% MFI
(multiply line 14*22) _____
27. Estimated number of persons in target area (add lines 23+24+25+26) _____
28. Estimated percent of persons below 30% MFI (divide line (23/27)*100) _____
29. Estimated percent of persons between 30% and 50% MFI
(divide line (24/27)*100) _____
30. Estimated percent of persons between 50% and 80% MFI
(divide line (25/27)*100) _____
31. Percentage of population under 80% MFI (add lines 28+29+30) _____

Exhibit A-4

STATE:NEW MEXICO

-----S E C T I O N 8 I N C O M E L I M I T S-----

		PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Albuquerque, NM MSA										
FY 2017 MFI: 61900		EXTR LOW INCOME	13000	16240	20420	24600	28780	32960	37140	40900
		VERY LOW INCOME	21700	24800	27900	30950	33450	35950	38400	40900
		LOW-INCOME	34650	39600	44550	49500	53500	57450	61400	65350
Farmington, NM MSA										
FY 2017 MFI: 58800		EXTR LOW INCOME	12400	16240	20420	24600	28780	32960	36500	38850
		VERY LOW INCOME	20600	23550	26500	29400	31800	34150	36500	38850
		LOW-INCOME	32950	37650	42350	47050	50850	54600	58350	62150
Las Cruces, NM MSA										
FY 2017 MFI: 46900		EXTR LOW INCOME	12060	16240	20420	24600	28250	30350	32450	34550
		VERY LOW INCOME	18350	20950	23550	26150	28250	30350	32450	34550
		LOW-INCOME	29300	33500	37700	41850	45200	48550	51900	55250
Santa Fe, NM MSA										
FY 2017 MFI: 62200		EXTR LOW INCOME	13100	16240	20420	24600	28780	32960	37140	41100
		VERY LOW INCOME	21800	24900	28000	31100	33600	36100	38600	41100
		LOW-INCOME	34850	39800	44800	49750	53750	57750	61700	65700
Catron County, NM										
FY 2017 MFI: 47600		EXTR LOW INCOME	12060	16240	20420	24600	28250	30350	32450	34550
		VERY LOW INCOME	18350	20950	23550	26150	28250	30350	32450	34550
		LOW-INCOME	29300	33500	37700	41850	45200	48550	51900	55250
Chaves County, NM										
FY 2017 MFI: 51100		EXTR LOW INCOME	12060	16240	20420	24600	28250	30350	32450	34550
		VERY LOW INCOME	18350	20950	23550	26150	28250	30350	32450	34550
		LOW-INCOME	29300	33500	37700	41850	45200	48550	51900	55250
Cibola County, NM										
FY 2017 MFI: 44400		EXTR LOW INCOME	12060	16240	20420	24600	28250	30350	32450	34550
		VERY LOW INCOME	18350	20950	23550	26150	28250	30350	32450	34550
		LOW-INCOME	29300	33500	37700	41850	45200	48550	51900	55250
Colfax County, NM										
FY 2017 MFI: 48600		EXTR LOW INCOME	12060	16240	20420	24600	28250	30350	32450	34550
		VERY LOW INCOME	18350	20950	23550	26150	28250	30350	32450	34550
		LOW-INCOME	29300	33500	37700	41850	45200	48550	51900	55250
Curry County, NM										
FY 2017 MFI: 53500		EXTR LOW INCOME	12060	16240	20420	24600	28780	31050	33200	35350
		VERY LOW INCOME	18750	21400	24100	26750	28900	31050	33200	35350
		LOW-INCOME	30000	34250	38550	42800	46250	49650	53100	56500
De Baca County, NM										
FY 2017 MFI: 58600		EXTR LOW INCOME	12060	16240	20420	24600	28780	31450	33650	35800
		VERY LOW INCOME	19000	21700	24400	27100	29300	31450	33650	35800
		LOW-INCOME	30350	34700	39050	43350	46850	50300	53800	57250
Eddy County, NM										
FY 2017 MFI: 63800		EXTR LOW INCOME	13450	16240	20420	24600	28780	32960	37140	41320
		VERY LOW INCOME	22350	25550	28750	31900	34500	37050	39600	42150
		LOW-INCOME	35750	40850	45950	51050	55150	59250	63350	67400
Grant County, NM										
FY 2017 MFI: 50500		EXTR LOW INCOME	12060	16240	20420	24600	28250	30350	32450	34550
		VERY LOW INCOME	18350	20950	23550	26150	28250	30350	32450	34550
		LOW-INCOME	29300	33500	37700	41850	45200	48550	51900	55250

Exhibit A-4

STATE:NEW MEXICO

-----S E C T I O N 8 I N C O M E L I M I T S-----

		1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Guadalupe County, NM FY 2017 MFI: 39900	PROGRAM								
	EXTR LOW INCOME	12060	16240	20420	24600	28250	30350	32450	34550
	VERY LOW INCOME	18350	20950	23550	26150	28250	30350	32450	34550
Harding County, NM FY 2017 MFI: 47200	PROGRAM								
	EXTR LOW INCOME	12060	16240	20420	24600	28250	30350	32450	34550
	VERY LOW INCOME	18350	20950	23550	26150	28250	30350	32450	34550
Hidalgo County, NM FY 2017 MFI: 40900	PROGRAM								
	EXTR LOW INCOME	12060	16240	20420	24600	28250	30350	32450	34550
	VERY LOW INCOME	18350	20950	23550	26150	28250	30350	32450	34550
Lea County, NM FY 2017 MFI: 68400	PROGRAM								
	EXTR LOW INCOME	13550	16240	20420	24600	28780	32960	37140	41320
	VERY LOW INCOME	22550	25750	28950	32150	34750	37300	39900	42450
Lincoln County, NM FY 2017 MFI: 50500	PROGRAM								
	EXTR LOW INCOME	12060	16240	20420	24600	28250	30350	32450	34550
	VERY LOW INCOME	18350	20950	23550	26150	28250	30350	32450	34550
Los Alamos County, NM FY 2017 MFI: 128000	PROGRAM								
	EXTR LOW INCOME	22900	26150	29400	32650	35300	37900	40500	43100
	VERY LOW INCOME	38100	43550	49000	54400	58800	63150	67500	71850
Luna County, NM FY 2017 MFI: 36600	PROGRAM								
	EXTR LOW INCOME	12060	16240	20420	24600	28250	30350	32450	34550
	VERY LOW INCOME	18350	20950	23550	26150	28250	30350	32450	34550
McKinley County, NM FY 2017 MFI: 38100	PROGRAM								
	EXTR LOW INCOME	12060	16240	20420	24600	28250	30350	32450	34550
	VERY LOW INCOME	18350	20950	23550	26150	28250	30350	32450	34550
Mora County, NM FY 2017 MFI: 36300	PROGRAM								
	EXTR LOW INCOME	12060	16240	20420	24600	28250	30350	32450	34550
	VERY LOW INCOME	18350	20950	23550	26150	28250	30350	32450	34550
Otero County, NM FY 2017 MFI: 48400	PROGRAM								
	EXTR LOW INCOME	12060	16240	20420	24600	28250	30350	32450	34550
	VERY LOW INCOME	18350	20950	23550	26150	28250	30350	32450	34550
Quay County, NM FY 2017 MFI: 42200	PROGRAM								
	EXTR LOW INCOME	12060	16240	20420	24600	28250	30350	32450	34550
	VERY LOW INCOME	18350	20950	23550	26150	28250	30350	32450	34550
Rio Arriba County, NM FY 2017 MFI: 47700	PROGRAM								
	EXTR LOW INCOME	12060	16240	20420	24600	28250	30350	32450	34550
	VERY LOW INCOME	18350	20950	23550	26150	28250	30350	32450	34550

Exhibit A-4

STATE:NEW MEXICO

-----SECTION 8 INCOME LIMITS-----

		1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Roosevelt County, NM									
FY 2017 MFI: 43900									
	EXTR LOW INCOME	12060	16240	20420	24600	28250	30350	32450	34550
	VERY LOW INCOME	18350	20950	23550	26150	28250	30350	32450	34550
	LOW-INCOME	29300	33500	37700	41850	45200	48550	51900	55250
San Miguel County, NM									
FY 2017 MFI: 42200									
	EXTR LOW INCOME	12060	16240	20420	24600	28250	30350	32450	34550
	VERY LOW INCOME	18350	20950	23550	26150	28250	30350	32450	34550
	LOW-INCOME	29300	33500	37700	41850	45200	48550	51900	55250
Sierra County, NM									
FY 2017 MFI: 44300									
	EXTR LOW INCOME	12060	16240	20420	24600	28250	30350	32450	34550
	VERY LOW INCOME	18350	20950	23550	26150	28250	30350	32450	34550
	LOW-INCOME	29300	33500	37700	41850	45200	48550	51900	55250
Socorro County, NM									
FY 2017 MFI: 41900									
	EXTR LOW INCOME	12060	16240	20420	24600	28250	30350	32450	34550
	VERY LOW INCOME	18350	20950	23550	26150	28250	30350	32450	34550
	LOW-INCOME	29300	33500	37700	41850	45200	48550	51900	55250
Taos County, NM									
FY 2017 MFI: 46100									
	EXTR LOW INCOME	12060	16240	20420	24600	28250	30350	32450	34550
	VERY LOW INCOME	18350	20950	23550	26150	28250	30350	32450	34550
	LOW-INCOME	29300	33500	37700	41850	45200	48550	51900	55250
Union County, NM									
FY 2017 MFI: 50600									
	EXTR LOW INCOME	12060	16240	20420	24600	28250	30350	32450	34550
	VERY LOW INCOME	18350	20950	23550	26150	28250	30350	32450	34550
	LOW-INCOME	29300	33500	37700	41850	45200	48550	51900	55250



EXHIBIT B

AMERICAN COMMUNITY SURVEY (ACS) METHODOLOGY

AMERICAN COMMUNITY SURVEY (ACS) METHODOLOGY

While the Survey Methodology (see Exhibit A) is used to calculate the low and moderate income (LMI) beneficiary percentage for projects in a **target area within a community**, the American Community Survey (ACS) methodology is used to calculate LMI for **community-wide** projects.

ACS is a nationwide survey conducted by the U.S. Census Bureau that collects and produces information on demographic, social, economic, and housing characteristics every year. In contrast, the Census is conducted every ten years.

Community-wide CDBG projects require New Mexico-specific ACS population data in combination with New Mexico-specific HUD income data to determine the percentage of LMI beneficiaries. This data is made available by CDBG staff to 2018 CDBG applicants upon concurrence that the project can indeed be considered a community-wide benefit.

Please contact your CDB Project Manager to discuss your proposed project and what source of LMI information (Survey, ACS, or Limited Clientele) and LMI methodology is most appropriate to use. DFA/LGD approval is required regardless of LMI source of information and methodology.



EXHIBIT C

RESOLUTION Example with Required Elements

Example with Required Elements

RESOLUTION NO. _____

A RESOLUTION OF THE (Council/Commission) OF (Municipality/County), NEW MEXICO, AUTHORIZING THE SUBMISSION OF A NEW MEXICO COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM APPLICATION TO THE DEPARTMENT OF FINANCE AND ADMINISTRATION/LOCAL GOVERNMENT DIVISION; AND AUTHORIZING THE (Mayor/Commission Chair) TO ACT AS THE (Municipality's/County's) CHIEF EXECUTIVE OFFICER AND AUTHORIZED REPRESENTATIVE IN ALL MATTERS PERTAINING TO THE (Municipality's/County's) PARTICIPATION IN THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM.

WHEREAS, the need exists within (Municipality/County) for neighborhood improvement projects in several low and moderate income neighborhoods, and the (Municipality/County) desires to apply to the Housing and Urban Development's Community Development Block Grant Program to obtain funding for neighborhood improvement projects; and

WHEREAS, the (Council/Commission) has held (# of meetings) public hearings for public input and comment on (Date(s)) during the 2018 application process; and

WHEREAS, the (Council/Commission) finds that there is a significant need to undertake the (Project) to provide adequate services to the community; and

WHEREAS, the (Council/Commission) determines that the (Project) meets the requirements of the Community Development Block Grant Program.

NOW, THEREFORE BE IT RESOLVED BY THE GOVERNING BODY OF THE (Municipality/County), NEW MEXICO, that

1. The (Municipality/County) is hereby authorized to prepare and submit a Community Development Block Grant application to the New Mexico Department of Finance and Administration/Local Government Division for the (Project);
2. That the (Council/Commission) directs and designates the (Mayor/Commission Chair) as the (Municipality's/County's) Chief Executive Officer and Authorized Representative to act in all matters in connection with this application and the (Municipality's/County's) participation in the New Mexico Community Development Block Grant Program.
3. The (Municipality/County) officials and staff are directed to do any and all acts necessary to carry out the intent of this Resolution.

4. That the full application amount be for \$(Dollar Amount) of grant funds.

5. That it further be stated that the (Municipality/County) is committing \$(Local Funding Amount) from its General Fund as a cash contribution toward the (enter specific project activities) activities of this (Project).

PASSED, ADOPTED AND APPROVED this _____ day of _____, 20 .

Signature, Chief Elected Official

Applicant Entity (County or Municipality)

Name (Typed or Printed)

Title Date

SWORN TO AND SUBSCRIBED
Before me on this _____ day
Of _____, 20__

Notary Public

My commission expires





EXHIBIT D

PUBLIC NOTICE Examples with Required Elements English and Spanish

EXHIBIT 1-Q
CDBG PUBLIC HEARING NOTICE WITH REQUIRED ELEMENTS

NOTICE OF PUBLIC HEARING

The _____ of _____, New Mexico, wishes to inform all interested parties that a public hearing will be held:

Date	Time	AM	Location	Address
_____	_____	PM	_____	_____

The purpose of this public hearing will be to report on past CDBG program activities and to receive public input on community development needs and suggestions for future CDBG projects.

The Community Development Block Grant (CDBG) Program was established under Title I of the Housing and Community Development Act of 1974, as amended, in order to assist communities in providing essential community facilities, providing decent housing for residents, promoting economic development and maintaining a suitable living environment. The State of New Mexico estimates the 2018 appropriation of \$9,000,000 to be distributed statewide on a competitive basis.

State and national objectives of the New Mexico CDBG Program requires that assistance be made available for activities that principally benefits persons of low and moderate income.

