

**2021 ECONOMIC DEVELOPMENT
APPLICATION AND GUIDELINES
TABLE OF CONTENTS**

Part 1: Program Requirements1

1.0 Kansas Community Development Block Grant Program.....1

2.0 Eligible Applicants.....1

3.0 Eligible Activities2

3.1 Project Start Date2

3.5 Davis-Bacon Wage Rates2

3.6 Environmental Review Process2

3.7 Real Property Acquisition.....3

3.8 Eminent Domain3

4.0 National Objective/Beneficiaries3

5.0 Regular Economic Development Grants/Loans.....4

5.1 Business Finance.....4

5.2 Infrastructure.....5

5.3 Retail/Local Service.....5

5.4 Regular Economic Development Application Process6

6.0 Section 108 Loan Guarantee6

7.0 Evaluation of Economic Development Projects7

8.0 Administrative Capacity7

8.1 Grant Administrators8

8.2 Administrative Costs.....8

8.3 Engineering and Architectural Fees.....8

9.0 Job Piracy – State.....8

9.1 Job Piracy – Federal.....9

10.0 Citizen Participation/Public Hearings.....9

11.0 Program Income.....10

11.5 Local Revolving Loan Fund10

12.0 Failure, Default, Restructuring11

13.0 Gap Financing.....11

14.0 Local Government Responsibilities.....11

15.0 Leverage/Matching Funds11

Part 2: Application Instructions	13
16.0 Application Submittal	13
17.0 Technical Assistance.....	13
17.1 Notice of Intent to File Application	13
18.0 Confidentiality	14
19.0 Threshold Requirements	14
20.0 Application Review	14
20.5 Evaluation of Regular Economic Development Applications	15
20.51 Project/Financial Feasibility (90 Points Maximum).....	15
20.52 Per Capita Job Creation/Retention (5 Points Maximum)	15
20.53 Project Leverage (5 Points Maximum).....	16
20.7 Evaluation of Special Economic Development Applications.....	17
21.0 Application Appeal	17
22.0 Summary of Application Contents.....	17
23.0 Instructions for Standard Application Forms.....	18
24.0 Guidance for Non-Standard Application Material.....	24
24.1 Business Submittal Documents (when applicable).....	24
24.2 All Business Financials and Personal Financials.....	25
Addendum 1 - Guide to Firm Financial Commitment Letters.....	26
Addendum 2 - Outline of Business Letter of Commitment.....	27
Appendix A - HUD Section 8 Assisted Housing Income Data	30
Appendix B - HUD Disclosure Requirements.....	31
Appendix C - Local Citizen Participation/Public Hearing Notice.....	38
Appendix D - Applicable Laws and Regulations	41
Appendix E - Business Plan Guidelines	52
Appendix F - Suggested Median Fees For Professional Engineering Services and Architectural Services	59
Economic Development Application Forms.....	61

2021 Application Deadlines

Open window January 4 – December 3, 2021.

Applications will be reviewed within a 45-day period.

Economic Development

Part 1: Program Requirements

1.0 Kansas Community Development Block Grant Program

The Community Development Block Grant program is funded by an annual Congressional appropriation through the U. S. Department of Housing and Urban Development. As outlined in the federal statute, the purpose of the program is to develop viable communities by providing decent housing, suitable living environments and expanding economic opportunities, principally for persons of low and moderate incomes.

The Kansas Department of Commerce administers the CDBG program in the non-metropolitan areas of the state. Economic Development is one of the six major program categories under the Kansas program. The other five categories are: Community Facilities, Water and Sewer, Housing, Urgent Need and Commercial Rehabilitation.

2.0 Eligible Applicants

All incorporated cities or counties in Kansas that do not receive an annual CDBG entitlement allocation from HUD are eligible to apply to the Kansas CDBG program. (The following communities receive entitlements and are ineligible to participate in the state program: Kansas City, Lawrence, Leavenworth, Manhattan, Overland Park, Shawnee, Topeka, Wichita and all of Johnson County.) The business operation assisted by the CDBG funding must also be located in a non-entitlement area of the state.

Under the Economic Development category, a private for-profit business or an agricultural cooperative participates with a non-entitlement city or county in the application process. (Under the Infrastructure category, two business entities may participate in the application and grant. See Section 5.2 for details.) The city or county, however, is the legal applicant. The private for-profit business or cooperative must provide financial information and a business plan as part of the application process. If the application is approved, the funds are channeled through the local governmental unit to the entity involved. Similarly, loan payments pass through the city/county to the state or to a specially created local revolving loan fund.

To be awarded funding under the program, the non-entitlement community must also have administrative capacity as demonstrated by timely completion of past projects (see Section 8.0).

All applicants for Economic Development assistance must notify Commerce 10 days prior to submitting an application for funding. The notification may be in the form of a telephone call, e-mail, fax or written correspondence.

3.0 Eligible Activities

Community Development Block Grant funds may be used for infrastructure improvements, land acquisition, site preparation, building construction or renovation, machinery, equipment, lease payments, inventory, payroll and other working capital items. CDBG funds may not be used for bail-outs or financial restructuring. A project funded under the Economic Development category must lead to the creation or retention of permanent jobs in Kansas.

3.1 Project Start Date

Construction or other project activities may not begin until after the Award Letter is signed and the *Request for Release of Funds* is approved by the State. Project activities include all elements that together cause the creation or retention of jobs, not just those activities funded by the CDBG program. For more information about the environmental review process that leads up to the approval of the *Request for Release of Funds* (RROF) see Section 3.6.

3.5 Davis-Bacon Wage Rates

If CDBG funds are utilized in site preparation, construction or renovation of a building, the construction workers and mechanics must be paid the prevailing (Davis-Bacon) wage rates, as determined by the U.S. Department of Labor. If the application is funded, the grantee will have to consult with the Department to obtain wage rate determinations as applicable. Construction of water, sewer, electric and gas lines with CDBG funds also require the use of Davis-Bacon wage rates unless the work is done by city or county employees. Commerce must be contacted concerning the applicability of Davis-Bacon wage rates.

Use of public or private matching funds in the project over \$2,000 triggers Davis-Bacon.

3.6 Environmental Review Process

CDBG-funded projects require an environmental review process under the National Environment Policy Act of 1969 and HUD's implementing regulations, 24 CFR Part 58. This process is the responsibility of the local governmental unit. **(The whole project is subject to environmental review.)** The project consists of all activities that are required to create or retain the jobs, not just the activities or budget line items funded with CDBG money. In most cases, the environmental review process includes notification of various regulatory agencies, publication of findings, a seven-day or 15-day local comment period and a 15-day state comment period. Construction or other activities that would have an adverse environmental impact, or limit the choice of reasonable alternatives, whether funded by private or public sources, cannot begin until the Governor's Award Letter is signed, and the *Request for Release of Funds* is approved.

Cities or counties applying for Economic Development funding must complete an environmental review of the project, and submit the *Request for Release of Funds* certificate, and the supporting documentation to Commerce within 30 days after the application submittal date. Failure to submit this material within 30 days may result in the application being awarded later than scheduled. Similarly, Section 108 projects will not be awarded until the environmental documentation has been received by Commerce and the RROF is approved.

3.7 Real Property Acquisition

If the project involves the purchase of land or buildings, the property transactions must follow the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended. This law is commonly referred to as the Uniform Act. The Uniform Act applies regardless of whether federal grant funds are being utilized for the actual property transaction. The use of CDBG funds in any part of the project triggers the application of the Uniform Act.

3.8 Eminent Domain

Executive Order 13406, which was signed June 23, 2006, prohibits the use of eminent domain in CDBG funded projects that primarily benefit private entities and involve the transfer of property to private parties, other than telecommunications or transportation common carriers. Therefore, local units of government should avoid use of eminent domain in an economic development project if they are anticipating the use of CDBG funds in the project.

4.0 National Objective/Beneficiaries

By federal statute, projects must meet the national objective of principally benefiting low- and moderate-income persons. The beneficiaries of the project are defined as the employees that are hired or whose jobs are retained as a result of the CDBG grant/loan. At least 51 percent of the beneficiaries (employees) being hired or retained must meet HUD's LMI standard. This standard is based on median family income for each county or metropolitan area. (See Appendix A for the family income limits for each Kansas county and metropolitan area.)

Job creation refers to the business entity's (and affiliates) net increase in its permanent labor force in Kansas on a full-time equivalent basis. A job is converted into FTE status by dividing 40 into the number hours worked during the week. Moving existing jobs from one Kansas community to another, or from one company to another, does not qualify as job creation.

Job retention refers to those jobs (on a FTE basis) that would be lost if the business fails to receive assistance from the CDBG program. Prior to the application deadline, the employer must notify those jobholders whose positions are at risk. The application must include a Job Certification Form for each retained job. (See Section 23.0 C for more information on completing Job Certification Forms and employee notification.)

5.0 Regular Economic Development Grants/Loans

Economic Development funds may be used by a local unit of government to provide infrastructure improvements or business financing for a new business locating in or an existing business expanding in, a community. In some circumstances, the local government may provide financing to retain jobs at an existing company. Applications may combine business finance and infrastructure.

The funding ceiling for an application under the regular program are held to the aggregate standard of the public benefit test of \$35,000 per job created or retained with a maximum of \$750,000. The minimum amount of CDBG funds that can be applied for is \$25,000. A company or its affiliates may receive assistance from more than one project in the program year, but the total assistance must not exceed \$750,000 in the program year. In addition to the annual funding ceiling, there is a cumulative limit on assistance of \$1.5 million per community that a company may receive from all the components of the CDBG Economic Development program, except for Section 108 financing.

CDBG funds for grant administration will be limited to 10 percent of the award up to a maximum of \$17,000. These funds will not require repayment on a Business Finance project since they will be used by the city or county to handle administrative responsibilities associated with the project. However, the administrative funds are part of the CDBG award and thus reduce the loan amount available to the business or the amount of infrastructure improvements.

Matching funds are required under the regular Economic Development program. The minimum match level is \$0.50 of non-CDBG funds for every \$1 of CDBG funds. Matching funds can come from private or public sources. The application must document that the various sources of matching funds are firmly committed. Some common examples of matching funds are as follows: bank loans, industrial revenue bonds, owners' equity, contributions from local government and loans or grants from local or regional Economic Development entities. (See Addendum 1 for more information on documentation required to demonstrate commitment of funds to the project.)

Resources injected into the project prior to environmental clearance and release of funds will not qualify as match. (See Section 15.0 for more information about matching funds.)

The business will have 24 months to create or retain the jobs set forth in the application and to achieve the 51 percent LMI national objective.

5.1 Business Finance

Business Finance projects will bear a fixed interest rate of three (3.0) percent below prime, subject to a minimum rate of three and a half (3.5) percent. (See Section 5.3 for the rate applicable for retail/local service businesses.) The term of the loan varies with the type of assets being financed: working capital one-five years, machinery and equipment one-10 years and land and building one-15 years. If the project involves more than one asset class, the term will be based on a weighted average of the terms associated with asset classes involved in the project.

A moratorium on principal is available for up to 18 months of the loan term. The moratorium occurs at the beginning of the loan term. Interest will be charged on the loan balance during the moratorium period. The 18-month or less principal moratorium may be added to the term of a five year loan for a total term of up to six and one-half years. The starting point for the moratorium is the contract signing date.

If the project finishes by the end of the 24 month contract period without any issues, delays, etc., a 25 percent discount will be applied to the principal portion of the loan at the time of project closure.

5.2 Infrastructure

The infrastructure category provides funding for enhancements or new construction of utilities that will enable a private business to create or retain permanent jobs. This includes roads, storm drains, bridges, rail spurs, gas lines, electric lines, water lines, sewer lines and sewer pretreatment facilities. In order to qualify for treatment as an infrastructure activity under the CDBG Economic Development program, the improvements must be owned by a public entity, a regulated utility, a common carrier, or enable other adjacent businesses or the community at large to significantly benefit from the CDBG funded investment.

Two business entities may jointly participate with the local government in an infrastructure project. The payback responsibility, which is implemented through a special assessment, would be shared by the two companies in the same proportion as the pledged jobs.

If infrastructure funding is approved, it will be granted to the city or county that submitted the application. An amount equal to 25 percent of the grant will be paid back by the business or businesses benefiting from the infrastructure improvements over a 10-year period at an interest rate of zero (0) percent. This payment stream will be funded by a special assessment placed on the real property by the grantee. The grantee will then remit these funds to the State's CDBG Economic Development Revolving Loan Fund. (A project involving a retail/local service business will have a different payment requirement. See Section 5.3 for details.) If the project fails to meet the HUD national objective of principally benefiting low- and moderate- income (LMI) persons, the whole amount of the grant will become due and payable. In the event of project failure, the grantee will then issue a notice to the business demanding full payment. If the business does not comply on a timely basis, the grantee will undertake legal proceedings against the business. The State will provide assistance, if appropriate, in any legal proceedings. The grantee is a conduit for the payments, but is not responsible for a shortfall that may ensue.

If the cost of the infrastructure improvement is less than \$10,000 per permanent FTE job created or retained, the national objective is determined by taking into consideration only the jobs created or retained by those businesses for which the project was principally undertaken. If the cost per FTE job is \$10,000 or more, the national objective determination must aggregate all jobs created or retained by all businesses that benefit from the project from the date the funds are awarded to the date one year after the physical completion of the infrastructure improvement. This calculation would also have to include any residential beneficiaries of the infrastructure project.

5.3 Retail/Local Service

Retail or local service businesses are eligible for CDBG funding. However, the city or county submitting the application must certify that the retail or local service business does not have direct competition in the community. The interest rate for a business loan will be set at the prime rate, with a minimum rate of three and a half (3.5) percent. The term would be the same as other Business Finance projects (see Section 5.1). Infrastructure funding for a retail or local service business would require 50 percent of the grant to be repaid at 0 percent. This would be accomplished through a 10 year special assessment placed on the business.

For the purposes of this section, non-retail/local service businesses include the following:

- Manufacturing, refining, processing or assembly facilities,
- Warehouse or distribution centers,
- Value-added agricultural operations,
- National or regional headquarters,
- Call Centers,
- Destination tourist attractions,
- Data processing, computer programming or web-hosting.

All other businesses are considered retail or local service businesses.

5.4 Regular Economic Development Application Process

For the 2021 program year, the Department will accept applications from January 4 through December 3, 2021. Awards will usually be announced within 45 days of the application submittal. Construction, whether funded from private or public sources, may not begin until after the Award Letter is signed, and the *Request for Release of Funds* is approved.

The Department will utilize a formal system to evaluate, rank and select projects for funding. The point system will award points for the following factors:

Project/Financial Feasibility	90
Per Capita Job Creation/Retention	5
Project Leverage	5
TOTAL	100

(See Sections 20.51- 20.53 for further details on the point system.)

6.0 Section 108 Loan Guarantee

Under this program, the U.S. Department of Housing and Urban Development provides a guarantee for notes or other obligations issued by public entities for activities eligible under the CDBG program. In conjunction with HUD's guarantee, the state must pledge its future CDBG allocations to cover any losses that HUD may experience on these loan guarantees. Thus, if a project failed to make a payment, HUD would deduct an equivalent amount from the state's CDBG allocation in the year in which the default occurred.

Section 108 loan guarantees are limited to Economic Development projects that cause the creation or retention of permanent full-time employment. All projects must meet the national objective of benefiting primarily low- and moderate-income persons. The projects must involve a private for-profit organization that has a sufficient financial history to permit a comprehensive risk analysis. All projects must meet the moderate risk underwriting guidelines developed by Price, Waterhouse & Company. A guarantee request must provide evidence that alternative financing sources were unavailable or insufficient to meet the project's financial needs. Undue enrichment of private individuals or private entities will not be allowed.