Applications are limited to a maximum of \$500,000 without certified cost estimates and \$750,000 with certified cost estimates by a licensed professional. Planning applications are limited to \$50,000.

Eligible activities and categories will be described. All interested parties are invited to attend, to submit project ideas, to provide supporting data and testimony, and other pertinent information.

With sufficient notice, a translator will be provided for non-English speaking residents.

Those unable to attend the public hearing may send written comments to:

CDBG Grant Program Requests

**EXHIBIT 1-Q
CDBG PUBLIC HEARING NOTICE IN SPANISH WITH REQUIRED
ELEMENTS**

NOTICIA AL PÚBLICO

_____ de _____, Nuevo Mexico, desea anunciar sobre las juntas publicas para informar a los interesados en le proceso de solicitud del program de CDBG del año 2017. Las juntas serán los siguientes días:

Fecha	Tiempo	Localización	Dirección
_____	_____ ^{AM} _____ ^{PM}	_____	_____

Esta junta considerará propuestas de proyectos para aplicación de 2018 fondos del Community Development Block grant (CDBG). El estado de Nuevo Mexico ha recibido fondos en la cantidad de \$9,000,000.(compruebe con el encargado de proyecto para saber si hay la figura actualizada)

El programma de Community Development Block Grant fue establecido en 1974 bajo el Title I/ Housing & Community Development Act para asistir personas de bajos ingresos principalmente.

El programa esta administrado por el estado de Nuevo Mexico, Department of Finance and Administration, Local Government Division. El público esta invitado a hacer presentaciones, peticiones y recomendaciones al consejo acerca de los proyectors que se quieran aplicar para el proximo ciclo de CDBG fondos. El maximo total por cada aplicación es \$500,000 sin costos certificados o \$750,000 con costos certificados por un profesional licenciado. Los aplicaciones en la categoris de un plan de proyecto que tienen limite fijo de \$50,000.

Si usted o su organizacion tienen un proyecto que pueda ser elegible para coinsideración, usted esta invitado a hacer su presentación y petición en esta reunión pública. Para los residentes que no hablan ingles, y requierer un interprete, contacten a la oficina de administración, una semana antes de la reunión.

Para la gente que no puede atender la reunión pública, sus comentarios se recibiran el la siguiente dirección:

CDBG Grant Program Requests

EXHIBIT 1-Q-1
CDBG PUBLIC HEARING AGENDA WITH REQUIRED ELEMENTS
CDBG PUBLIC HEARING – Pre-Selection
AGENDA

1. Welcome

2. Purpose and History of Community Development Block Grant Program

- Program Objectives

- Benefit principally low and moderate income families.
- Aid in the prevention of slum or blight.
- Meet urgent community development needs where an existing condition poses a threat to the health and welfare of the community and other financial resources are not available.
- (\$___ previous amount of funding awarded) was available for the past Fiscal Year.

- Eligible Applicants

- All counties/incorporated municipalities except for the cities of Albuquerque, Las Cruces, Santa Fe, Farmington, and Rio Rancho.
- Water and mutual domestic associations may apply for a planning grant through their county; sanitation districts, public nonprofit groups, etc. cannot apply directly for assistance but may apply through an eligible municipality or county.
- Indian Pueblos and tribes receive funding directly from HUD.

- Eligible Activities

[May include examples from the ICIP to help generate discussion. The purpose of including ideas from ICIP is to let citizens know what ideas are currently on the table, and to provide them with examples of possible projects. However, the Entity should encourage citizens to voice new ideas as well.]

- *COMMUNITY INFRASTRUCTURE*: Water and sewer systems; street improvements consisting of roads, streets, curbs, gutter, sidewalks, traffic control devices; municipal utilities.
- *HOUSING*: Real property acquisition; rehabilitation; clearance; provision of public facilities to increase housing opportunities; code enforcement; historic preservation activities; a maximum of \$65,000 in CDBG funds per home can be used on rehab/repair activities.
- *PUBLIC SERVICE CAPITAL OUTLAY*: Community centers; senior citizen centers; community facilities designed to provide health, social, recreational and other services to residents.
- *ECONOMIC DEVELOPMENT*: Assists communities in creating or retaining jobs for low and moderate income persons; creation or retention of businesses owned by community residents.
- *EMERGENCY*: Addresses life threatening situations resulting from disasters or threats to health and safety; must have appropriate state agency concurrence; local resources must be non-existent or unavailable.
- *PLANNING*: Grant assistance must be used for a comprehensive plan if there has not been a current or updated plan within the last five years; feasibility studies;

base mapping, aerial photography, GIS systems; development of codes and ordinances; limit of \$50,000.

- *COLONIAS*: Communities must be within 150 miles of the U.S. - Mexico border and be designated by the county or municipality where it is located. The criteria necessary to qualify are lack of potable water supply, inadequate sewage system and lack of decent, safe, and sanitary housing.
- Ineligible Activities
 - City halls or county courthouses; general operation and maintenance expenses of public facilities; (the only exception is if Courthouses are not ADA compliant) housing allowance payments and mortgage subsidies; expenditures for political purposes; costs involved in preparing applications and securing funding.
- Program Requirements
 - Applicants must conduct at least one public hearing prior to selecting a project to advise citizens of estimated CDBG funds available; types of projects available; obtain recommendations from citizens regarding community development and housing needs. A minimum of three hearings is recommended.
 - Citizen participation must be encouraged with emphasis on low and moderate income persons by publishing public hearing notices in English and Spanish, and using other means such as media or posting flyers in an effort to reach the public.
 - Recommendations from the public are to be considered and the project is selected at an official regularly scheduled meeting of the governing body.
 - Each CDBG application must address at least one of the three national objectives: 1) activities must benefit low and moderate income persons 2) prevention of slum and blight 3) must meet urgent or life threatening community development need.
- Application Requirements
 - Application requests are limited to \$500,000 without Certified Cost Estimates or \$750,000 with Certified Cost Estimates (Planning grants - \$50,000). You may also submit a phased request.
 - Applicant must meet threshold requirements: Any grantee with one or more active grants in the infrastructure, public service, capital outlay categories, and Colonias projects, cannot apply for additional funding until the current project is fully closed.
 - Rural applicants (3,000 or less population) must provide a minimum 5% cash match; Non-Rural applicants must provide a 10% cash match.
 - Applicants may request a waiver of the matching requirements in the absence of local resources or apply for a loan to meet the matching requirement at appropriate interest rates.
 - Applications are scored by rating certain criteria such as description and need; benefit to low and moderate income persons; leveraging; citizen participation; planning; feasibility and readiness; user fees and revenues; and cost benefit. The Community Development Council (CDC) also will take into consideration current economic situations, if the entity was funded last year and application presentation.

3. Current and Past CDBG Projects

4. Questions
5. Citizen Input
6. Adjourn

EXHIBIT 1-Q-2
CDBG PUBLIC HEARING AGENDA WITH REQUIRED ELEMENTS
CDBG PUBLIC HEARING – Post - Selection
AGENDA

1. Welcome

2. Purpose and History of Community Development Block Grant Program

- Program Objectives

- Benefit principally low and moderate income families.
- Aid in the prevention of slum or blight.
- Meet urgent community development needs where an existing condition poses a threat to the health and welfare of the community and other financial resources are not available.
- (\$___ previous amount of funding awarded) was available for the past Fiscal Year.

- Eligible Applicants

- All counties/incorporated municipalities except for the cities of Albuquerque, Las Cruces, Santa Fe, Farmington, and Rio Rancho.
- Water and mutual domestic associations may apply for a planning grant through their county; sanitation districts, public nonprofit groups, etc. cannot apply directly for assistance but may apply through an eligible municipality or county.
- Indian Pueblos and tribes receive funding directly from HUD.

- Eligible Activities

- *COMMUNITY INFRASTRUCTURE*: Water and sewer systems; street improvements consisting of roads, streets, curbs, gutter, sidewalks, traffic control devices; municipal utilities.
- *HOUSING*: Real property acquisition; rehabilitation; clearance; provision of public facilities to increase housing opportunities; code enforcement; historic preservation activities; a maximum of \$65,000 in CDBG funds per home can be used on rehab/repair activities.
- *PUBLIC SERVICE CAPITAL OUTLAY*: Community centers; senior citizen centers; community facilities designed to provide health, social, recreational and other services to residents.
- *ECONOMIC DEVELOPMENT*: Assists communities in creating or retaining jobs for low and moderate income persons; creation or retention of businesses owned by community residents.
- *EMERGENCY*: Addresses life threatening situations resulting from disasters or threats to health and safety; must have appropriate state agency concurrence; local resources must be non-existent or unavailable.
- *PLANNING*: Grant assistance must be used for a comprehensive plan if there has not been a current or updated plan within the last five years; feasibility studies; base mapping, aerial photography, GIS systems; development of codes and ordinances; limit of \$50,000.
- *COLONIAS*: Communities must be within 150 miles of the U.S. - Mexico border and be designated by the county or municipality where it is located. The criteria necessary to qualify are lack of potable water supply, inadequate sewage system and lack of decent, safe, and sanitary housing.

- Ineligible Activities
 - City halls or county courthouses; general operation and maintenance expenses of public facilities; (the only exception is if Courthouses are not ADA compliant) housing allowance payments and mortgage subsidies; expenditures for political purposes; costs involved in preparing applications and securing funding.
- Program Requirements
 - Applicants must conduct at least one public hearing prior to selecting a project to advise citizens of estimated CDBG funds available; types of projects available; obtain recommendations from citizens regarding community development and housing needs. A minimum of three hearings is recommended.
 - Citizen participation must be encouraged with emphasis on low and moderate income persons by publishing public hearing notices in English and Spanish, and using other means such as media or posting flyers in an effort to reach the public.
 - Recommendations from the public are to be considered and the project is selected at an official regularly scheduled meeting of the governing body.
 - Each CDBG application must address at least one of the three national objectives: 1) activities must benefit low and moderate income persons 2) prevention of slum and blight 3) must meet urgent or life threatening community development need.
- Application Requirements
 - Application requests are limited to \$500,000 without Certified Cost Estimates or \$750,000 with Certified Cost Estimates (Planning grants - \$50,000). You may also submit a phased request.
 - Applicant must meet threshold requirements: Any grantee with one or more active grants in the infrastructure, public service, capital outlay categories, and Colonias projects, cannot apply for additional funding until the current project is fully closed.
 - Rural applicants (3,000 or less population) must provide a minimum 5% cash match; Non-Rural applicants must provide a 10% cash match.
 - Applicants may request a waiver of the matching requirements in the absence of local resources or apply for a loan to meet the matching requirement at appropriate interest rates.
 - Applications are scored by rating certain criteria such as description and need; benefit to low and moderate income persons; leveraging; citizen participation; planning; feasibility and readiness; user fees and revenues; and cost benefit. The Community Development Council (CDC) also will take into consideration current economic situations, if the entity was funded last year and application presentation.

3. Proposed CDBG Project Application

[Give a description of the proposed project, including the draft scope of work, if possible.]

4. Questions

5. Citizen Input

6. Adjourn



EXHIBIT E

GRANT AGREEMENT

STATE OF NEW MEXICO
DEPARTMENT OF FINANCE AND ADMINISTRATION
LOCAL GOVERNMENT DIVISION
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
GRANT AGREEMENT

Project No. 18-C-RS-I-06-G-001

THIS GRANT AGREEMENT, hereinafter referred to as the “Agreement”, is made and entered into by and between the Department of Finance and Administration, State of New Mexico, acting through the Local Government Division, Suite 202, Bataan Memorial Building, Santa Fe, New Mexico, 87501, hereinafter referred to as the “Division”, and the County of , hereinafter referred to as the “Grantee”, as of the date this Agreement is executed by the Division.

RECITALS

WHEREAS, on July 15, 2018, the New Mexico Community Development Council (“Council”) approved the allocation of Community Development Block Grant (“CDBG”) funds to the Grantee for the CDBG program; and

WHEREAS, the CDBG program is subject to all applicable Federal and State laws and regulations, including Title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301 *et seq.*), and regulations of the U.S. Department of Housing and Urban Development (“HUD”) found at 24 CFR Part 570 (as now in effect and as may be amended from time to time); and

WHEREAS, this Agreement is made by and between the Division and the Grantee, in connection with the Division’s administration of the CDBG program, and pursuant to the authority of 42 U.S.C. 5301 *et seq.* and 24 CFR Part 570, to memorialize the terms and conditions of the CDBG program and the grant of funds to the Grantee.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

ARTICLE I - SCOPE OF WORK.

- A. The Grantee shall implement, in all respects, the Project Description, attached as Exhibit “1-A”, and the Project Schedule, attached as Exhibit “1-B”, both of which are incorporated by this reference as if set forth fully herein.
- B. The Grantee shall provide all the necessary qualified personnel, materials, and facilities to implement the program described herein.
- C. The Grantee will adhere to all processes set forth in the CDBG Implementation Manual, which is available at the Division’s website at: (“CDBG Manual”).

ARTICLE II - LENGTH OF GRANT AGREEMENT.

- A. The term of this Agreement shall be effective upon execution by the Division. It shall terminate on the date which is two years after the effective date of this Agreement, which is the Division Director's dated signature, unless earlier terminated pursuant to Article V.
- B. In the event that, due to unusual circumstances, it becomes apparent that this Agreement cannot be brought to full completion within the time period set forth in paragraph A of this Article II, the Grantee may request an extension. Agreement extensions will be approved on a case by case basis and must be requested prior to the termination date set forth in paragraph A of this Article II. The Division may review the work accomplished to date and determine, in its sole discretion, whether there is sufficient need or justification to amend this Agreement to provide additional time for project completion.

ARTICLE III - REPORTS AND PROJECT CLOSEOUT.

A. Progress Reports:

- 1. To enable the Division to adequately evaluate the progress of the Agreement, the Grantee shall submit progress reports to the Division on a quarterly basis, with the due dates to be established by the Division. The progress reports shall be submitted on the form attached as exhibit "1-D" and shall contain a description of the work accomplished to date, the methods and procedures used, a detailed budget breakdown of expenditures to date, a statement of the impact of the project, and such other information as the Division may require.
- 2. One copy of each progress report shall be submitted to the Division. Progress reports shall be due no later than 20 days after the end of each quarter during the term of this Agreement.
- 3. The Division may require revisions to, or additional information to clarify, progress reports.