The maximum amount of the guarantee will not exceed \$7 million. The term of the guarantee will not exceed 10 years. The interest rate is determined in the open market. HUD does not provide any interest subsidy. All job creation and retention must be in place within three years of the execution of the contract. The maximum cost per job is set at \$35,000.

The request for the Section 108 guarantee must be signed by the chief elected official of the local jurisdiction. The request must include assurance that all CDBG regulations have been met, that a resolution has been passed authorizing submittal of the Section 108 loan guarantee and the grantee intends to issue required notes or other certificates of indebtedness upon HUD approval. All terms of a Section 108 loan guarantee are subject to HUD approval.

7.0 Evaluation of Economic Development Projects

The federal statute provides general guidelines to assist the state in the evaluation and selection of Economic Development projects. (See The Housing and Community Development Act of 1974, as Amended: Section 105(c) (1)(E).) The guidelines are as follows:

1. Project costs are reasonable.
2. To the extent practical, reasonable financial support has been committed for such activities from non-federal sources prior to the disbursement of federal funds.
3. To the extent practical, any grant amounts to be provided for such activities do not substantially reduce the amount of non-federal financial support for the activity.
4. Such activities are financially feasible.
5. To the extent practical, such activities provide not more than a reasonable rate of return on investment to the owner.
6. To the extent practical, grant amounts used for the costs of such activities are disbursed on a pro rata basis with the amounts of other sources.

The purpose of the guidelines is to assure that the amount of assistance provided with CDBG funds is appropriate.

8.0 Administrative Capacity

To maintain eligibility for the 2021 program, communities that have received grants in the past must have demonstrated to the state the capacity to administer their CDBG projects in an effective and timely manner. For the 2021 program, a community will be deemed ineligible if it has an open Economic Development grant awarded prior to Jan. 1, 2020 or other CDBG projects awarded prior to Jan.1, 2020. For the purpose of this section, a grant is considered no longer open when all monitoring deficiencies have been resolved and a bona fide Certificate of Completion has been submitted to the Department. The Department will consider a waiver only for those projects that are in court litigation or Economic Development projects where a close-out would force the liquidation of a company.

Communities that have never received a CDBG award from the state will be presumed to have administrative capacity, until they demonstrate otherwise.

8.1 Grant Administrators

Applicants may select the administrator before the grant award is awarded. However, the applicant must follow CDBG procurement policy in hiring an administrator. Also, the contract with the administrator must be contingent on the award of the grant.

One of the key aspects of the administration of a CDBG Economic Development project is to secure and perfect the proper lien position for the collateral on the CDBG loan. The Department's attorney will assist the grant administrator and the grantee on the filing of the UCC Financial Statement with the Secretary of State's Office.

8.2 Administrative Costs

Under the regular Economic Development program, reasonable grant administration costs are eligible CDBG expenditures up to 10 percent of the award or \$17,000, whichever is the lesser amount. These administrative costs must have been incurred after the date of award, except for environmental review costs.

Costs associated with the preparation of an application are ineligible under all circumstances.

8.3 Engineering and Architectural Fees

The use of CDBG funds to pay for engineering and architectural fees will be subject to a median fee schedule originally developed for the annual competition component of the CDBG program (see Appendix F).

9.0 Job Piracy – State

Under this program assistance will not be provided for projects intended to facilitate the relocation of industrial or commercial plants or facilities within Kansas, unless the Secretary of the Kansas Department of Commerce finds such relocation does not significantly and adversely impact the level of employment or the economic base of the community from which such industrial or commercial plant or facility is to be relocated. Moves within a community will not be subject to this provision.

To fulfill this requirement, Commerce will require the city or county where the original site is located to submit evidence that the move of the business from the community will not have a serious negative impact on the community. This includes, but is not limited to, a certified copy of the governing body's minutes or resolution stating that:

1. The relocation will not have a significant economic effect on the community; or

2. The community cannot provide similar facilities and/or conditions offered by the community where the business is proposing to locate.

Even if the Secretary issues a finding that the relocation would have no significant impact, the movement of jobs itself would not constitute job creation. (See Section 4.0 for the definition of job creation/job retention.)

9.1 Job Piracy – Federal

The Housing and Community Development Act was amended in 1998 to prohibit the use of CDBG funds to assist directly in the relocation of any industrial or commercial facility from one area to another area, if the relocation is likely to result in a significant loss of employment in the labor market area from which the relocation occurs. HUD published an interim rule in the Federal Register to interpret and implement this provision. It became effective Feb. 21, 2006.

According to the rule, CDBG funds may not be used to directly assist a business, including a business expansion, in the relocation of a plant, facility or operation from one labor market area (LMA) to another LMA if the relocation is likely to result in a significant loss of jobs in the LMA from which the relocation occurs. For the purposes of this rule, direct assistance to the business includes the provision of utilities, roads, rail, spurs and site preparation. Job loss would be considered significant if the number of jobs lost would be greater than or equal to one-tenth of one percent (0.1%) of the total number of jobs in the labor force. However, in all cases, a loss of 500 or more jobs would be considered significant. Also, a loss of 25 or fewer jobs would not constitute a significant job loss. The new rule also places a time limit of three years on the anti-piracy requirement, i.e., a job will be considered to be relocated if positions are eliminated at an existing operation within three years after the provision of CDBG assistance for a new operation with a similar product line.

If applicable, documentation shall be obtained from the company prior to application submittal as to whether their move to Kansas will trigger the criteria of the above policy.

10.0 Citizen Participation/Public Hearings

CDBG projects require input from local citizens. The applicant must hold a public hearing for each application with adequate notice to the general public. Notices must be published in a local newspaper having general circulation in the community. The notice must be published at least five full days before (starting one day after publication date and not counting the date of the hearing, i.e., a total of seven days) but no more than 20 days before the hearing. The public hearing must be conducted by the applicant's governing body. (See Appendix C for sample of public hearing notice.)

11.0 Program Income

In HUD terminology, program income refers to funds generated from a CDBG-funded project. More specifically, it includes the following:

1. Payments of principal and interest on loans made using CDBG funds;
2. Proceeds from the disposition by sale or long-term lease of real property, machinery, equipment, inventory or other assets purchased with CDBG funds;
3. Income from the temporary use or leasing of properties acquired with CDBG funds;
4. Interest earned on program income pending disposition of such income.

It is important to note that program income does not include interest earned on CDBG funds advanced to the grantee by the Department. Such interest will be remitted to the U.S. Treasury through the Department.

Under the regular Economic Development program, program income is channeled through the grantee (city/county) to either the state or a specially created local revolving loan fund. The requirements for setting up a local fund are stringent. (See Section 11.5 for further details.)

All program income generated from Section 108 loan guarantees will be remitted to the state. Program income remitted to the state will be utilized to fund additional Economic Development projects – or if in excess of a \$5 million balance, it will be transferred to Annual Competition.

11.5 Local Revolving Loan Fund

A local Revolving Loan Fund is a fund specially created by the grantee (a local governmental unit) to handle program income and to re-loan the funds to other projects that meet all the federal and state CDBG requirements. In order for the state to approve the establishment of a RLF, the project must attain the national objective, meet its job creation/job retention targets within the two year performance period and be current on the CDBG loan. All program income generated from projects awarded by the state after Jan. 1, 1989, must meet the “same activity” and “reasonable time” provisions. “Same activity” is defined as another loan to the same business from which the program income was generated. “Reasonable time” is defined as another loan made within three months of the time when principal payments were scheduled to begin on the original loan. Program income on projects prior to this date must meet all federal requirements and follow guidelines consistent with the respective program year.

Local RLF’s must submit semi-annual reports to the Department. All funds retain their identity as CDBG program income in perpetuity, regardless of the number of times they are loaned and repaid. All CDBG requirements remain in effect.

A city or county applicant for any Economic Development project will be required to use any unused balance of their local CDBG Revolving Loan funds, excluding Micro-loan funds, for any project for which state funds are being sought.