B. Final Report: The Grantee shall submit to the Division one copy of its Final Report with its final Request for Payment, attached as exhibit "1-M", or no later than 20 days after the termination of this Agreement. The Final Report shall include all of the information required for the progress reports as set forth in paragraph A of this Article III.

C. Paperless Reporting: In addition to the paper reports described in paragraphs A and B of this Article III, the Grantee shall report project activity by entering such project information into a database maintained by the Department of Finance and Administration. The Division shall provide Grantee with instructions on completing paperless reporting within 90 days of the effective date of this Agreement. The Division shall give Grantee a minimum of 30 days' advance written notice of any changes to the information the Grantee is required to report on a paperless basis. Paperless reports shall be due no later than 20 days after the end of each quarter during the term of this Agreement. A final paperless report for the project shall be due no later than 20 days after the termination of this Agreement.

D. Requests for Additional Information: At any time during the term of this Agreement and during the period of time during which Grantee must maintain records pursuant to Article VII, the Division, HUD or the New Mexico State Auditor may (i) request such additional documentation and information regarding Grantee's activities under this Agreement as they deem necessary to

discharge their monitoring and compliance responsibilities, and (ii) conduct, at reasonable times and upon reasonable notice, onsite inspections of work performed as well as Grantee's financial and other records concerning the CDBG program. Grantee shall respond to such requests for additional information within a reasonable period of time, as established by the Division (or other entity making the request) in the request. Requests made pursuant to this paragraph D are in addition to and not in lieu of the progress and final reporting described in paragraphs A through C of this Article III.

- E. Project Closeout: Project closeout will occur upon "substantial completion" of the Project. "Substantial Completion" is defined as all five of the following being accomplished, as determined by the Division in its sole discretion: 1) full and satisfactory completion of all work and services; 2) submission to the Division of the Grantee's architect/engineer's letter of final acceptance or certificate of substantial completion relating to the project ("Certificate of Completion") with all deficiencies corrected; 3) official acceptance by the Grantee of all contracted work or services; 4) receipt and approval by the Division of the final reporting referred to in paragraphs B and C of this Article III; and 5) clearance by the Division of all monitoring findings and completion of all the specific project closeout requirements and documents as set forth in chapter 5 of the CDBG Manual entitled "Monitoring and Close Out."

ARTICLE IV - GRANT AMOUNT AND METHOD OF PAYMENT.

- A. Amount of Grant: In consideration of the Grantee's satisfactory completion of all work and services required to be performed under the terms of this Agreement, and in compliance with all other Agreement requirements herein stated, the Division shall pay to the Grantee a sum not to exceed Five Hundred Thousand Dollars and No Cents (\$500,000.00). The funds are to be expended in accordance with the budget attached as Exhibit "1-C", which is incorporated by this reference as if set forth fully herein, and in accordance with the purposes designated in Exhibit "1-A". Grantee's expenditure of these monies shall not deviate from the line items of said budget without the parties executing an amendment in accordance with Article V.
- B. Amount of Administrative Costs: No more than three percent of the Grant funds actually disbursed pursuant to this Agreement for allowable expenditures may be used by the Grantee for its actual and reasonable administrative costs. The maximum amount of administrative costs under this Agreement shall not exceed Fifteen Thousand Dollars and No Cents (\$15,000.00).
- C. The funds described in paragraph A above shall constitute full and complete payment of monies to be received by the Grantee from the Division.
- D. All payments to Grantee will be made by the Division upon receipt of an official Request for Payment form, which must be accompanied by a transmittal letter and proper supporting documentation for all expenditures included in the Request for Payment. Requests for Payment may be disputed and withheld if, in the sole opinion of the Division, the Grantee has failed to fulfill its responsibilities under this Agreement. In cases of disputed Requests for Payment, the Grantee agrees that it alone is responsible to timely pay its contractors in compliance with the provisions of the Prompt Payment Act, NMSA 1978, Sections 57-28-1 *et seq.* ("Prompt Payment Act") and the agreements between the Grantee and such contractors.
- E. The Grantee will provide payment to contractors based upon eligible activities as described in exhibit "1-C". The Grantee understands and agrees that it alone is obligated to pay its contractor(s) in a timely manner consistent with the requirements of the Prompt Payment Act. The Grantee

further understands and agrees that its obligation is independent of the Division's disbursement of Grant funds and that the Division is in no way responsible to make timely payments to contractors. The Grantee further understands and agrees that it will be responsible for any penalties or fines imposed upon the Division or attorney's fees incurred by the Division due to the Grantee's failure to comply with any provisions of the Prompt Payment Act.

- F. The Grantee further agrees, in compliance with NMSA 1978, Section 57-28-5(B) of the Prompt Payment Act, that the agreement between the Grantee and any contractor shall: 1) specifically provide in a clear and conspicuous manner for a payment within 45 days after submission of an undisputed request for payment; and 2) require the following legend to appear in clear and conspicuous type on each page of the plans including the bid plans and construction plans: "Notice of Extended Payment Provision: This contract allows the owner (Grantee) to make payment within 45 days after submission of an undisputed request for payment".
- G. The Grantee further agrees, in compliance with NMSA 1978, Section 57-28-5(C) of the Prompt Payment Act, that all construction contracts shall provide that contractors and subcontractors make prompt payment to their subcontractors and suppliers for amounts owed for work performed on the construction project within seven days after receipt of payment from the owner, contractor or subcontractor. If the contractor or subcontractor fails to pay its subcontractor and suppliers by first-class mail or hand delivery within seven days of receipt of payment, the contractor or subcontractor shall pay interest to its subcontractors and suppliers beginning on the eighth (8th) day after payment was due, computed at one and one-half percent of the undisputed amount per month or fraction of a month until payment is issued. These payment provisions apply to all tiers of contractors, subcontractors and suppliers.
- H. Pursuant to NMSA 1978, Section 57-28-8 of the Prompt Payment Act, ten days after the Certification of Completion is issued, (as defined in paragraph D of Article III), any amounts remaining due the contractor or subcontractor under the terms of the contract shall be paid upon the presentation of the following:
 - 1. A properly executed release and duly certified voucher for payment;
 - 2. A release, if required, of all claims and claims of lien against the owner arising under and by virtue of the contract other than such claims of the contractor, if any, as may be specifically excepted by the contractor or subcontractor from the operation of the release in stated amounts to be set forth in the release; and
 - 3. Proof of completion.
- I. All CDBG expenditures shall be included in the Grantee's single audit for each fiscal year in which funds are expended. Grantees are required to conduct an audit performed in accordance with OMB Circular A-133 and submit such audit to the Division within 30 days of the date the audit approved by the New Mexico State Auditor. If the total amount of Federal funds expended exceeds \$500,000, CDBG must be listed as a funding source on the audit. The Division retains the right to recover funds from the Grantee for any disallowed costs based on the results of any interim or the final audit.
- J. Requests for Paid Expenditures: If the Grantee is requesting reimbursement of expenditures it has already paid, and before the Division reimburses the Grantee for the expenditures, the Grantee's authorized signatory shall certify by signing and dating the Request for Payment form, which states that the expenditures are valid, and have been paid by the Grantee. In addition, actual receipts for

the expenditures shall be appended to the Request for Payment form, which support the expenditures for which reimbursement is requested. Only expenditures for which there are actual receipts will be reimbursed by the Division.

- K. Requests for Unpaid Expenditures: If the Grantee is requesting reimbursement of expenditures it has incurred but not yet paid, it shall pay such expenditures within three business days of receipt of funds from the Division. The Grantee's authorized signatory shall certify by signing and dating the Request for Payment form, which states that the expenditures are valid. The Grantee shall submit the appropriate bank statements, deposit slips and cancelled checks documenting the receipt and disbursement of funds.
- L. Deficient Requests for Payment: The Division may disallow a Request for Payment, in whole or in part, in the event the Request for Payment is deficient. Examples of deficient Requests for Payment include the lack of required signatures, lack of required supporting documentation, computational errors, seeking reimbursement for unallowable costs, or questions concerning whether the reported expenditures are permissible under this Agreement and applicable law and regulations. If a Request for Payment is disallowed, in whole or in part, the Division shall return to the Grantee the disallowed Request for Payment and accompanying documentation, and will notify the Grantee in writing of the nature of the deficiency and what the Grantee must do to correct it.
- M. Withholding Payment for Proper Expenditures: The Division shall withhold ten percent of the total amount of the Grant funds until project closeout. The Division may also withhold payment in the event the Grantee has failed to comply with the terms and conditions of this Agreement or applicable law and regulations. In such event, the Division shall give Grantee notice in writing of such failure and the actions Grantee must take to come into compliance. Payment shall be released upon Grantee's subsequent compliance.
- N. All Requests for Payment shall be received by the Division within 20 days after the Agreement's termination date. Any reimbursements made to Grantee for items or services that are unallowable under the terms of this Agreement or applicable law and regulations shall be immediately returned to the Division. If any unexpended funds remain after the conditions of this Agreement have been satisfied or after the termination date, the unexpended funds shall revert to the Division for disposition by the Council.

ARTICLE V - SUSPENSION, TERMINATION AND MODIFICATION.

- A. In accordance with 24 CFR 85.43, the Division, by written notice to the Grantee, shall have the right to suspend or terminate this Agreement if, at any time, in the judgment of the Division, the Grantee materially fails to comply with any term of this Agreement. The Division may demand repayment of all or part of the funds disbursed to the Grantee upon termination due to non-compliance.
- B. The Agreement may be terminated for convenience in accordance with 24 CFR 85.44.
- C. The terms and conditions of this Agreement can only be modified or changed by written amendment, executed by both the Division and Grantee. Any attempted oral modification of the terms and conditions of this Agreement shall be null and void and of no force or effect.

ARTICLE VI - COPYRIGHT AND PATENTS.

No report, map, or other document provided, in whole or in part, under this Agreement, shall be the subject of an application for copyright or patented by or on behalf of the Grantee.

ARTICLE VII - RETENTION OF RECORDS.

The Grantee shall keep such records as will fully disclose the amount and disposition of the total funds from all sources budgeted for the Agreement period, the purpose of undertaking for which such funds were used, the amount and nature of all contributions from other sources, all records required to be maintained under Federal law and regulations, and such other records as the Division may prescribe. The Grantee shall be strictly accountable for all receipts and disbursements under this Agreement and maintain fiscal records related to the Agreement in accordance with generally accepted accounting principles. The Grantee shall make all relevant financial and other program records available to the Division, HUD, and the New Mexico State Auditor upon request and shall maintain all such records for a period of not less than six years following project closeout.

ARTICLE VIII - REPRESENTATIVES; NOTICE.

- A. The Grantee hereby designates the person listed below as the official Grantee Representative responsible for overall supervision of the approved project:

Name:
Title:
Address:

Telephone:
E-mail:
Facsimile:

Grantee may change the Grantee Representative by giving the Division written notice of such change, in accordance with paragraph C of this Article VIII.

- B. The Division hereby designates the person listed below as the official Project Manager responsible for overall administration of this Agreement, including compliance and monitoring of Grantee:

Name:
Title: Project Manager
Address: Bataan Memorial Bldg, Rm 202, Santa Fe, New Mexico, 87501
Telephone:
E-mail:
Facsimile: 505-827-4948

The Project Manager is the Division representative with the authority to approve on behalf of the Division all matters requiring Division approval under this Agreement. The Division may change the Project Manager by giving Grantee written notice of such change, in accordance with paragraph C of this Article VIII.

- C. Notices of suspension, termination, or any other matter under this Agreement shall be sent by e-mail, facsimile, or regular mail addressed to the individual designated in or in accordance with paragraphs A and B of this Article VIII. In the case of notices sent by regular mail only, notices shall

be deemed to have been given/received upon the date of the party's actual receipt or five calendar days after mailing, whichever shall first occur. In the case of a notice sent by facsimile transmission, the notice shall be deemed to have been given/received on the date reflected on the facsimile confirmation indicating a successful transmission of all pages included in the writing. A notice sent by e-mail only shall be deemed to have been given/received upon the date of the party's actual receipt.

ARTICLE IX - TERMS AND CONDITIONS.

Except to the extent HUD waives any Federal requirement or regulation, the Grantee shall abide by all applicable Federal and State laws, regulations and rules, policies, guidelines, and requirements with respect to the acceptance and use of Federal CDBG funds for this project, including but not limited to the following:

- A. Title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301 *et seq.*).
- B. The HUD regulations at 24 CFR Part 570 (as now in effect and as may be amended from time to time).
- C. Construction Project Requirements:
 1. The funding assistance authorized hereunder shall not be obligated or utilized for any construction activities until the Grantee has submitted to the Division a Request for Release of Funds and the Division has issued to the Grantee the Authority to Use Grant Funds. The stated forms are included in the CDBG Manual.
 2. The Grantee shall be responsible for assuring the Division that all plans and specifications and related addenda for construction projects comply with the Prompt Payment Act, and have been filed, reviewed and approved for adequacy and code and standards compliances by appropriate State agencies as may be required before a project is advertised for sealed construction bids. Evidence of any such filing, review and compliance shall be provided to the Division prior to bid advertisement. All subsequent change orders must be submitted to the Division for review and approval prior to execution.
 3. Assistance from the State of New Mexico, Community Development Council, shall be acknowledged by project signs erected at the project site prior to and maintained during construction. Project signs shall include the "New Mexico Department of Finance and Administration" as the funding agency, the Governor's name, the name of the project's architect/engineer, the name of the project, the name of the Grantee, total cost of the project, and a listing of other financial participation by dollar amount from all sources. Project signs shall be weatherproof and shall be painted on one side with a background color of yellow with red lettering of $\frac{3}{4}$ " thick, not smaller than 4' x 6' nor larger than 4' x 8', marine-grade plywood. Each sign shall be mounted on two 4" x 4" posts, with the bottom of the sign at least four feet above grade. The sign shall be mounted level at the location designated by the Grantee. The Grantee shall remove the sign upon completion of the construction project.
 4. Acknowledgment of funding assistance from the CDBG Program shall be included on any permanent signs, plaques or other displays at facilities constructed with grant assistance.