12.0 Failure, Default, Restructuring

If the business fails to meet the national objective of benefiting at least 51 percent LMI persons, the state will require immediate repayment of the CDBG loan. If the national objective is met but the job target is not attained, the state may require a prorated portion of the loan to be paid immediately.

If the company defaults on the loan, the grantee (city/county) has the responsibility to undertake collection efforts to recover as much money as possible. This includes liquidating assets and pursuing personal guarantors. However, the city (county) is not responsible for the shortfall that results when the liquidation of assets and the claim against the guarantors generate less money than the loan balance. Loan restructuring or change in ownership requires the approval of the local grantee as well as the state.

13.0 Gap Financing

The CDBG program functions as a source of gap financing. Therefore, the application should include evidence that other avenues of funding, private and public have been explored. The level of CDBG assistance should represent the minimum amount needed to make the project feasible. CDBG funding should not be used to reduce other funding sources in the project (see Section 7.0).

14.0 Local Government Responsibilities

Under the CDBG program, a city or county must serve as the official applicant; if the project is funded, it will serve as the grantee. (The business entity is considered a sub-recipient of the grantee.) As an applicant and grantee, the local governmental unit has several key responsibilities. It must hold a public hearing before submitting an application. The governing body must authorize the chief elected official to submit the application. The applicant must perform an environmental review of the project within the required timeframe (see Section 3.6). Grant administration must be performed by an administrator. Commerce maintains a list of persons interested in administering CDBG grants at this link: [Administrator Territories](#). Even though the grantee contracts with an administrator, the state will hold the grantee responsible for performance.

The grantee is responsible for recording and perfecting a security interest in the collateral as set forth in the loan agreement. The grantee must promptly file UCC financial statements and renew them every five years until the loan is extinguished. If real property is being used as collateral, the grantee must file a mortgage with the register of deeds of the county in which the land is located. The grantee is responsible for receiving loan repayments and transmitting them to the state. In the event of default or failure to achieve a national objective, the grantee must undertake reasonable collection efforts (see Section 12.0).

15.0 Leverage/ Matching Funds

Leverage or matching funds consists of non-CDBG resources injected into the project by the grantee or the business entity and its creditors and investors after environmental clearance and

release of funds. Expected cash flow from future operations does not qualify as match. Loan principal payments will not count as matching funds on infrastructure projects.

The application must document that the various sources of matching funds are firmly committed. Some common examples of matching funds are as follows: bank loans, industrial revenue bonds, owners equity, contributions from local government and loans or grants from local or regional economic development entities. (See Addendum 1 for more information on documentation required to demonstrate commitment of funds to the project.)

In order for non-cash items to qualify as leverage, the value must be established by an independent qualified source such as an appraiser, broker or dealer. Non-cash items include land, buildings, equipment, supplies, raw materials, patents, licensing agreements or marketing agreements. Lease payments will be limited to 24 months, and the owner of the property subject to the lease must be independent from and not have a financial interest in the business entity being assisted by the CDBG funds. Payments for the use of intangible assets, i.e., licensing agreements or patent agreements, will also be limited to 24 months and the intangible asset(s) must be owned by an entity that is independent from and does not have a financial interest in the business receiving assistance from the project. The cost of moving equipment, supplies, raw material and inventory to the site of the project may be counted as leverage if the move takes place after the award date and close of the environmental comment periods.

Conversion of existing debt to equity or the write-down of debt will not qualify as matching funds.

(See Section 5.0 for the leverage ratio requirement for the regular Economic Development financing.)

Part 2: Application Instructions

16.0 Application Submittal

An original and four copies of the application must be submitted to:

Kansas Department of Commerce
Kansas Small Cities CDBG Program
1000 S.W. Jackson St., Suite 100
Topeka, KS 66612-1354

Please send the application package either:

1. Acknowledgement of Delivery (AOD) from United Parcel Service (UPS)
2. Return Receipt Requested from U.S. Mail

This will serve as your notice that the application has been received. No other receipt will be sent.

If applications are hand-delivered, a receipt will be provided.

All applications must be received in our office or postmarked on or before the deadline date. The postmark must be an official postmark of the U.S. Postal Service. Postal meter stamps or private carrier stamps will not suffice. (See Section iii for deadline dates.)

17.0 Technical Assistance

Communities, regional development organizations, certified development corporations and businesses may request information about the program requirements and ask for advice on how to structure a project to make it appropriate for the CDBG program. Application workshops are also provided. Technical assistance can take the form of telephone calls, faxes, office visits or site visits with community and business officials. As time permits, the Economic Development Specialist can also informally review application drafts and give guidance on possible improvements. In the event that an application is turned down, the Economic Development Specialist will be available to discuss deficiencies in the application and give advice on how to revise the application for re-submittal.

For further information and assistance, contact the CDBG Economic Development Specialist at (785) 296-3004.

17.1 Notice of Intent to File an Application

All applicants for Economic Development funds must notify Commerce 10 days prior to submitting an application for funding. The notification may be in the form of a telephone call, e-mail, fax or written correspondence.

18.0 Confidentiality

State law and federal regulations allows certain information of a personal nature to be exempted from public disclosure. This includes such proprietary information as: financial statements and financial projections, business plan, customer lists, supplier lists, distribution channels, product designs, management resumes and personal financial data (K.S.A. 45-215).

19.0 Threshold Requirements

If an application fails to include or properly address the “threshold requirements,” the application will not be advanced to the review committee until all deficiencies are corrected.

The “threshold” items are as follows:

1. The activity must be eligible under the Economic Development set-aside.
2. The applicant must be eligible and have administrative capacity.
3. The application must meet the appropriate national objective.
4. The private for-profit business or cooperative association must be eligible to participate and its commitment must be documented.
5. Leverage requirements must be met.
6. The number of jobs/beneficiaries must be adequate to justify the amount of the request.
7. The citizen participation requirement must be met.
8. Letters of commitment from the various funding sources must be included.
9. The required certifications and assurances must be attached.
10. The project must be scheduled for completion within the required timeframe.
11. The CDBG disclosure report must be included.
12. Standard forms must be used.
13. The application must be signed by the chief elected official, and submitted by the applicable deadline.
14. The piracy issue must be resolved where applicable.
15. The application must contain a resolution approving submission of the grant, signed by the chief elected official.
16. The business plan and financial data must be included.
17. The Residential Anti-displacement and Relocation Assistance Plan Certification must be included.
18. Demographic information on the community must be provided.
19. A map of the project must be included.

20.0 Application Review

All applications that meet the “threshold requirements” listed above will be referred to the review committee for extensive analysis and review. The members of the review committee are composed of Economic Development finance specialists from the Department of Commerce.

20.5 Evaluation of Regular Economic Development Applications

Applications under the regular Economic Development program will be evaluated using a formal point system (see Section 20.51-20.53). Funding decisions will usually be announced within 45 days of the application submittal.

20.51 Project/Financial Feasibility (90 Points Maximum)

Project/Financial Feasibility is the ability of a proposed project to fulfill its financial and programmatic objectives as outlined in the application documents. These objectives include the following: creation or retention of permanent jobs, meeting the national objective of principally benefiting LMI persons, repaying the CDBG loan and fulfilling all other financial obligations involved in the project.

Points will be awarded based on the presentation of material relevant to the project and its objectives. This includes, but is not limited to, the following:

Sources and Uses of Funds	Letters of Commitment
Past Financial Data	Customer Base and Suppliers
Future Financial Projections	Distribution Channels
Strength of Management Team	Business Plan
Ownership and Affiliations	Market Studies
Collateral	Ability to Raise Equity

The management team should have competence in the area of product design, production, marketing and finance.

Applications will also be evaluated in accordance with the criteria set forth in the Housing and Community Development Act (see Section 7.0).

Up to 90 points will be awarded on this factor. In order to receive funding, the project must receive a minimum average score of 55 points from the rating team.

20.52 Per Capita Job Creation/Retention (5 Points Maximum)

Points will be calculated and awarded based on the number of jobs created or retained per capita relative to the average of this measure for all projects awarded in the 2019 and 2020 regular Economic Development competition. Applicants that equal the computed average for the prior two years will receive 2.5 points on this factor. Applicants that exceed this average will receive more than 2.5 points; those that fall below this average will receive less than 2.5 points. The maximum number of points on this factor is 5. The point formula is a linear equation that can be expressed as follows:

Points = 2.5 (x), where x is the ratio of the applicants job per capita figure to the computed average for 2019 and 2020.

The following are examples of some specific point calculations on this factor:

2.0 X 2012-13 Avg.	5.00 points
1.5 X 2012-13 Avg.	3.75 points
1.0 X 2012-13 Avg.	2.50 points
0.5 X 2012-13 Avg.	1.25 points
0.25 X 2012-13 Avg.	0.625 points
0.0 X 2012-13 Avg.	0 points

For the 2021 program, the points will be awarded based on the average of the projects awarded in 2019 and 2020.

20.53 Project Leverage (5 Points Maximum)

Points for leverage are calculated and awarded based on the ratio of non-CDBG funds to CDBG funds in the project. In order to be included in the calculations, the non-CDBG funds must qualify as leverage (see Section 15.0). The minimum of non-CDBG/CDBG funds ratio is 0.5/1. Projects receive points for exceeding the minimum requirement up to a maximum of 5 points, which is achieved at a ratio of 4.5/1.

The point formula can be expressed as a linear equation as follows:

$$\text{Points} = -0.625 + 1.25 (\text{non CDBG } \$/\text{CDBG } \$)$$

The following are examples of some specific point calculations on this factor:

4.5/1	5.00 points
3.5/1	3.75 points
2.5/1	2.50 points
1.5/1	1.25 points
1.0/1	0.625 points
0.5/1	0 points

The point award for leverage is designed to be a simple calculation that takes the numbers directly off the application summary page. However, if the review team disqualifies any components of the leverage, the point assignment will be based on the adjusted numbers.

For 2021, 5 points will be assigned on this factor.

20.7 Evaluation of Special Economic Development Applications

Applications for Section 108 loan guarantees will be reviewed on an individual stand-alone basis. Applications will be accepted at any time from Jan. 4 to Dec. 3, 2021. Because of the “open window” process, applicants will be allowed to augment or amend the application while it is under review. A formal point system will not be utilized. However, the same criteria and issues set forth in Section 7.0 and Section 20.51 will be utilized.

21.0 Application Appeal

An unsuccessful applicant may meet with the CDBG staff for review of the application. When an applicant appeals a rating score, the following procedures will be followed.

1. An appeal will be allowed only on the basis of a numerical miscalculation.
2. An unsuccessful applicant has 30 days after receiving notification that its application has been turned down to submit a written appeal to the Director of the Business and Community Development Division, Kansas Department of Commerce. The written appeal must be supported by a resolution from the applicant’s governing body and signed by its chief elected official.
3. The Division Director shall answer the appeal in writing within 20 days.
4. The applicant may appeal the Division Director’s decision by making a written appeal to the Secretary of Commerce within 30 days of the written decision of the Division Director. The Secretary shall answer the appeal request within 10 working days. The Secretary’s decision is final.

22.0 Summary of Application Contents

1. **Application Summary Form** *
2. **Affidavit of Public Notices** *
3. Statement of Assurances and Certifications
4. Project Administration and Reuse of CDBG Funds
5. Project Low- and Moderate-Income Benefit Form (Jobs Created)
6. Project Low- and Moderate-Income Benefit Form (Jobs Retained)
 - a. Employee Certification Forms
 - b. Employee Notification
7. Project Business Description Form, or equivalent
8. Project’s Need for CDBG Assistance
9. Project Source and Use Form
10. Itemized Summation of Expenditures
11. Aging of Accounts Receivable and Payable
12. List of Obligations
13. Management Resumes
14. Personal Financial Statement(s)
15. Business Financial Statements and Projections
16. Business Plan

*** The total project funding and CDBG amount requested must match what appears in the public hearing notice.**

17. CDBG Disclosure Report
18. Resolution Authorizing Submission of Application
19. Attachments and Supporting Documentation
 - a. Itemized Summation Form must be supported by cost breakdowns with estimates and appraisals, if appropriate
 - b. Financial commitment and denial letters
 - c. Company commitment letter
 - d. Letters of support, particularly from customers including transaction volumes
 - e. Customers and suppliers
20. Demographic Information for Civil Rights Compliance
21. Residential Anti-Displacement and Relocation Assistance Plan certification
22. Maps of project
23. Project spending acknowledgement

23.0 Instructions for Standard Application Forms

A. Application Summary Form

The Application Summary Form should be the first page of all applications. The form contains a summary of pertinent information about the CDBG application. The summary form must also contain the signature of the chief elected official of the local government (Mayor or Chairman of the Board of County Commissioners).

Instructions:

1. Applicant: Include the legal name of applicant (city or county), along with the complete mailing address and telephone number of the applicant. The mailing address should be the location for all official correspondence regarding the application and possible grant award. The county in which the applicant is located must also be indicated.
2. Local Contact Person: Provide the name, title and telephone number of the local contact person. Questions or concerns about the application will be addressed to this person. The chief elected official will be the sole contact in the case of non-award.
3. Project Type: Indicate the project type by checking the appropriate category or categories.
4. Citizen Participation: To verify that the citizen participation requirements have been met, indicate the newspaper of general circulation in the area in which the public hearing notice was published. Also indicate the date the notice was published and the date of the public hearing. The affidavit of publication must be included with the application.
5. Proposed Description: Applicant should provide a brief description of the proposed project. It should include the business name and its major product or products.

6. **Proposed Funding:** All sources of project funding should be provided. The first three lines of this section should indicate the amount of the CDBG funds requested for the project. The following lines (a-d) should indicate all other sources of funding and include the source of funds, the contact person, the telephone number and the amount of funds being provided. The applicant should also provide a subtotal of all other funding sources and the total project funds in the space provided (see e and f).
7. **Project Benefit:** The applicant must identify the total number of jobs committed to be created/retained, the number of LMI jobs committed to be created/retained and calculate the percentage of LMI jobs created/retained by dividing the number of LMI jobs by the total number of jobs. As an additional note, jobs to be retained will only be counted if the applicant provides evidence that the jobs will be lost if the project is not funded. As an example, retained jobs could be counted if there was substantial evidence that the business entity would be forced to close if CDBG funds could not be obtained for the project. Examples would be letters to employees notifying them that continuation of their job is contingent upon the business receiving the outside funding or of a newspaper notice that a given number of jobs with the company will be eliminated or the business will close its doors unless funding is obtained.
8. **Project Beginning and Ending Dates:** Indicate the beginning and ending dates for the project and the number of month's duration. Important: Project duration is limited to 24 months for the regular program. The Section 108 has a three-year duration.
9. **HUD Disclosure Report:** If the applicant is applying for more than \$200,000 of CDBG or other HUD funds, the entire form must be completed. If this CDBG request plus other HUD funded projects or applications are less than \$200,000, only the first part of the report must be included. (See Appendix B for details.)
10. The applicant must provide the name of its State Representative, State Senator and U.S. Representative.
11. The chief elected official (Mayor or Chairman of the Board of County Commissioners) must sign the Application Summary form and certify that the applicant will comply with all applicable state and federal laws relating to the CDBG program. The chief elected official (Mayor or Chairman of the Board of County Commissioners) must sign the Resolutions of Submission of the Application. At least one complete application must contain all original signatures.

B. Project Administration

This form provides information on the applicant's prior experience in administering CDBG Economic Development projects.

Instructions:

1. Fill in the table as indicated for ALL previous CDBG Economic Development grants. The Grant ID Number should include the two-digit year of the grant award, the type of grant (IN = infrastructure, BF = business financing, FI = business finance and infrastructure) and the two-digit project number. Percent complete should indicate the project's current stage of completion. Other columns in the table are self-explanatory.