- D. Reversion of Assets: The Grantee agrees that upon the expiration of this Agreement, the Grantee shall transfer to the Division any funds on hand at the time of the expiration and any accounts receivable attributable to the use of CDBG funds. The Grantee agrees that, upon expiration, any real property under the Grantee's control that was acquired or improved, in whole or in part, with CDBG funds (including in the form of a loan) in excess of \$25,000, shall continue to either: 1) be used to meet one of the national objectives in the Criteria for National Objectives, set forth at 24 CFR 570.208, until five years after expiration of the Agreement, or for such longer period of time as determined to be appropriate by the Division; or 2) if not used in accordance with 24 CFR 570.208, then the Grantee shall, at the time of the change in use, pay the Division an amount equal to the current market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for the acquisition of, or improvement to, the property. The payment is program income to the Division. No payment is required after five years after expiration of this Agreement, or for such longer period as determined to be approved by the Division.
- E. Program Income: The Grantee shall comply with the program income requirements set forth at 24 CFR 570.504(c). In addition, at the end of the program year, the Division may require remittance of all or part of any program income balances (including investments thereof) held by the Grantee (except those needed for immediate cash needs, cash balances of a revolving loan fund, cash balances from a lump sum drawdown, or cash or investments held for Section 108 security needs).
- F. Uniform Administrative Requirements: The Grantee shall comply with applicable uniform administrative requirements, as described in 24 CFR 570.502.
- G. Other Program Requirements:
1. The Grantee shall carry out each activity in compliance with all Federal laws and regulations described in subpart K of the HUD regulations (found at 24 CFR 570.600 – 614, as may be amended from time to time), including, but not limited to, regulations relating to:
 - (a) Public Law 88-352 and Public Law 90-284; affirmatively furthering fair housing; Executive Order 11063 (§570.601);
 - (b) Section 109 of the Act (prohibiting discrimination)(§570.602);
 - (c) Labor standards (§570.603);
 - (d) Environmental standards (§570.604);
 - (e) National Flood Insurance Program (§570.605);
 - (f) Displacement, relocation, acquisition, and replacement of housing (§570.606);
 - (g) Employment and contracting opportunities (§570.607);
 - (h) Lead-based paint (§570.608);
 - (i) Use of debarred, suspended, or ineligible contractors or sub-recipients (§570.609);
 - (j) Uniform administrative requirements and cost principles (referencing OMB Circulars A-87, A-110, A-122, and A-128, as applicable)(§570.610);
 - (k) Conflict of interest (§570.611);
 - (l) Executive Order 12372 (relating to water or sewer facility projects)(§570.612);
 - (m) Eligibility restrictions for certain resident aliens (§570.613); and
 - (n) Architectural Barriers Act and the Americans with Disabilities Act (§570.614).
 2. Notwithstanding any provision in Section G(1) of this Article IX to the contrary:

- (a) The Grantee does not assume the Division's environmental responsibilities described in 24 CFR 570.604; and
- (b) The Grantee does not assume the Division's responsibility for initiating the review process under the provisions of 24 CFR Part 52.

- H. Conflict of Interest: The Grantee shall comply with the conflict of interest provision set forth in 24 CFR 85.36 of the HUD regulations. No officer or employee of the local jurisdiction or its designees or agents, no member of the governing body, and no other public official of the locality who exercises any function or responsibility with respect to this Agreement, during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed under this Agreement. Further, the contractor shall cause to be incorporated in all of its subcontracts for work funded under this Agreement the language set forth in this paragraph prohibiting conflicts of interest.
- I. Hatch Act: The Grantee shall comply with the provisions of the Hatch Act, which limits the political activity of employees.
- J. Federal Reporting: The Grantee shall comply with requirements established by the Office of Management and Budget (OMB) concerning the Dun and Bradstreet Data Universal Numbering System (DUNS), the System for Award management (SAM) database, and the Federal Funding Accountability and Transparency Act, including Appendix A to Part 25 of the *Financial Assistance Use of Universal Identifier and Central Contractor Registration*, 75 Fed. Reg. 55671 (Sept. 14, 2010) (to be codified at 2 CFR Part 25) and Appendix A to Part 170 of the *Requirements for Federal Funding Accountability and Transparency Act Implementation*, 75 Fed. Reg. 55663 (Sept. 14, 2010) (to be codified at 2 CFR Part 170).
- K. Procurement: The Grantee shall comply with the HUD Procurement (24 CFR Part 85.36), New Mexico State Procurement Code, NMSA 1978, Sections 13-1-28 through 13-1-199 , and the purchasing regulations of the New Mexico General Services Department, State Purchasing Division.
- L. Compliance with New Mexico Administrative Code Rule: The Grantee shall comply with Rule 2.110.2 NMAC.
- M. Costs: The Grantee shall finance its share (if any) of the costs of the project, including all project overruns.
- N. Prior Approval: The Grantee shall submit all project-related contracts, subcontracts, agreements and subsequent amendments, funded in whole or in part with CDBG funds, to the Division for review and approval prior to execution. Disbursement of Grant funds is conditioned upon the Grantee's contracts, subcontracts and agreements complying with the requirements of Article IV of this Agreement. The Grantee shall provide the Division with any other project-related contracts, and agreements upon the Division's request.
- O. Compliance and Waivers: Except to the extent that the Division waives in writing any requirement contained therein, the Grantee shall abide by, and this Agreement incorporates all applicable provisions of, the Division's CDBG Manual, as it may be amended from time to time.

ARTICLE X - CERTIFICATIONS.

By signing this Agreement, the Grantee certifies the following requirements:

- A. Anti-Lobbying: To the best of the Grantee's knowledge and belief, the Grantee certifies that:
1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee or any agency, a Member of Congress, an officer or employee of Congress, or any employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
 2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
 3. It will require that the language of paragraphs A(1) and (2) of this Article X be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.
- B. Local Needs Identification: The Grantee certifies that it has identified its community development and housing needs, including the needs of low-income and moderate-income families, and the activities to be undertaken to meet these needs.
- C. Special Assessments: The Grantee certifies that:
1. It will not attempt to recover any capital costs of public improvements assisted with CDBG funds including Section 108 loan guaranteed funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, except that;
 2. An assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources; and
 3. It will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108, unless CDBG funds are used to pay the proportion of fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. Also, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge

may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

- D. Excessive Force: The Grantee certifies that it has adopted and is enforcing the following:
1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
 2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location, which is the subject of such non-violent civil rights demonstrations within its jurisdiction;
- E. Citizen Participation: The Grantee certifies that it has followed a detailed citizen participation plan that satisfies the requirements of 24 CFR 570.486, and will continue to provide opportunities for citizen participation.
- F. Small Minority and Women's Business Enterprise: The Grantee certifies that it will, to the maximum extent feasible, contract and subcontract with eligible small, minority and women's business enterprises and utilize eligible businesses which are owned by persons located in the unit of local government in which the project is administered.
- G. Section 3: The Grantee certifies that it shall comply with Section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CFR Part 135.
- H. Overall Benefit: The Grantee certifies that the aggregate use of the Grant funds shall principally benefit persons of low and moderate income in a manner that ensures that at least seventy percent (70%) of the amount is expended for activities that benefit such persons.
- I. Drug Free Workplace: The Grantee certifies that it will or will continue to provide a drug-free workplace by:
1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
 2. Establishing an ongoing drug-free awareness program to inform employees about –
 - (a) The dangers of drug abuse in the workplace;
 - (b) The Grantee's policy of maintaining a drug-free workplace;
 - (c) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.
 3. Making it a requirement that each employee to be engaged in the performance of the Grant be given a copy of the statement required by paragraph I(1) of this Article X;
 4. Notifying the employee in the statement required by paragraph I(1) of this Article X that, as a condition of employment under the Grant, the employee will –

- (a) Abide by the terms of the statement; and
 - (b) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
5. Notifying the agency in writing, within ten calendar days after receiving notice under paragraph I(4)(b) of this Article X from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
6. Taking one of the following actions, within thirty calendar days of receiving notice under paragraph I(4)(b) of this Article X, with respect to any employee who is so convicted –
- (a) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - (b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
7. Make a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs I(1) –(6) above.
- J. Compliance with Anti-discrimination Laws: The Grantee certifies that this Agreement will be conducted and administered in conformity with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations.
- K. Compliance with Laws: The Grantee certifies that it shall comply with applicable laws.
- L. Subawards to Debarred and Suspended Parties: The Grantee certifies that it shall comply with 24 CFR 85.35 in that it must not make any award or permit any award (subgrant or contract) at any tier to any party that is debarred or suspended or is otherwise excluded from or ineligible for participation in federal assistance programs subject to 2 CFR part 2424.
- M. Local Needs Identification: The Grantee certifies that it has identified its community development and housing needs, including the needs of low-income and moderate-income families, and the activities to be undertaken to meet these needs.

ARTICLE XI - GENERAL ASSURANCES:

The Grantee represents and warrants that:

1. It has the legal authority to receive and expend the Grant funds and execute a CDBG program;
2. This Agreement has been duly authorized by the Grantee's governing body, the person executing this Agreement has authority to do so, and, once executed by the Grantee, this

Agreement shall constitute a binding obligation of the Grantee, enforceable according to its terms.

3. This Agreement and the Grantee's obligations under this Agreement do not conflict with any law applicable to the Grantee's charter (if applicable), or any judgment or decree to which it is subject.

ARTICLE XII - ENTIRE AGREEMENT.

This Agreement contains the entire agreement between the Grantee and the Division. There are no promises, agreements, conditions, undertakings, warranties or representations, oral or written, expressed or implied, between them, other than what is herein set forth.

ARTICLE XIII - APPROPRIATIONS.

The Division's performance and liability under this Agreement is contingent upon sufficient authority and appropriations being granted to the Division by HUD and the Council.

ARTICLE XIV - GOVERNING LAW.

This Agreement shall be construed and governed by the substantive laws of the State of New Mexico, without giving effect to its choice of law rules, and applicable Federal laws and regulations.

ARTICLE XV – LIABILITY.

Each party shall be solely responsible for its own liability under this Agreement, subject to the immunities and limitations of the New Mexico Tort Claims Act, NMSA 1978, Sections 41-4-1 *et seq.*

[This space intentionally left blank.]

IN WITNESS WHEREOF, the Grantee and the Division do hereby execute this Agreement as of the date of signature by the Division below.

THIS GRANT AGREEMENT has been approved by:

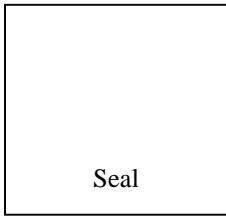
GRANTEE

Chief Elected Official/Authorized Signatory _____
Date

Type or Print Name

STATE OF NEW MEXICO)
)ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 20 ,
by _____.



Notary Public

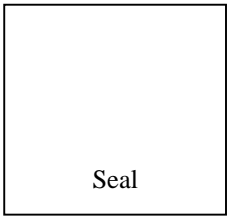
My Commission Expires: _____

**DEPARTMENT OF FINANCE AND ADMINISTRATION
LOCAL GOVERNMENT DIVISION**

Rick Lopez, Director _____
Date

STATE OF NEW MEXICO)
)ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 20 ,
by _____.



Notary Public

My Commission Expires: _____



EXHIBIT F

NEW MEXICO ADMINISTRATIVE CODE NMAC 2.110.2 CDBG RULES AND REGULATIONS

TITLE 2 PUBLIC FINANCE
CHAPTER 110 LOCAL GOVERNMENT GRANTS
PART 2 SMALL CITIES COMMUNITY DEVELOPMENT BLOCK GRANT

2.110.2.1 ISSUING AGENCY: Department of Finance and Administration Local Government Division, Suite 202 Bataan Memorial Building Santa Fe, New Mexico 87501.

[2.110.2.1 NMAC - Rp, 2 110.2.1 NMAC, 11/15/2016]

2.110.2.2 SCOPE: All counties and incorporated municipalities, except the cities of Albuquerque, Farmington, Las Cruces, Santa Fe and Rio Rancho.

[2.110.2.2 NMAC - Rp, 2 110.2.2 NMAC, 11/15/2016]

2.110.2.3 STATUTORY AUTHORITY: Title 1 of the Housing and Community Development Act of 1974, as amended.

[2.110.2.3 NMAC - Rp, 2 110.2.3 NMAC, 11/15/2016]

2.110.2.4 DURATION: Permanent.

[2.110.2.4 NMAC - Rp, 2 110.2.4 NMAC, 11/15/2016]

2.110.2.5 EFFECTIVE DATE: November 15, 2016, unless a later date is cited at the end of a section.

[2.110.2.5 NMAC - Rp, 2 110.2.5 NMAC, 11/15/2016]

2.110.2.6 OBJECTIVE: The objective of Part 2 of Chapter 110 is to establish procedures to be used by counties and incorporated municipalities when applying for a small cities community development block grant.

[2.110.2.6 NMAC - Rp, 2 110.2.6 NMAC, 11/15/2016]

2.110.2.7 DEFINITIONS:

A. "Asset management" means a systematic process of maintaining, upgrading, and operating physical assets cost-effectively. It combines engineering principles with sound business practices and economic theory, and it provides tools to facilitate a more organized, logical approach to decision making. It is a planning process that ensures the most value from each asset with a plan to rehabilitate and replace them when necessary. An accurate and up-to-date asset management plan will help communities comply with the government accounting standards board's statement #34 (GASB 34), an accounting standard for publicly owned systems.

B. "Blighted area" means, pursuant to the Metropolitan Redevelopment Act, Section 3-60A-4 NMSA 1978 (as amended), "an area within the area of operation other than a slum area that, because of the presence of a substantial number of deteriorated or deteriorating structures, predominance of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility or usefulness, unsanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of title, improper subdivision or lack of adequate housing facilities in the area or obsolete or impractical planning and platting or an area where a significant number of commercial or mercantile businesses have closed or significantly reduced their operations due to the economic losses or loss of profit due to operating in the area, low levels of commercial or industrial activity or redevelopment or any combination of such factors, substantially impairs or arrests the sound growth and economic health and well-being of a municipality or locale within a municipality or an area that retards the provisions of housing accommodations or constitutes an economic or social burden and is a menace to the public health, safety, morals or welfare in its present condition and use."