2. Include any explanation the applicant feels is appropriate for projects listed in the table in which problems were encountered. Please limit this explanatory material to the space provided.
3. Name any party, except regular employees of the applicant, who helped prepare the application.
4. Does the applicant expect to handle its own grant administration or will it contract with an outside party?

C. Project Low- and Moderate-Income Benefit Form

Separate Low- and Moderate-Income Benefit forms will have to be submitted for the group of “Jobs Created” and for the group of “Jobs Retained.” The words “Not Applicable” should be written across either of these forms that are inappropriate.

Instructions:

1. Job Title/Classification: The Applicant should provide a brief job title or classification for the jobs that will be created or retained during the course of this project, e.g., welders, assemblers, maintenance supervisors and shipping clerks.
2. Number of Jobs Created/Retained: For each job title/classification, indicate the number of jobs that will be created or retained on a full-time equivalent basis. Based on a 40-hour work-week, jobs are converted into FTE status by dividing the number of hours worked by 40: For example, a job that provided 30 hours of work would be listed as .75 FTE ($30/40 = 0.75$).
3. Number of Jobs Counted as LMI: Provide the number of jobs included in Column 3 which are to be counted as jobs for low- and moderate-income individuals (see Section 4.0 and Appendix A).
4. Salary Level: Indicate the entry level hourly wage or salary for each job classification listed in the first column. This can be expressed as an annual salary or an hourly wage as appropriate.

NOTE: All applicants retaining jobs must provide Employee Certification Forms verifying that LMI requirements are met for the retained jobs (a sample form is included in this booklet in the Forms Section after the NDC Format Financials). Such applicants must also clearly and objectively demonstrate that without CDBG assistance, the jobs would be lost. Examples of acceptable evidence are: (a) the issuance of a public notice that a given number of jobs will be eliminated or that the business will close if a grant is not received or (b) the notification of employees who would be affected in the event the grant is not awarded.

D. Project Business Description Form

The information to be provided on the Project Business Description Form should describe the employment and operating history of the participating private entity, which employs or will employ, a direct beneficiary of the CDBG project as claimed in this application.

Instructions:

1. **Name of Business:** Enter name, address, phone and contact person of the entity receiving assistance or benefit from the project described in the application. Also provide the North American Industry Classification System code that best represents the business.
2. **Legal Structure:** Indicate whether the entity is a sole proprietorship, general or limited partnership, limited liability company, C corporation or S corporation.
3. **Business Ownership:** List all owners that have a five percent or greater interest in the firm, and their respective ownership percentages.
4. **Business Management:** Identify key management personnel by name and position held.
5. **Business and Professional Affiliations:** Identify any subsidiary or parent relationships the private entity may have with other businesses or corporations. Include any professional organization or society that may show the management's knowledge of the industry.
6. **Business History:** Provide a brief description of the company's history and how it has changed over time.
7. **Operation and Product Line:** Indicate whether the business is a manufacturing, service, wholesale, developer or other type of operation and briefly describe the range of products produced or distributed or services provided. Describe any new product lines to be added, if any, as a result of this project.
8. **Markets:** Address generally the geographical market(s) in which the company is positioning itself, e.g. market size and expected market share.
9. **Employment History:** Indicate the number of full-time equivalent employees working in each of the most recent 12 months, and the average monthly employment during that period.

E. Project's Need for CDBG Assistance

This form provides the applicant the opportunity to describe why the project needs CDBG funds. If the business owners' personal financial statements suggest available assets exist, explain fully why CDBG funds must be used instead of the personal assets.

Instructions:

1. Business Financing: Applications for business finance should include answers to the five questions on the form with supporting documentation. Attach additional sheets as necessary.
2. Public Infrastructure: Infrastructure applications should answer the three questions on the infrastructure form. Attach additional sheets as necessary.
3. Combined: If the application combines business finance and infrastructure, both forms should be completed.

F. Project Source and Use Form

The Project Source and Use Form summarizes project funding sources and explicitly identifies how each activity will be financed. A given activity may be paid for with more than one funding source, but those sources and the individual amount committed must be explicitly identified.

Instructions:

1. CDBG Amount Requested: Enter the amount of CDBG funds requested for this project by the three major categories: Business Finance, Infrastructure and Administration. For Business Finance indicate the interest rate, term, collateral and the CDBG lien position on the collateral. A principal moratorium of up to 18 months is available on business finance loans. This would be included in the term of the loan.
2. Other Sources of Funds: List the sources of funds which will leverage the CDBG funds such as those from the city, bank, business entity or other private or public sources (including program income). Also include the amount, interest rate, term, collateral and lien position for each source. Only those funding sources for which commitment letters are included as attachments will be counted in the application. (See Addendum: Guide to Firm Commitment Letters.)
3. Total Project Funding: Enter the amount listed under numbers 1 and 2 above.
4. Uses of Funds: List separately for each use of funds, the total cost of each use and the amount to be paid for by each source; list the totals at the bottom of each column. Totals should match the amounts listed in numbers 1, 2 and 3.

The uses of machinery and equipment should be disaggregated. Working capital should be divided between payroll, inventory and other. The "Other" category should be used for project expenditures that are not logically contained in any of the other line items.

G. Itemized Summation of Expenditures Form

List specific expenditures within each category shown on the Project Sources and Use Form.

For example: e. Machinery and equipment

1. Bench Press \$15,000.00
2. Drill Press \$ 9,000.00

No single item with a value of less than \$5,000 should be listed separately. Such items should be aggregated in another category. If necessary, an attached detailed listing should be provided. If the project involves a need for working capital, provide a detailed explanation and breakdown of the need and use of these funds. Documentation must be included which illustrates how the dollar amount needed in each working capital sub-category (e.g., inventory, payroll) was determined.

H. Aging of Accounts Receivable and Payable

Accounts Receivable should be broken down by time period: under 30 days, 30-59 days, 60-89 days, 90-119 days and 120 days and over. The total should equal the number on the most recent balance sheet. The percentages should total to 100 percent. If the company's accounting system tracks receivables with different time-period breaks, the form may be modified to reflect the company's normal periods.

Accounts Payable should be presented in the same fashion as Accounts Receivable.

I. List of Obligations

List of Existing Obligations: List all long-term leases, notes, loans and mortgages payable by the business and its corresponding collateral and payment terms. Do not include trade credit, unless it has been converted into a note payable. This information should correspond to data found on the balance sheet.

List of Proposed Obligations: List all of the new financial obligations that will arise if the application is funded and the project becomes operational. For multi-plant organizations, the proposed obligations listed here should be limited to the proposed obligations of the new project.

J. Management and Owners Resume

The application should contain information on the professional experience of the management and ownership team. This includes all owners that hold a 20 percent or greater financial interest in the company.

K. Personal Financial Statements Credit Check Permission and Personal Guarantees

All persons that have a 20 percent or greater stake in the company must submit a personal financial statement. Except for corporate entities with large assets and equity, an application will normally require personal guarantees for all owners of 20 percent or more. All persons meeting the above criteria will be required to give written permission for a credit check. (See “Authorization For Credit Check” form.)

L. Start of Project Spending Acknowledgment

Project funds, both public and private, are subject to environmental review under the National Environmental Policy Act of 1969, and HUD regulations (24 CFR Part 58) that implement the Act for CDBG projects. Expenditure of project funds, private or public, before the environmental clearance is approved by the Department of Commerce will cause the grant of CDBG funds to be rescinded. In order to communicate the importance of the environmental review process, an authorized representative of the business is required to sign a statement that indicates that he (she) understands that expenditure of project funds should not occur before the approval of the environmental clearance. (See “Start of Project Spending Acknowledgment” form.)

24.0 Guidance for Non-Standard Application Material

To verify the Threshold, Impact and Feasibility Factors in the application, the applicant must submit supporting documentation as appropriate. Please refer to these documents in the narrative sections of the application for reference purposes.

24.1 Business Submittal Documents (when applicable)

1. Business Letter of Commitment (see Addendum 2 for suggested outline).
2. Start of Project Spending Acknowledgment (see Section L above).
3. Firm written commitments from each lender and investor, or other source of project funding (see Addendum 1 for guidance).
4. If land and/or buildings are being acquired, provide copies of purchase options or agreements that provide evidence the property can be acquired at the cost indicated in the application. Required appraisals that document the purchase price based on the fair market value of the property being acquired should remain on file with the applicant. A summation of the findings of that appraisal should be submitted in letter form from the appraiser. All acquisitions must follow the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, (Uniform Act).

5. If a building is being constructed or renovated, provide copies of the written cost estimate from a reliable contractor(s) or architect(s). Attach one copy of the plans and/or specifications to the original application. If the borrower intends to be his/her own general contractor they must provide a third party cost verification from an architect or contractor. As a reminder, construction may require the payment of Davis-Bacon wage rates as provided by the U.S. Department of Labor.
6. If the project involves the acquisition of new machinery and equipment, attach a copy of the written cost estimate from the reliable vender(s) who can provide the machinery and equipment. If moving and installation costs are involved beyond the purchase price, obtain written estimates and attach a copy.
7. If the project involves infrastructure improvement, attach copies of written engineering estimates; briefly justify cost reasonableness.
8. Applicants are required to submit one copy of the map of their jurisdiction that includes the project area. Applicants must provide a map showing the location within the community of the project area that includes major highways and roads within the applicant's jurisdiction and should be on an accurate scale. The applicant should insure that the map is consistent with information provided in the project description in the application.
9. Applicants must provide the names/addresses/phone numbers/contact persons for at least five customers and three suppliers.
10. Properly completed Employee Certification Forms for all retained jobs being claimed and evidence that retained employees have been notified of their status.
11. A formal business plan is required. (See Appendix E for Business Plan Guidelines that would be helpful for small businesses.)
12. Other required documentation as is necessary to support information supplied in the application.

24.2 All Business Financials and Personal Financials

To demonstrate the ability to repay the CDBG loan and create or retain jobs, the borrower must submit financial information that indicates the company has the ability to generate cash flow in excess of debt service on the proposed loan or other assistance.

An established business must provide financial statements for the three most recent fiscal years and projected financial statements for the next three years. This includes the Profit and Loss Statement, Cash Flow Statement and the Balance Sheet. Audited financial statements are preferred. If not available, the business should present its financial data using the NDC format, or something comparable. The NDC forms are located at the back of the forms section.

A new business with less than three (3) years of operating experience must provide historical data as available. It must also provide the same projections as an established business (see above).

For closely-held companies, personal financial statements of all major principals owning a 20 percent or greater share in the business participating in the application are required. Indicate in the business Letter of Commitment the principal's willingness to personally guarantee the loan. Usually all owners with a 20 percent or greater ownership percentage will be required to provide personal guarantees. If the project involves a limited partnership, submit the personal financial statements of the general partner or the corporate financials if the general partner is a corporation. Credit checks will be run on all persons that own 20 percent or more of the company.

Documentation submitted to Commerce for an application should also include footnote disclosure, explanation of all transactions between the company and owners, lawsuits and other information that would have a significant bearing on a lender's evaluation of company financial statements.

Addendum 1

Guide to Firm Financial Commitment Letters and Documentation

There are a variety of funding sources that can be used to achieve the matching requirement. The most common sources are bank loans, revenue bonds, equity injection, loans from public sector revolving funds and contributions from local government or Economic Development entities. In order to count as match, there must be a firm commitment in place for these funding sources.

Bank Financing

The commitment letter should indicate that the loan has been approved by the individuals or committee that has the authority to make such a loan. The letter should contain a specific dollar amount, interest rate, term and collateral. It should also outline any conditions for making the loan. It is acceptable to make the loan contingent on CDBG funding. If a line of credit is being used as match, it must be quantifiable as a percentage of accounts receivable, inventory or equipment.

Revenue Bonds

A firm commitment to use revenue bonds in the project should include the following elements:

1. An executed inducement resolution indicating the governing body's willingness to issue bonds;
2. A letter from bond counsel that verifies that the issuer has authority to issue tax exempt bonds for the project;
3. A letter from the investment bank indicating that it will handle the bond issue. It should indicate the amount of the issue, term, the expected interest rate and the collateral.

Equity Injections

The commitment letter should contain the amount, the timing of the investment, ownership rights or any conditions on making the investment. It may be contingent on CDBG funding. If the equity injection is coming from a private individual, partnership or a closely held company, the investor must provide a current personal, partnership or corporate financial statement indicating the capacity to make the investment.

Public Sector Loans

The commitment letter should indicate that the loan has been approved by the individuals or committee that has the authority to make such a loan. The letter should contain a specific dollar amount, interest rate, term and collateral. It should also outline any conditions for making the loan. It is acceptable to make the loan contingent on CDBG funding.

Contributions from Local Government or Economic Development Entities

The commitment letter should clearly indicate what is being contributed to the project. It should also indicate any performance measures that must be met to avoid repayment. A local government commitment letter should be signed by the mayor, city manager or chairman of the county commission. If an Economic Development entity is providing assistance to the project, the letter should be signed by the entity's chief executive or board chairman.

Addendum 2

Outline of Business Letter of Commitment

The Business Letter of Commitment should be no longer than one and one-half to two pages and should be signed by the chief executive officer of the company. The purpose of the letter is to acknowledge and to verify the information presented in the grant application and to verify that the project will go forward if the CDBG grant is approved. The letter in no way intends to legally bind the business to any action. The applicant (city or county) may wish to help the borrower to write the letter. The borrower's letter should include the following information:

1. Overview Summary (One Paragraph)

Describe the project (plant expansion, open a business, etc.)

Mention the total project cost

Mention the total jobs to be created or retained

Mention the total dollar amount of leverage that will occur if the CDBG grant is approved

2. Use of Funds (Two Paragraphs)

In paragraph one, describe the total use of funds in the project in summary form as follows:

Acquire Land/Building	\$ _____
Construct/Renovate Building	\$ _____
Acquire Machinery and Equipment	\$ _____
Other	\$ _____
Total Project Cost	\$ _____

In the second paragraph, list the documents that are separately attached verifying the use of funds (e.g., purchase options, appraisals, cost estimates, etc.).

3. Sources of Funds (Three Paragraphs)

In the first paragraph, describe the sources of financing that are committed to the project. List each source and state the amount, rate, term, repayment schedule and collateral of each source. End the paragraph mentioning which commitment letters are attached to the application.

In the second paragraph, describe the amount of equity or down payment that the company or its principals are providing. Briefly describe why the borrower or the principals cannot or will not provide additional funds from their own sources (satisfactory reasons include the need to reserve cash for working capital, the exhaustion of resources, an inadequate rate of return, etc.).

In the final paragraph, describe the CDBG loan that is being requested including amount, rate, term (including any moratorium on principal), the repayment schedule and collateral offered including personal guarantees if appropriate.

4. Financial Feasibility and Capability (One Paragraph)

In this paragraph the borrower should verify that he/she is confident the project will be successful. Comment on the capability of the contractor who will construct the project (if appropriate). Indicate why market feasibility exists. Refer to the expertise and financial capacity of the borrowing company. End the paragraph by mentioning the financial documents which are attached which verify financial capacity (historical financials, personal financials, projections, etc.).

5. Meeting Program Objectives (One Paragraph)

In this paragraph, the borrower would verify the job impact of this project by mentioning:

- The total jobs to be created
- The number of jobs which will be available to low- and moderate-income persons

Documentation (as described in the "Attachments and Supporting Documents" section of these guidelines) of the company's willingness to use Job Services, WIA or other jobs training programs must be provided prior to execution of a grant agreement between the local government and the state.