C. "CDBG" means the small cities community development block grant program.

D. "Council" means the New Mexico community development council.

E. "Council of governments" means a regional association of municipalities, counties and special districts formed to provide planning and other services to its member organization.

F. "Department" means the department of finance and administration.

G. "Division" means the local government division.

H. "Economic development" means an activity that improves a community's economic base by using private and public investments that provide expanded business activity, jobs, personal income and increased local revenues in a defined geographic area.

I. "Federal rules" means code of federal regulations, housing and urban development 24 CFR Part 570 which governs the CDBG program.

J. "ICIP" means an infrastructure capital improvement plan. An ICIP is a planning document developed by a unit of local government, water association, or land grant/merced that includes capital improvement priorities over a five year period and is developed and updated annually. An ICIP includes policy direction, funding time frames, estimated costs, justifications, and details of each specific infrastructure capital improvement project proposed, by year, over the five year period.

K. "Land grant/merced" means a political subdivision of the state organized under Section 49-1-1 through 49-1-23 NMSA 1978, Land Grants General Provisions.

L. "Low and moderate income person" means a member of a household whose income would qualify as "very low income" under the Section 8 housing assistance payments program. Section 8 limits are based on fifty percent of the county median income. Similarly, CDBG moderate income is based on Section 8 "lower income" limits, which are generally tied to eighty percent of the county median low and

moderate income.

M. “**Non-rural**” means a county or an incorporated municipality that does not meet the definition of rural.

N. “**Program income**” means amounts earned by a unit of general local government or its sub recipient that were generated from the use of CDBG funds.

O. “**Rural**” means a county with a population of less than 25,000 and an incorporated municipality with a population of less than 3,000. For purposes of determining population a unit of local government, water association, or land grant/merced must use Attachment I at the end of 2.110.2 NMAC.

P. “**SBA**” means the United States small business administration.

Q. “**Set-aside**” means a portion of all CDBG funding received by the CDBG program that is annually allocated by the council to be used only for certain set-aside categories that are chosen by the council.

R. “**Slum area**” means, pursuant to the Metropolitan Redevelopment Act, Section 3-60A-4 NMSA 1978 (as amended), “an area within the area of operation in which numerous buildings, improvements and structures, whether residential or non-residential, which, by reason of its dilapidation, deterioration, age, obsolescence or inadequate provision for ventilation, light, air, sanitation or open spaces, high density of population, overcrowding or the existence of conditions that endanger life or property by fire or other causes, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency or crime and is detrimental to the public health, safety, morals or welfare.”

S. “**Units of local government**” means an incorporated municipality or county.

T. “**Water association**” means political subdivisions of the state organized under Section 3-29-1 through Section 3-29-20 NMSA 1978, the “Sanitary Projects Act” or Section 73-21-1 through Section 73-21-55 NMSA 1978, the “Water and Sanitation District Act”.

[2.110.2.7 NMAC - Rp, 2 110.2.7 NMAC, 11/15/2016]

2.110.2.8 INTRODUCTION:

A. The council is responsible for allocating grants under the CDBG program to assist local communities with basic infrastructure and community development needs.

B. These application regulations will govern the CDBG appropriation allocated to the state from the United States department of housing and urban development.

C. As part of their administrative responsibility, the council and the division will continue to provide technical assistance to prospective applicants and grantees. The nature of these programs requires a thorough outreach effort to ensure that units of local government are aware of program requirements.

D. The council and the division assure local entities and citizens of the state of New Mexico that public comment will be solicited should the council choose to make any substantial changes to these application regulations.

[2.110.2.8 NMAC - Rp, 2 110.2.8 NMAC, 11/15/2016]

2.110.2.9 PROGRAM OBJECTIVES:

A. The CDBG program was established under Title I of the Housing and Community Development Act of 1974, as amended, to assist communities in providing essential community facilities, providing decent housing for residents, promoting economic development, and maintaining a suitable living environment.

B. State and national objectives of the CDBG program require that assistance be made available for activities that address at least one of the following, which are described in greater detail in 2.110.2.16 NMAC:

(1) benefit principally low and moderate income families;

(2) aid in the prevention or elimination of slums or blight;

(3) meet other community development needs of recent origin having a particular urgency because existing conditions 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.

C. The state encourages successful applicants to award a fair share of contracts and subcontracts to small, minority, and women's businesses and to commit itself to hire locally for any employment opportunities that will be created as a result of project funding.

[2.110.2.9 NMAC - Rp, 2 110.2.9 NMAC, 11/15/2016]

2.110.2.10 ELIGIBLE APPLICANTS:

A. All counties, incorporated municipalities, and New Mexico mortgage finance authority (MFA) are eligible to apply except: the city of Albuquerque, the city of Farmington, the city of Las Cruces, the city of Santa Fe and the city of Rio Rancho which cannot apply since they receive funding directly from the department of housing and urban development (Title I, Section 106) as entitlement cities.

B. Other entities such as water associations, sanitation districts, land grants, public nonprofit groups, council of governments, mutual domestic water consumer associations, etc., cannot apply directly for assistance, other than planning grants.

C. However, these entities may be involved in the execution of an approved CDBG project if the eligible applicant chooses to operate the program through such an entity under a contractual agreement.

D. Indian pueblos and tribes receive funding directly from the department of housing and urban development (Title I, Section 107). Native American tribes are encouraged to submit applications to the Albuquerque HUD Office of Native American Programs, 201 3rd St., N.W., Suite 1830, Albuquerque, New Mexico 87102-3368, (505) 346-6923.

[2.110.2.10 NMAC - Rp 2 110.2.10 NMAC, 11/15/2016]

2.110.2.11 ELIGIBLE ACTIVITIES/CATEGORIES: Applicants may apply for funding assistance under the following categories:

A. Community infrastructure: Eligible activities may include, but are not limited to:

- (1) real property acquisition;
- (2) construction or rehabilitation of the following:
 - (a) water systems;
 - (b) sewer systems;
 - (c) municipal utilities;
 - (d) roads;
 - (e) streets;
 - (f) highways;
 - (g) curbs;
 - (h) gutters;
 - (i) sidewalks;
 - (j) storm sewers;
 - (k) street lighting;
 - (l) traffic control devices;
 - (m) parking facilities;
 - (n) solid waste disposal facilities.

B. Housing: Eligible activities may include, but are not limited to:

- (1) real property acquisition;
- (2) rehabilitation;
- (3) clearance;
- (4) demolition and removal of privately-owned or acquired property for use or resale in the provision of assisted housing;
- (5) provision of public facilities to increase housing opportunities;
- (6) financing the repair, rehabilitation and in some cases reconstruction of privately-owned residential or other properties through either loan or grant programs;
- (7) certain types of housing modernization;
- (8) temporary relocation assistance;
- (9) code enforcement; and
- (10) historic preservation activities;
- (11) not to exceed sixty-five thousand dollars (\$65,000) in CDBG funds per home can be used on home rehabilitation/repair activities.

C. Public facility capital outlay: Eligible activities may include, but are not limited to:

- (1) real property acquisition;
- (2) construction or improvement of community centers;
- (3) senior citizen centers;
- (4) non-residential centers for the handicapped such as sheltered workshops;
- (5) other community facilities designed to provide health, social, recreational or similar community services for residents.

D. Economic development: The economic development category is established to assist communities in the promotion of economic development and is described in 2.110.2.26 NMAC.

E. Emergency: The emergency fund provides funding for emergency projects that address life threatening situations resulting from disasters or imminent threats to health and safety.

- (1) Applications under this category will be accepted throughout the year.
- (2) Application shall include verification of emergency from an authoritative state agency documenting the need for the emergency project, and shall be submitted no later than 18 months from the date of the authoritative state agency's written verification of emergency.
- (3) An applicant for emergency funding must verify that it does not have sufficient local resources to address the life threatening condition; and that other federal or state resources have been explored and are unavailable to alleviate the emergency.

F. Planning: Municipalities, counties, water associations, water and sanitation districts, and land grants are eligible to apply directly for planning grants. Municipalities or counties who have a comprehensive plan dated five years or greater from the date of application submission are required to use CDBG planning grant funds solely for the development of a comprehensive plan. A comprehensive plan must be focused on a community's physical development over the next 15-20 years related to the goals and policies of the community, developed with input from all segments of the community, adopted by resolution or ordinance, and include as a minimum the following required elements and may include the following optional elements:

- (1) required elements:
 - (a) land use including:
 - (i) an analysis and mapping of existing land patterns and an inventory of the amount, type and intensity of uses by land category;
 - (ii) a projection of the distribution, location and extent of future land uses by land use category over a 20-year period;
 - (iii) goals, objectives and policies that address maintaining a broad variety of land uses, including the

range of uses existing when the plan is adopted or amended; and

(iv) specific actions and incentives that the entity may use to promote planned development, reduction in greenhouse gas emissions, or otherwise encourage certain identified development patterns and the locations where such development patterns should be encouraged;

(b) housing including:

(i) an analysis of existing housing supply and demand, and forecasted housing needs;

(ii) goals, objectives and policies for the improvement of housing quality, variety and affordability, for reduction of greenhouse gas emissions, and for provision of adequate sites for housing and housing opportunities for all segments of the community;

(iii) a description of the actions that may be taken to implement housing goals, objectives and policies;

and

(iv) must comply with the affordable housing act.

(c) transportation including:

(i) description and assessment of the location, type, capacity and condition of existing transportation facilities, such as freeways, arterial and collector streets, mass transit or other modes of transportation as may be appropriate;

(ii) goals, objectives and policies for encouraging safe, convenient, efficient and economical transportation, including mass transit and facilities for bicyclists and pedestrians, for reduction of greenhouse gas emissions, and potential funding mechanisms; and

(iii) a description and assessment of proposed location, type and capacity of proposed transportation facilities designed to implement transportation goals, objectives and policies and a description of funding mechanisms that will be used to fund proposed transportation improvements;

(d) infrastructure including:

(i) a description and assessment of the location, type, capacity and condition of existing infrastructure, including emergency services, sewage, drainage, local utilities and other types of facilities;

(ii) goals, objectives and policies for promoting the efficient provision of infrastructure; and

(iii) a description and assessment of proposed facility expansion and improvements designed to support planned uses and implement infrastructure goals, objectives and policies;

(e) economic development including:

(i) a description of existing job composition and trends by industry and location characteristics, such as access to transportation or proximity to natural or human resources, that influence the economic development potential of the entity;

(ii) goals, objectives and policies for promoting economic development; and

(iii) a description of the actions that the entity will take to implement economic development goals, objectives and policies;

(f) water including:

(i) description and assessment of the sources of water supply;

(ii) the existing demand for water by residential, commercial, institutional, industrial and recreational sectors;

(iii) assessment of the unaccounted for water losses due to leaks, theft or other reasons;

(iv) goals, objectives and policies for promoting the efficient use of water and for managing periods of drought; and

(v) an analysis of the demand for water that will result from future growth projected in the plan, when added to existing uses, and how the demand for water that will result from future projected growth will be served by current water supplies, water conservation, water reuse or a plan to obtain additional water supplies or increase water use efficiencies;

(g) hazard including:

(i) an analysis of the risks of hazards such as wildfire, floods, extreme weather conditions, accidents, and terrorism;

(ii) goals, objectives and policies for hazard mitigation; and

(iii) a description of the actions that will be taken to mitigate hazards; and

(h) implementation; a compilation of the plan's goals, objectives, policies, standards or guidelines, along with specific actions to be completed in a stated sequence, which start with adoption of the comprehensive plan by ordinance;

(2) optional elements:

(a) drainage;

(b) parks, recreation and open space;

(c) tourism;

(d) growth management;

(e) fiscal impact analysis;

(f) intergovernmental cooperation;

(g) social services;

(h) historic preservation;

(i) asset management plan.

(3) if the entity has a comprehensive plan that is not more than five years old at the date of application, it may apply for funding assistance for any of the following planning activities:

- (a) data gathering analysis and special studies;
- (b) base mapping, aerial photography, geographic information systems, or global positioning satellite studies;
- (c) improvement of infrastructure capital improvement plans and individual project plans;
- (d) development of codes and ordinances, that further refine the implementation of the comprehensive plan;
- (e) climate change mitigation and adaptation plan;
- (f) preliminary engineering report (according to United States department of agriculture/rural utilities service

(USDA/RUS) guidelines);

- (g) related citizen participation or strategic planning process;
- (h) other functional or comprehensive planning activities;
- (i) asset management plan; or
- (j) regionalization of infrastructure and service delivery.

(4) applicants may apply for planning assistance throughout the year.

G. Colonias:

(1) The Colonias category is established in the amount of ten percent of the annual CDBG allocation for specific activities including water, sewer and housing improvements, which are the three conditions that qualify communities for designation to be carried out in areas along the U.S. - Mexican border.

(2) Eligible applicants for the Colonias set aside are municipalities and counties located within 150 miles of the U.S. - Mexico border.

(3) Colonias must be designated by the municipality or county in which it is located. The designation must be on the basis of objective criteria, including:

- (a) lack of potable water supply; or
- (b) lack of adequate sewage systems; or
- (c) lack of decent, safe and sanitary housing.

(4) Appropriate documentation to substantiate these conditions must be provided along with the application for funding.

[2.110.2.11 NMAC - Rp, 2 110.2.11 NMAC, 11/15/2016]

2.110.2.12 OTHER ELIGIBLE ACTIVITIES:

A. Administrative costs associated with implementing a program such as preparing environmental reviews, and other costs for services are eligible activities.

B. Although the costs of conducting program audits are considered an eligible activity, it is recommended that they be paid by the applicant to expedite grant closeout.

C. Applicants may use fifteen percent of a CDBG grant for public facility program activities including:

- (1) employment;
- (2) crime prevention;
- (3) child care;
- (4) drug abuse prevention;
- (5) education;
- (6) energy conservation;
- (7) welfare and recreation.

D. The council may pledge future CDBG allocations to guarantee repayment of loans to non-entitlement municipalities and counties for CDBG eligible projects in accordance with Section 108 of the Housing and Community Development Act of 1974, as amended.

[2.110.2.12 NMAC - Rp, 2 110.2.12 NMAC, 11/15/2016]

2.110.2.13 INELIGIBLE ACTIVITIES: The following are among the activities that are not eligible for CDBG funding assistance:

A. construction or rehabilitation of buildings used for the general conduct of government, such as city halls or county courthouses; compliance with the Americans with Disabilities Act is an eligible activity;

B. general operation and maintenance expenses associated with public facilities or services;

C. income maintenance;

D. housing allowance payments and mortgage subsidies;

E. expenditures for the use of equipment or premises for political purposes, sponsoring or conducting candidates' meetings, engaging in voter registration, voter transportation or other political activities;

F. costs involved in the preparation of applications and securing of funding.

[2.110.2.13 NMAC - Rp, 2 110.2.13 NMAC, 11/15/2016]

2.110.2.14 RURAL ALLOCATION:

A. A minimum of fifteen percent of the CDBG allocation will be awarded to rural counties and municipalities.

B. Rural applicants will compete for funding from the community infrastructure, housing, Colonias, and public facility capital outlay categories.

C. Rural and non-rural applicants will compete for funding from the economic development, emergency and planning categories.
[2.110.2.14 NMAC - Rp, 2 110.2.14 NMAC, 11/15/2016]

2.110.2.15 PROGRAM PUBLIC PARTICIPATION REQUIREMENTS: Applicants must provide opportunities for public participation in the development of community development goals, objectives, and applications for funding assistance by undertaking the following activities:

- A. provide for and encourage citizen participation within their areas of jurisdiction with particular emphasis on participation by persons of low and moderate income;
- B. provide citizens with reasonable and timely access to local meetings, information, and records relating to proposed and actual use of funds;
- C. provide for technical assistance as determined by the applicant, groups and representatives of low and moderate income persons that request assistance in developing proposals; the level and type of assistance is to be determined by the applicant.
- D. provide for public hearings to obtain citizen participation and respond to proposals and questions at all stages;
- E. prior to selecting a project and submitting an application for CDBG funding assistance, conduct at least one public hearing for the following purposes:
 - (1) to advise citizens of the amount of CDBG funds expected to be made available for the current fiscal year;
 - (2) to advise citizens of the range of activities that may be undertaken with the CDBG funds;
 - (3) to advise citizens of the estimated amount of CDBG funds proposed to be used for activities that will meet the national objective to benefit to low and moderate income persons;
 - (4) to advise citizens of the proposed CDBG activities likely to result in displacement, and the unit of general local government's anti-displacement and relocation plans;
 - (5) to obtain recommendations from citizens regarding the community development and housing needs of the community;
- F. After considering all recommendations and input provided at the public hearing(s), the governing body must select one project for which to submit an application for funding assistance at an official public meeting.
- G. The applicant must conduct a second public hearing prior to the submission of the application. Public hearing notices must be published in the non-legal section of newspapers, or posted in a minimum of three prominent public places within the project area, with public access. Notice of any public hearing must be published or posted at least 10 days in advance of the hearing date. Emergency hearings may be called upon 72 hour's notice unless threat of personal injury or property damage requires less notice. Emergency hearings may be called only under unforeseen circumstances, which demand immediate action to protect the health, safety and property of citizens or to protect the applicant from substantial financial loss. All applicants must be in compliance with all provisions of the Open Meetings Act Section 10-15-1 NMSA 1978 et., seq.
- H. Evidence of compliance with these public participation requirements must be provided with each application, i.e., hearing notice, minutes of public meetings, list of needs and activities to be undertaken, etc.
- I. Amendments to goals, objectives, and applications are also subject to public participation.
- J. Applicants must provide for timely written answers to written complaints and grievances within 15 working days where practicable.
- K. Applicants must identify how the needs of non-English speaking residents will be met in the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate.

[2.110.2.15 NMAC – Rp, 2 110.2.15 NMAC, 11/15/2016]

2.110.2.16 PROGRAM REQUIREMENTS FOR MEETING NATIONAL PROGRAM OBJECTIVES: Each CDBG application must meet at least one of the following three national objectives.

- A. Low and moderate income benefit - an activity identified as principally benefiting fifty one percent persons of low and moderate income will be considered eligible only if it meets one of the following criteria:
 - (1) the activity must be carried out in a neighborhood or area consisting predominantly of persons of low and moderate income and provide services to such persons; or
 - (2) the activity must involve facilities designed for use by a specific group of people or clientele predominantly of low and moderate income; or
 - (3) the activity must add or improve permanent residential structures that will be occupied by low and moderate income households upon completion; or
 - (4) the activity must involve creating or retaining jobs, the majority of which must be for persons of low and moderate income.
- B. Prevention or elimination of slums or blight - an activity identified as aiding in the prevention or elimination of a slum or blighted area must meet all of the following five criteria.
 - (1) The area must be designated by the applicant and must meet a definition of a slum, blighted area.
 - (2) The area must exhibit at least one of the following physical signs of blight or decay.
 - (a) At least one quarter of all the buildings in the area must be in a state of deterioration.
 - (b) Public improvements throughout the area must be in a general state of deterioration. For example, it would be insufficient for only one type of public improvement, such as the sewer system, to be in a state of deterioration; rather, the public improvements taken as a whole must clearly exhibit signs of deterioration.
 - (3) Documentation must be maintained by the applicant on the boundaries of the area and the condition that qualified the

area at the time of its designation.

(4) The activity must address one or more of the conditions that contributed to the deterioration of the area.

(5) To comply with this objective on a spot basis outside of a slum or blighted area the proposed activity must be designated to eliminate specific conditions of blight or physical decay including:

- (a) acquisition and clearance of blighted properties;
- (b) renovation and reuse of abandoned, historic properties;
- (c) commercial revitalization through façade improvements; or
- (d) removal of environmental contamination on property to enable it to be redeveloped.

C. Urgent need - planning grants are not allowed under urgent need. Verification of the urgency of the need must be provided with written documentation by the appropriate authoritative state agency. An activity identified as having urgent community development needs will be considered only if the applicant verifies the following:

- (1) that the activity is designed to alleviate existing conditions that pose a serious and immediate threat to the health and welfare of the community;
- (2) that the condition(s) to be alleviated is of recent origin, i.e., it developed or became critical within 18 months preceding the certification by the applicant; and
- (3) that the applicant is unable to finance the activity on its own and other sources of funding are not available.

[2.110.2.16 NMAC - Rp, 2 110.2.16 NMAC, 11/15/2016]

2.110.2.17 APPLICATION REQUIREMENTS:

A. Number of applications - all eligible applicants may submit one application for CDBG funding assistance in the community infrastructure, public facility capital outlay, or Colonias categories.

B. Planning applicants may submit at any time an additional planning application that shall not exceed fifty thousand dollars (\$50,000).

C. Applications for the economic development and emergency categories may be submitted at any time and shall be limited to a maximum of five hundred thousand dollars (\$500,000.00) for applications without certified cost estimates; and a maximum of seven hundred fifty thousand dollars (\$750,000.00) for applications accompanied by a certified cost estimate from an engineer, architect, or landscape architect licensed to do business in the State of New Mexico, which must be certified no more than 120 days prior to application submission.

D. Counties may submit multiple applications for planning grants on behalf of eligible applicants.

E. Planning, economic development, and emergency applications may be submitted even if the applicant has not completed previously awarded CDBG projects.

F. Single purpose application -an application must be limited to a project specific activity or set of activities that address a particular need in a designated target area of a unit of local government.

G. Joint applications - Joint applications are allowed when two or more eligible applicants within reasonable proximity of each other wish to address a common problem.

(1) Joint applications must satisfy certain criteria found in federal rules and must receive division approval prior to submitting an application for funding assistance.

(2) One community will be designated to serve as the lead applicant and will be subject to administrative requirements and to the application limit requirements.

(3) Other parties to the joint application may submit another application.

H. The following minimum requirements apply to all applications for CDBG funding:

(1) Applications must involve a project that will be fully functional on a stand-alone basis once awarded CDBG and other committed funds have been expended.

(2) Projects shall be completed within 24 months of an executed grant agreement signed by both parties.

(3) Applications shall be limited to a maximum of five hundred thousand dollars (\$500,000.00) for applications without cost estimates; and a maximum of seven hundred fifty thousand dollars (\$750,000.00) for applications accompanied by a certified cost estimate from an engineer, architect, or landscape architect licensed to do business in the State of New Mexico, which must be certified no more than 120 days prior to application submission.

(4) Application must be complete, with all documentation provided as listed on the submission and attachment checklist included in the application, otherwise application will be deemed ineligible and the application will be returned to the applicant and will not be considered for funding.

(5) Applications must include a determination of rural or non-rural status.

(6) Applications must include estimates of both full and phased project costs.

I. Threshold requirements - a project must be completed by the deadline for threshold compliance.

(1) Any open CDBG project must be completed at the time of application (certificate of occupancy or certification of operation must be in place).

(2) Any previous CDBG project's monitoring findings and concerns must be resolved.

(3) The current applicant's fiscal operating budget must be certified by the division.

(4) The applicant's quarterly/monthly financial reports to the division must be current.

(5) An applicant must have submitted to the New Mexico state auditor its most current audit(s) that were required to be conducted and submitted for review per the New Mexico state auditor's required report due dates for the previous fiscal year(s) and an applicant

must be in compliance with the budget certification rule, 2.2.3 NMAC.

(6) The set aside categories; planning, economic development and emergency, are exempt from threshold requirements set forth in Subsections I of 2.110.2.17 NMAC.

J. Matching requirements - to extend available resources and to ensure applicants are invested in projects, the following matches will be required.

(1) Rural applicants must provide, at a minimum, a five percent cash match during the project period from local, state or other public resources, excluding local work force or local equipment.

(2) Non-rural applicants must provide, at a minimum, a ten percent cash match during the project period from local, state or other public resources, excluding local work force or local equipment.

(3) An application in the economic development category must provide at least one private dollar in match for each dollar of CDBG funds requested.

(4) Local funds expended by an eligible applicant for engineering, architectural design or environmental review prior to project approval can be applied towards the required match.

(5) Applicant may request a waiver of the matching requirement if documentation can be provided to demonstrate the absence of local resources to meet the required match. Criteria used by the division to recommend council approval/disapproval will be as follows:

(a) the required match must exceed five percent of the applicant's general fund budget;

(b) the required match must equal or exceed the available balance of funds in the applicant's overall budget.

K. Other funding commitments - if other funding is necessary to make a proposed project feasible, funding commitments must be in place and letters of commitment or grant agreement from the funding agency must be submitted with the application.

L. Asset management - communities that implement an asset management program and use that approach as the basis for their rate analysis will be credited in the application process for their achievement. To support the long term operation, maintenance, repair and replacement of system facilities, infrastructure, public facilities, or other eligible activities the following will be required to be submitted at the time of application. The model for the asset management program is the international infrastructure asset management model. This approach includes five core components:

(1) current state of the assets: an asset inventory that includes at a minimum: asset name, asset location, asset condition, useful life, and an estimate of replacement value;

(2) level of service: a description of type and level of service provided;

(3) criticality: an evaluation of which assets are critical to sustaining the operation;

(4) life cycle costing: at a minimum, a capital improvement plan that describes the replacement of assets and some consideration of operation and maintenance of the assets;

(5) financing plan: a description of the funding sources that will be used to pay for capital and operational needs.

[2.110.2.17 NMAC - Rp, 2 110.2.17 NMAC, 11/15/2016]

2.110.2.18 APPLICATION SUBMISSION PROCEDURES AND CONTENT: The application packet provided by the division must be used. It is only necessary to answer the questions on the application that pertain to the relevant single project category.

A. An applicant must submit an original (hard copy) and two separate electronic copies of each application to the division, and one electronic copy to the appropriate council of governments.

B. Applications for community infrastructure, housing and public facility capital outlay must be date stamped by the division on or before 5:00 p.m. on the designated application deadline. Applications received after that time will not be processed.

[2.110.2.18 NMAC - Rp, 2 110.2.18 NMAC, 11/15/2016]

2.110.2.19 APPLICATION REVIEW AND EVALUATION PROCESS:

A. Upon receipt of an application, division staff will review for eligibility, completeness, feasibility, and compliance and ensure that all other funding necessary to make the project functional is in place. Applications not meeting the criteria will be returned to the applicant and will not be considered for funding.

B. Applications will be forwarded to appropriate state agencies for technical review and comment. Review agencies may include, but are not limited to, the environment department, department of transportation, department of health, state engineer's office, agency on aging and long term services, economic development department, state fire marshal and governor's commission on disability.

C. An eligible applicant will be allowed to make a presentation to the council and division staff at the official hearing. Testimony related to the application will be presented by an official or designee of the applicant who may be assisted by technical staff.

D. Community infrastructure, housing, public facility capital outlay, emergency, and Colonias rating criteria: The following rating criteria will be used to evaluate and score CDBG applications for the community infrastructure, housing, public facility, capital outlay, emergency, and Colonias categories.

(1) **Description and need** - (10 points) the more severe the need as documented in the application, the higher the score.

(2) **Benefit to low and moderate income beneficiaries and appropriateness** - (20 points) extent to which the CDBG

application:

(a) documents the number and percentage of low and moderate income beneficiaries, also include race and

gender; or

(b) addresses the prevention or removal of slum or blighting conditions; or

(c) addresses conditions that pose a serious and immediate threat to the health and welfare of the community (for

emergency applications only).

(3) **Leveraging** - (10 points) extent to which state, local and other public resources, in addition to the required match, will be used by the applicant for the proposed project.

(4) **Citizen participation** - (10 points) extent to which the applicant evidences opportunity for citizen activities related to the proposed project:

- (a) (10 points) has provided four or more citizen activities;
- (b) (7 points) has provided three citizen activities;
- (c) (5 points) has provided two citizen activities.

(5) **Planning** - (10 points) extent to which:

(a) (3 points) applicant has adopted a local ICIP, which has qualified for publication in the most recent state published prior to the CDBG application deadline. Evidence of the adopted ICIP for the current year must be provided as part of the application;

(b) (3 points) project has qualified for publication in the most recent state ICIP prior to the CDBG application deadline and applicant has selected CDBG as one of its possible funding sources. Evidence of such publication identifying the project and selecting CDBG funds as a possible funding source must be provided with application;

(c) (1 point) project shows consistency with applicant's comprehensive plan;

(d) (1 point) applicant has adopted a drought contingency plan, setting in place various drought management stages and accompanying restrictions on water use;

(e) (1 point) applicant has adopted a water conservation ordinance, setting in place various methods for conserving potable water;

(f) (1 point) applicant has implemented a water conservation ordinance, accompanied by evidence of exercising at least two various methods for conserving potable water.

(6) **Feasibility/readiness** - (20 points) extent to which the project is technically and economically feasible and ready to be implemented;

(a) (5 points) necessary real property or easements acquired;

(b) (5 points) professional services contract executed;

(c) (5 points) completed plans, specifications, bid documents, or preliminary engineering reports; and

(d) (5 points) completed environmental review process.

(7) **Cost benefit** - (10 points) the amount of funds requested divided by the number of direct low and moderate income beneficiaries of the project; the lower the ratio, the higher score.

(8) Asset management plan - (maximum of 10 points).

(a) (1 point) attendance within the last three years at an asset management training that includes the five core components as described in the international infrastructure asset management model;

(b) (2 points) development of an asset management plan that includes some, but not all, of the five core components;

(c) (10 points) development of a complete asset management plan with all five core components.

(9) **Council application scoring** - (10 points) Each member of the council shall be allowed to award up to 10 points per application in the application rating process, with one point for a low priority, five points for a medium priority and 10 points for a high priority project based on the criteria used for rating. The points will be averaged by totaling the individual member scores and dividing by the number of members who scored the project.

(10) **Additional Colonias criteria** - When submitting a Colonias applicant shall prove documentation of the Colonias designation and documentation that the project shall address one of the following conditions:

(a) lack of potable water; or

(b) lack of an adequate sewage system; or

(c) lack of safe, sanitary housing.

E. Planning grant criteria: The following rating criteria will be used to evaluate and score CDBG applications for the planning category.

(1) **Description and need** - (20 points) extent to which the application:

(a) provides detail for and documents community need for the project; and

(b) describes the impact that the project will have on the community; and

(c) is determined to be feasible.

(2) **Benefit to low and moderate income beneficiaries and appropriateness** - (20 points) extent to which the CDBG application:

(a) documents the number and percentage of low and moderate income beneficiaries, including race and gender;

(b) is in alignment with existing planning documents, or proposes the development of a new comprehensive plan.

(3) **Leveraging** - (15 points) extent to which federal, state, and local resources in addition to the required match, will be used by the applicant for the proposed project.

(4) **Citizen participation** - (10 points) extent to which the applicant evidences opportunity for citizen activities related to the proposed project:

(a) (10 points) has provided 4 or more citizen activities;

(b) (7 points) has provided 3 citizen activities;

(c) (3 points) pledges opportunities for actives;

(d) (2 points) has provided 1 citizen activity;

(5) **Planning** - (20 points) extent to which:

(a) (5 points): applicant has adopted a local ICIP, which has qualified for publication in the most recent state ICIP published prior to the CDBG application;

(b) (5 points): the proposed project has qualified for publication in the most recent state ICIP prior to the CDBG application and applicant has selected CDBG as one of its possible funding sources;

(c) (2.5 points): applicant's proposed project shows consistency with applicant's comprehensive plan;

(d) (2.5 points): applicant adopts a drought contingency plan, setting in place various drought management stages and accompanying restrictions on water use;

(e) (2.5 points): applicant adopts a water conservation ordinance, setting in place various methods for conserving potable water;

(f) (2.5 points): applicant implements a water conservation ordinance, accompanied by evidence of exercising at least two various methods for conserving potable water.

(6) **Cost benefit** - (10 points) the amount of funds requested divided by the number of low and moderate direct beneficiaries of the project. The lower the ratio the higher the score.

(7) **Comprehensive plan** - (5 points) whether the community has an updated comprehensive plan that is not more than five years old.

F. Economic development rating criteria is included in 2.110.2.26 NMAC.

G. Site visits will be conducted as needed to verify or review information presented.

H. Emergency, economic development and planning applications that are in compliance with all applicable rules and regulations are received and evaluated throughout the year.

I. The council delegates to the division director the authority to award, in the division director's discretion, funding for applications for emergency, economic development, and planning projects in compliance with applicable rules and regulations. The division will provide the council with an update on all such awards at each council meeting.

[2.110.2.19 NMAC - Rp, 2 110.2.19 NMAC, 11/15/2016]

2.110.2.20 SELECTION OF CDBG GRANTEE BY COUNCIL:

A. Division staff will present its recommendation to the council at least seven days prior to each allocation meeting.

(1) Staff recommendation will present projects in high, medium and low groupings.

(2) Staff recommendation will include specific funding allocation amount to each project, within total available funds.

B. The council will review staff recommendation and funding allocation and make funding decisions in an open public meeting.

C. The council, in making its final decisions, will consider the past performance of the applicant in administering CDBG projects.

D. The council may adjust the scope and dollar amount to stay within available funding or for purposes of consistency.

E. The council may deviate from staff recommendation and funding allocation, if the council by majority vote determines and substantiates that any of the following conditions apply:

(1) To not fund a project recommended by the division staff other funding sources for the project are available or other applications were deemed to be a priority or circumstances have changed since the application was submitted.

(2) To fund a project not recommended by division staff.

(a) the health and safety of area residents is at stake;

(b) funding committed to the project from other sources may be jeopardized;

(c) significant economic benefits will be realized if the project is implemented; or

(d) the need for the project is critical.

F. The council will make funding determinations by a majority vote.

G. The council may waive or adjust any division imposed CDBG application requirement as long as the waiver will not result in violation of state or federal statutes, regulations, rules, or penalize other applicants.

H. If the council sets aside funding for emergency, economic development or planning; the council may at any time during the calendar year, transfer funds between categories if there is limited demand in the funded categories. The transferred funds may be used to fund projects that were previously submitted for funding.

[2.110.2.20 NMAC - Rp, 2 110.2.20 NMAC, 11/15/2016]

2.110.2.21 REVERSIONS, SUPPLEMENTAL FUNDING AND UNDERRUNS:

A. Decision of the division to impose special conditions or fiscal agent requirements - if a CDBG award is provided to a grantee that has deficiencies identified in the audit(s) approved by the state auditor's office, the division reserves the right to impose special conditions or fiscal agent requirements dependent upon the specific findings or opinions as described in the audit(s).

B. Decision by the council to revert funds - if, within 12 months of a CDBG award for a project by the council, the CDBG award has not resulted in a signed grant agreement between the division and the applicant or the applicant has not made adequate progress on the project or the council determines there was fraud or misrepresentation regarding the project by the applicant, the division may recommend to the council to revert all or part of the award and the council may vote to revert all or part of the award. The applicant shall receive written notice from the

division of the council's decision to revert all or part of award by certified mail. The applicant may appeal, in writing, the council's decision to revert all or part of the award within 30 days of receipt of the written notice of the council's decision. The appeal of the council's decision by the applicant shall be held at a council meeting no later than 90 days from the council's receipt of the written appeal. The council's decision on the appeal of the reversion shall be final. The council may grant the applicant a reasonable period of time to cure the particular default that was the basis of the reversion. At the end of the cure period, the council shall vote again on the issue of the reversion and this decision shall be final.

C. Reversions and supplemental funding - When funds are reverted from a previously approved project grant or additional funds are made available for any other reason, the council may decide that the funds will:

- (1) be added to the emergency fund;
- (2) be returned to the category of the program from which it was awarded;
- (3) go into any other category; or
- (4) take other action as deemed appropriate.

D. Underruns - if upon completion of the approved activities a balance of funds remains after all payments have been made, this balance shall be handled as follows: if the grantee has not accomplished all work called for in the original application submitted for funding consideration, the grantee may request division staff to approve the expenditure of underrun funds for a portion or all of the remaining work.

(1) if appropriate justification and sufficient funding exist, division staff may approve the request for use of underrun funds and amend the grant agreement accordingly;

- (2) a negative decision may be appealed to the council.

E. If the grantee proposes to undertake activities not included in the approved application, the grantee may request council approval to expend underrun funds for other eligible activities. The council may approve the request if appropriate justification and sufficient funding exist.

F. If the council disapproves a request for use of an underrun, associated funds shall revert to the council for disposition.

G. The processes described above for handling underruns are intended to encourage the grantee to use the most cost efficient means possible to construct projects funded by the council. Grantees shall not take advantage of this process by inflating initial funding requests.

[2.110.2.21 NMAC - Rp; 2 110.2.21 NMAC, 11/15/2016]

2.110.2.22 PROGRAM INCOME:

A. Grantees must pay CDBG program income to the state, except that grantees will be permitted to retain program income only if they always use the income for CDBG eligible activities upon council approval of a program income utilization plan.

B. Program income received by the state will be placed in the economic development category.

C. Program income retained by grantees shall be used to fund CDBG eligible activities and must meet CDBG requirements.

[2.110.2.22 NMAC - Rp, 2 110.2.22 NMAC, 11/15/2016]

2.110.2.23 CITIZEN ACCESS TO RECORDS: Citizens and units of general local government will be provided with reasonable access to records regarding the past use of CDBG funds.

[2.110.2.23 NMAC - Rp, 2 110.2.23 NMAC, 11/15/2016]

2.110.2.24 NM COMMUNITY ASSISTANCE FUNDS: The council will allocate and administer New Mexico community assistance underrun funds in accordance with the provisions of the Community Assistance Act.

[2.110.2.24 NMAC - Rp, 2 110.2.24 NMAC, 11/15/2016]

2.110.2.25 MEETING PROCEDURES:

A. Special meetings. Special meetings of the council may be called by a majority of the council members or the chairperson of the council, and will be held at the time and place fixed by the division.

B. Notice. Written notice stating the time, place and, if a special meeting, the purpose, will be delivered either personally, by mail, or email by the division, to each council member at least 72 hours before the scheduled date of the meeting. The meeting notice and agenda will be available to the public and posted on the department of finance and administration web site. The council may establish dates and times for regularly scheduled meetings.

C. Quorum. A majority of the current members of the council in attendance either in person or by telephone will constitute a quorum at council meetings.

D. Record of meetings. The meeting shall be recorded and the division shall have the minutes made into a written record. The original of this record shall be retained by the division and a copy shall be forwarded to the council members. Copies shall be available upon request.

E. Participation methods. A member of council may participate in a meeting of the council by means of a conference telephone or other similar communications equipment when it is otherwise difficult or impossible for the member to attend the meeting in person, provided that each member participating by conference telephone can be identified when speaking, all participants are able to hear each other at the same time and members of the public attending the meeting are able to hear any member of the council who speaks during the meeting.

[2.110.2.25 NMAC - Rp, 2 110.2.25 NMAC, 11/15/2016]

2.110.2.26 ECONOMIC DEVELOPMENT PROGRAM GUIDELINES:

A. Goals and objectives: The state's CDBG economic development goals and objectives include:

- (1) creating or retaining jobs for low - and moderate-income persons;

- (2) preventing or eliminating slum areas and blighted areas;
- (3) meeting urgent needs;
- (4) creating or retaining businesses owned by community residents;
- (5) assisting businesses that provide goods or services needed by, and affordable to low - and moderate-income residents;
- (6) providing technical assistance to promote any of the activities under Paragraph (1) through (5) of Subsection A of

2.110.2.26 NMAC.

B. Eligible activities: CDBG eligible activities authorized under Sections 570.200, 570.201, 570.202, 570.203, 570.204, 570.482 and 570.483 of the federal rules and directly affecting the creation or retention of employment opportunities, the majority of which are made available to low and moderate income persons, may include activities carried out by public, private nonprofit, or private for-profit entities when such activities are appropriate.

(1) To meet the needs and objectives of the community economic development plan, a project may include: acquisition of real property, construction, reconstruction rehabilitation, or installation of public facilities, site improvements, and utilities, and commercial or industrial buildings or structures and other commercial or industrial real property improvements and planning.

(2) Grantees and nonprofit sub recipients may carry out for the purpose of economic development, a wide range of activities such as those listed in Section 570.203 of the federal rules.

(3) The for-profit businesses, however, may carry out only the activities listed in that section and rehabilitation activities listed in Section 570.202 of the federal rules.

C. Financing policies and techniques: The CDBG program, as a development tool, can provide flexibility and take greater risks than conventional lending sources in its lending policies and financing techniques. For example, the program may:

(1) offer a negotiated period for repayment of principal and interest;

(2) take greater risk than banks are traditionally prepared to take, provided substantial economic development benefits will result if the loan is granted;

(3) leverage capital by reducing risk for commercial lenders and by taking a subordinate security/collateral position; or

(4) provide more favorable rates and terms than are generally available through conventional sources.

D. Project requirements: Project requirements for eligible CDBG economic development assistance include, but are not limited to:

(1) specific employment commitments for low and moderate income residents, generally with no more than fifty thousand dollars (\$50,000.00) in CDBG funds being used for each job created or retained;

(2) at least fifty-one percent of the jobs created/retained must be held or made available to persons of low to moderate income persons;

(3) within six months of completion of the project, the grantee is required to report to LGD, documentation to reflect the total number of jobs created or retained;

(4) a firm commitment for private financial participation in carrying out the proposed project, contingent on award of CDBG funding only, must be included with the application;

(5) a minimum leveraging ratio of one new private investment dollar to one CDBG dollar is required additional; greater leveraging will enhance a project's competitiveness;

(6) a determination by the applicant and its governing body that there is a well-documented need for CDBG assistance to make the project financing feasible and that the level of assistance requested is commensurate with the public benefits expected to be derived from the economic development project;

(7) evidence of project feasibility including a business plan that contains financial statements, project pro forma (cash flow projections) and specific source and intended use of all funds or assets used in the project;

(8) generally, projects that directly assist in the relocation of a business or industry from one community to another, intrastate or interstate, will be disqualified;

(9) prior to submission of an application, applicants should thoroughly review the credit worthiness of the proposed borrower and should obtain appropriate credit reports, audited financial statements, tax returns and verify collateral.

E. Program income: In addition to program income the requirements of 2.110.2.22 NMAC the Housing and Urban Rural Recovery Act that amended the Housing and Urban Rural Recovery Act 1983, provides, relative to economic development, the following:

(1) states may require program income to be returned to the state but local governments must be allowed to keep program income when used for the same activity which generated the income;

(2) if the applicant intends to retain program income, a program income utilization plan must be submitted with the application for approval.

F. Application cycle: Applications for economic development can be submitted at any time, and the division staff has 30 days to review them.

G. Pre-application conference: It is recommended that a pre-application conference be held prior to the submission of the final application to ensure that all elements are adequately addressed and to review any new federal guidelines that may be issued that relate to economic development activities. Contact the division, economic development representative for information. More detailed and extensive financial and project data may be required depending on the specific project. In addition, meeting the national objective to benefit low and moderate income requires documentation certifying that the majority of the jobs are created for or retained by low and moderate income persons or the majority of jobs are considered available to them. Please contact the division for a copy of the HUD guidelines.

H. APPLICATION REQUIREMENTS: The following must be included along with the regular CDBG application, and should

be submitted in lieu of question #2 in the regular application.

(1) **Economic development plan:** The applicant must submit as an attachment to the application a short (five page maximum) description of its plan for encouraging local economic development. The plan, incorporating references to the proposed project, should include a discussion of the following elements.

(a) **Need** - List the community's underlying economic problems. Need might include recent major industry shutdowns or extended layoffs, substantial increases in population without a corresponding increase in job opportunities, substantial population decreases due to lack of available or appropriate job opportunities, a lack of industrial diversification, the existence of large numbers of workers in the area with obsolete skills or skills for which there is no current demand, or other problems unique to the applicant's community.

(b) **Goals** - Describe what the community attempting to accomplish through its overall economic development program (not just that activity for which CDBG funding is sought). Goals might include preserving existing businesses or industries, encouraging community growth, fostering industrial diversification, revitalizing the central business district, or creating complementary industries to provide jobs in the off-season for workers now only seasonally employed.

(c) **Resources** - List the public and private resources, both financial and technical, available to available to help the community carry out its economic development program. Resources may include for example, a local development corporation or similar body has any agency organization assigned staff member(s) to work on economic development activities for a major portion of their time has the financial community's demonstrated willingness to participate in development activities, whether there is adequate available labor force to meet the demands of new or expanding businesses and industries, or whether the community has unique development advantages, e.g., location, transportation facilities, industrial park or other plant sites, available raw materials, abundant power supplies, employee training capabilities, a locally-administered revolving loan fund to assist growing businesses or industries, technical assistance programs to help business people deal with marketing, management, or financial planning problems.

(d) **Strategy** - Describe the strategy the community is using to pursue its economic development goals. Strategy might include the specific prioritized activities that have been identified as components of the community's strategy for encouraging local economic development costs of each strategy, funding sources available, and how the local government will support the strategies. Strategies might include offering property tax reductions to new or expanding industries, forming a local economic development corporation, or preparing industrial or tourism promotion packages.

(e) **Results** - Describe actions the community has already undertaken to implement its economic development plan, the funding sources used and results achieved. Results may include how many new jobs have been created or existing jobs retained, how many new firms have begun operations in the community. Or how many existing firms have undertaken expansion activities.

(2) **Hiring and training plan:**

(a) Applicants must establish procedures for the project to ensure preferential recruitment, hiring, and training of local workers, particularly those of low and moderate income.

(b) In the event of a grant award, the applicant's commitment to the hiring plan will be considered binding and will be incorporated by reference in the grant agreement between the local governing body and the division.

(3) **Private sector commitments:**

(a) Applicants must provide evidence of firm commitments of financial resources from the private sector.

(b) Such commitments should be binding, contingent only upon receipt of CDBG funds.

(c) Investments made or costs incurred prior to the grant application are not eligible for use as matching funds or leverage but should be referenced as related to the total project, if applicable.

(4) **Public sector commitments:**

(a) If public sector resources are to be involved in the proposed economic development project, applicants must demonstrate evidence of a firm commitment of public funds or other resources.

(b) Such commitments should be binding, contingent only upon receipt of CDBG funds to the project.

(c) Evidence may include resolutions or ordinances passed by the local governing body and other appropriate local groups.

(5) **Use of CDBG funds for economic development loans** (if applicable):

(a) Any project that includes a loan should provide an explanation of the proposed interest rate, terms and rationale for the proposed financing structure.

(b) Any loan made by a local governing body with CDBG funds as a part of an approved CDBG economic development project must be adequately secured.

(c) Subordinated loans may be made when justifiable and appropriate in the sole discretion of council.

(d) The applicant must include a detailed description of the proposed use of program income. (principal and interest). Applicants are encouraged to designate program income to be returned to the state for future economic development set-aside eligible activities.

(6) **Viability of assisted enterprises:** Any for-profit entity to be assisted with CDBG funds must document that without participation of CDBG funds the proposed activity would not be feasible and that after receipt of CDBG assistance the enterprise will be viable and self-sustaining. All applicants proposing an economic development activity shall submit the following for any entity to be assisted with CDBG funds.

(a) a business plan consisting of at least a description of the history of the firm, background, and experience of the principals, organizational structure, a description of its major products or services, market area and market share, goals, and planned expansions or changes in operations; the plan should also describe the impact the CDBG project, if funded, would have on the firm's activities;

- (b) a three year to five year operating plan forecast (profit and loss projection); applicants may use SBA forms or equivalent;
- (c) a monthly cash flow analysis, SBA forms or equivalent;
- (d) for any existing business, the two most recent year-end financial statements, including an income statement and balance sheet.

I. RATING CRITERIA: The economic development rating criteria will give priority to projects that firmly demonstrate the following: need, appropriateness, impact, and benefit to low and moderate income persons. Since each application will be unique, there are no “right” or “wrong” activities or solutions. The ranking of “appropriateness” and “impact” will necessarily be in part subjective, with the division taking into account not only how well each applicant addresses the problems it has defined, but also how its problems and responses compare with those of other applicants.

(1) **NEED** - (200 points) - In analyzing an applicant's need for a project, the division will use statistical information provided by the New Mexico department of workforce solutions and the U.S. bureau of the census which is uniformly available for all 33 counties. Since similar data is not accumulated at the municipal level, cities and towns will be scored with the figures for the county in which they are located. The three factors that will be considered are: the average number of unemployed persons in the county during the last calendar year; average percent of unemployment in the county during the last calendar year; the average unemployment rate in the county in the last five calendar years.

(a) The data will be calculated and each applicant assigned a relative score.

(b) The division will consider assigning a different score in exceptional cases, where an applicant can conclusively demonstrate that the first two factors used to measure economic need are not reflective of local economic conditions (such as major recent plant closings) and the situation is substantiated by the New Mexico department of workforce solutions. A request for consideration of local economic data must be submitted with the application. The applicant should identify sources of data and define methodologies.

(2) **APPROPRIATENESS** - (200 points) - Scores will be based on the soundness of the applicant's economic development plan and the related project for which CDBG funding is sought, and the strength of the applicant's hiring and training plan for ensuring that local residents, particularly those of low and moderate income, will be hired to fill the stated number of jobs created or retained as a result of CDBG-funded activities. Points are available as follows:

(a) **Plan and program** - (140 points) - Scoring will reflect whether:

- (i) the applicant has developed a complete, well-reasoned, appropriate, and achievable plan for dealing with its total economic development needs, taking into consideration all available public and private resources and local capacity;
- (ii) the local governing body has officially adopted the economic development plan as a matter of public policy;
- (iii) the proposed project is an integral part of that plan; (it need not be the first priority item identified in the overall plan if other, more appropriate, resources are available and already being used to meet higher priority items);
- (iv) the applicant has made substantial local efforts to deal with its economic development problems;
- (v) the proposed CDBG project is realistic and workable, and the job savings or creation expected to result from its implementation will occur within a reasonable time following the date of grant award;
- (vi) if income is to be generated by CDBG-funded activities, and retained locally, a plan for the use of that program income has been developed and submitted with the application; this plan must include mechanisms established for administration of the funds, (if a revolving loan fund is to be established with program income, procedures must be outlined covering local application processing, time frames, approval, negotiation, pricing, packaging, servicing, etc.);
- (vii) there has been active citizen participation in the development of the economic development plan and in the selection of the project.

(b) **Hiring and training plan** - (60 points) - Each applicant must include in its application an employment and training plan to be used in filling jobs created or retained as a result of CDBG activities. Scoring will reflect whether:

- (i) the applicant's employment and training plan provides clear, complete procedures for outreach, recruitment, screening, selection, training, and placement of workers which will ensure maximum access of local residents, particularly persons of low and moderate income, to jobs created or saved by the project;
- (ii) attention has been given to necessary supportive services for trainees needing them;
- (iii) a complete training curriculum has been developed and all training resources identified;
- (iv) responsibility has been assigned for all phases of the training program;
- (v) a written agreement to follow the plan has been obtained from each firm expected to benefit directly from the project.

(3) **IMPACT** - (200 points) - In weighing the anticipated impact of the applicant's proposed CDBG activities on the community's identified problems, the following four factors will be scored:

(a) **Leverage** - (50 points) - Applicants will be scored based on the ratio of private non-CDBG dollars for each dollar of CDBG funds requested.

(b) **CDBG dollars per job** - (50 points) - The total CDBG funds to be used (exclusive of administrative funds) will be divided by the total number of full-time jobs expected to result. In evaluating an applicant's job creation projections, the division will consider the historical relationships of sales, space, and machines to jobs. It will also look at typical ratios for the industry of which the firm to be assisted is a part. Applicants should be prepared to justify job creation claims that substantially exceed industry norms or fifty thousand (\$50,000) per job created or retained.

(c) **Type of jobs** - (50 points) - Applicants must indicate the percentage of jobs to be created or retained that are full-time or part-time, skilled, semi-skilled, or unskilled. Scores will be higher to the extent and application will create or retain full-time skilled, and semi-skilled jobs.

(d) **Overall economic impact** - (50 points) - The applicant must discuss both the direct and indirect effects the CDBG program is expected to have on the community's economy. Some of the factors that will be scored are:

- (i) the additional payroll expected to be generated for the jobs created or retained by the program;
- (ii) the total number of jobs to be created or retained;
- (iii) whether the firm to be assisted is an economic base industry (producing goods or services mainly to be sold outside the area or state, thereby importing dollars into the community and state economy); and
- (iv) whether local property tax revenues will be significantly increased as a result of the proposed business start-up, expansion, retention, etc.

(4) **BENEFIT TO LOW AND MODERATE INCOME PERSONS** - (200 points)

(a) This ranking criterion assesses the extent to which persons of low and moderate income will directly benefit from the expenditure of CDBG funds. To determine this score, the number of jobs to be created or retained and made available to low and moderate income persons will be divided by the total number of jobs to be created or retained as a result of the CDBG program.

(b) The highest score will receive up to a maximum of 200 points to be eligible for consideration a project must demonstrate that it will benefit principally persons of low and moderate income.

[2.110.2.26 NMAC - Rp, 2 110.2.26, 11/15/2016]

Attachment I
(Referenced by: 2.110.2.7 NMAC)
CDBG projects are designed to meet one of three national objectives: low and moderate income, slum and blight, or emergency. For those projects that are designed to meet the low and moderate income national objective, applicants may choose between two different processes to determine low and moderate income eligibility: (1) conduct a special survey using the HUD approved methodology in accordance with Section A “Survey Methodology” and Section C “HUD Section 8 Income Limits” below; or (2) use the most recent low and moderate income data from section B “American Community Survey” and Section C “HUD Section 8 Income Limits” below.
A. Survey Methodology
The division recommends using the following HUD approved methodology:
This survey methodology was designed by HUD to assist States and entitlement cities in determining whether most of the individuals in a proposed target area are of low and moderate income.
Upon requesting permission from the division to conduct a sample survey, an applicant should indicate the justification for the sample survey. Applicants must provide to the division a map of the project service area, a brief description of the proposed project, and a description of how the six steps described in the suggested methodology will be implemented.
If the applicant conducts a sample survey, such applicant must be prepared to document all efforts. There must be a master list (with telephone numbers, where possible) to match the surveys. The master list must be coded to the individual surveys.
Such documentation must include a separate survey for each household, for unreachables that could not be replaced from the universe, and for “non-households” in the survey area, such as empty lots, business and government property. The sixth step of the methodology provides a complete listing of the information that an applicant must maintain in its files and submit to the division.
The six steps of the survey methodology are located on the department of finance and administration website, local government division, community development bureau, CDBG information page.
B. American community survey (ACS)
The U.S. census bureau provides a fact finder source for population, housing, economic, and geographic information. This source may be used by applicants to determine eligibility for low to moderate income persons. This source is located at the American FactFinder website, community facts.
C. HUD Section 8 Income Limits
HUD Section 8 income limits must be used in conjunction with either the survey methodology or ACS data to determine low and moderate income eligibility. Applicants should contact the division for the most current data sets.

HISTORY OF 2.110.2 NMAC:

Pre-NMAC History: The material in this part was derived from that previously filed with the State Records Center and Archives:

DFA Rule 85-3, State of New Mexico Regulations Governing the 1986 Small Cities Community Development Block Grant Program and 1985 New Mexico Community Assistance Program, 10-4-85.

DFA Rule 87-3, State of New Mexico 1988 Small Cities Community Development Block Grant Program New Mexico Community Assistance Program Application Regulations, 12-4-87.

DFA Rule 89-3, 1989 Small Cities Community Development Block Grant Program New Mexico Community Assistance Program Applications Regulations, 3-22-89.

DFA Rule 90-1, 1990 Small Cities Community Development Block Grant Program New Mexico Community Assistance Application Regulations, 12-28-89.

DFA #91-1, 1991-1992 Small Cities Community Development Block Grant Program New Mexico Community Assistance Application Regulations, 1-14-92.

DFA #93-1, 1993 Small Cities Community Development Block Grant Program New Mexico Community Assistance Application Regulations, 7-9-93.

DFA-LGD No. 93-1, 1994 Small Cities Community Development Block Grant Program New Mexico Community Assistance Application Regulations, 6-13-94.

DFA-LGD Rule No. 95-1, 1995 Small Cities Community Development Block Grant Program New Mexico Community Assistance Application Regulations, 5-31-95.

DFA-LGD Rule No. 95-2, 1996 Small Cities Community Development Block Grant Application Regulations.

History of Repealed Material:

2 110.2 NMAC, Small Cities Community Development Block Grant - Repealed, 08-30-01.

2.110.2 NMAC, Small Cities Community Development Block Grant - Repealed, 06-05-15.

2.110.2 NMAC, Small Cities Community Development Block Grant - Repealed, 11-15-2016.