6. Readiness and Intent to Proceed (One Paragraph)

In this last paragraph, the borrower should certify that the project is ready to go and will go forward if the CDBG loan is approved. In this paragraph, state the following:

- Anticipated start and completion dates
- That permits, licenses and zoning clearance have been obtained or can be obtained without legislative action (e.g., a zoning waiver, etc.)
- That the borrower is willing to abide by all CDBG regulations
- That the borrower knows of no reason why the project cannot go forward immediately
- That the borrower intends to proceed immediately upon approval of the CDBG loan

Appendix A
HUD Section 8 Assisted
Housing Income Data

The latest HUD income limits can be found at the Kansas Department of Commerce website:
[KansasCommerce.gov/CDBG](https://www.kansascommerce.gov/CDBG).

Appendix B
CDBG Disclosure Requirements

Disclosure Requirements

On March 16, 1991, HUD published in the Federal Register a final rule entitled, “Accountability in the Provision of HUD Assistance.” This rule was amended on January 16, 1992. This final rule implements Section 102 of the HUD Reform Act of 1989. Section 102 contains provisions to ensure greater accountability and integrity in the way in which HUD assistance is made available.

Subpart C of Section 102 is applicable to Commerce administered CDBG program. Subpart C requires certain applicants for CDBG assistance to make a number of disclosures. Since Subpart C applies to all CDBG applications that are submitted after March 16, 1992, all applicants will be required to submit a Disclosure Report with the applications. It is hoped that the following provides a general understanding of the disclosure requirements. Please review this material and the attached Disclosure Form and Instructions carefully. If you have any questions, please contact the Department of Commerce at (785) 296-3004, TTY (785) 296-3490.

Subpart C of 24 CFR Part 12 requires applicants for state-administered CDBG funds to make a number of disclosures if they meet a dollar threshold for the receipt of certain covered assistance.

Who Must Make the Disclosures?

Full Disclosure Reports must be made by the following:

- ⇒ Any applicant applying for more than \$200,000 of CDBG funds.
- ⇒ Any applicant applying for less than \$200,000 of CDBG funds, but has received or could receive other covered assistance when added to the CDBG funds exceeds \$200,000.

An applicant is applying for CDBG funds amounting to \$200,000 or less, and will not be receiving other covered assistance, is not required to make full disclosures, but must complete and submit Part I of the Disclosure Report with its application.

Guidance Regarding Disclosures

Applicants must submit an initial Disclosure Report with their CDBG applications. Those applicants required to submit full initial reports must also submit update reports as required by Section B below.

A. Initial Reports

Applicants required to submit full initial reports must disclose the following:

1. Other government assistance (federal, state, and/or local) that is to be used in conjunction with the CDBG project.
2. The pecuniary interest of any developer, contractor, or consultant involved in the application for CDBG assistance or in the planning, development, or implementation of the CDBG project.

3. The pecuniary interest of any other person in the project that exceeds \$50,000 or 10 percent, whichever is lower, of the CDBG assistance applied for.
4. The sources of all funds to be used in the project (including those sources identified for Number 1 above) and the uses to which these funds are to be placed.

B. Update Reports

Subsequent to the submission of CDBG applications, those applicants/grantees that are required to submit full initial reports are required to submit updated Disclosure Reports at any time any of the following occurs:

1. The applicant/grantee discovers that information was omitted from its initial report or last update report.
2. Additional persons or entities can be identified as interested parties. These are persons or entities that did not have a pecuniary interest when the initial or last update report was submitted, but who can now be identified as having a pecuniary interest that is required to be reported.
3. There is an increase in the amount of pecuniary interest of a person or entity identified in the last report, if this increased pecuniary interest is more than \$50,000 or 10 percent (whichever is lower) of the pecuniary interest (for that person or entity) listed in the initial or last update report.
4. There is a change in other government assistance from that which was provided in the last report. An updated report must be submitted if the total amount of other assistance reported in the initial or last update report has increased by \$250,000 or 10 percent (whichever is lower).
5. There is a change in the source and/or use of funds from that which was provided in the initial or last update report that exceeds the amount of all previously disclosed sources and/or uses of funds by \$250,000 or 10 percent (whichever is lower).

Grantees must constantly monitor their projects to ensure that an updated Disclosure Report is submitted within 30 days of any change meeting one of the five criteria discussed above. Updated reports are required until the project is closed out.

Commerce Responsibilities

Commerce is prohibited from contracting CDBG funds to a local government applicant until that applicant has submitted a Disclosure Report.

Commerce must make all initial and updated Disclosure Reports available to the public for five years. Commerce will notify the public that it retains applicant/grantee Disclosure Reports for the state-administered CDBG program and provide information on how the public may obtain access to this material.

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.

Applicant/Recipient Disclosure/Update Report

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).

Yes 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

Yes 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:

Date: (mm/dd/yyyy)

Form HUD-2880 (3/13)

Appendix C
*Local Citizen Participation/
Public Hearing Notice*

Local Citizen Participation

Local government applicants are required to meet citizen participation requirements each year prior to submission of an application to Commerce.

The applicant must hold one (1) legal public hearing for each application submitted during the program year. If an application is re-submitted within the same program year, it is not necessary to hold another public hearing, unless there are material changes in the application. Material changes would include such things as: amount of funds requested, job targets, location or activities. The purpose of the public hearing is to allow citizens to express their opinions of the proposed project. The local governing body should consider these comments before final submission of the application.

Applicants must provide adequate notice of the public hearing in a timely manner, accessible and understandable to all citizens. **Notices shall be published in a local newspaper having general circulation in the community.**

Each notice shall be published **at least** five full days before (starting one day after publication date and not counting the date of the hearing, i.e., a total of seven days) but **no more** than 20 days before the date of the hearing. Public hearings must be conducted by the applicant governing body.

The hearing must be held at a time and location convenient to potential or actual beneficiaries, with accommodations for persons with disabilities. Public hearings shall be conducted in a manner to meet the needs of non-English speaking residents where a significant number of non-English speaking residents can reasonably be expected to participate.

A hearing must be held to address **the specific project application** that will be submitted. The notice **must contain a description of the proposed project, proposed project location, job target, activities to be carried out and total estimated cost of activities.** The notice must include the grant amount requested and the total project cost. The application grant amount may not exceed the amount shown in the notice.

The local government should consider any comments or views on the proposed application before submission to the state.

The following public hearing notice is a sample that may be used by the applicant. Notices failing to include the information specifically required in the instructions above may not meet the threshold requirements of public participation.

NOTE: If funded, a second public hearing must be held prior to close-out to allow public comment on grant performance.

**Sample Public Hearing Notice
Economic Development Applications**

The City/County of _____ will hold a public hearing on (day), (date), at (time), in the (location), for the purpose of considering an application to be submitted to the Kansas Department of Commerce for Small Cities Community Development Block Grant funds under the Economic Development category. A specific project application to be discussed is (type of business and proposed location with address). The funds will be used to (list of activities) and will create or retain _____ jobs. The estimated project cost is \$_____ of which \$_____ will be requested from the CDBG program. Other project proposals introduced at the hearing will be considered. Oral and written comments will be recorded and become a part of (City/County) CDBG Citizen Participation Plan.

Reasonable accommodations will be made available to persons with disabilities. Requests should be submitted to _____ **by (date)**.

Appendix D
Applicable Laws and Regulations

Applicable Laws and Regulations

There are a number of federal and state regulations that jurisdictions receiving Community Development Block Grant funds must follow. These laws cover a wide range of activities, such as labor practices, environmental impacts and civil rights. Listed below are some of the more important laws and regulations that could apply to projects involving CDBG funds. This is a preliminary list and by the time funds are released, it could change, depending upon actions by the federal government. Each regulation is annotated to give the applicant some idea of the requirements that must be met. Since this is only a summary and is not meant to be a comprehensive description of each law, please contact the Kansas Department of Commerce if you need more detailed information. We will keep applicants informed of any changes in this list as we learn of them.

FEDERAL LAWS AND REGULATIONS

Fair Housing Amendments Act of 1988

CDBG grant recipients must comply with the provisions of "Fair Housing Amendments Act of 1988." The act provides that no person in the United States shall, on the grounds of race, color, religion, sex, sexual orientation, gender identity or national origin, disability, or familial status be denied the benefits of, be excluded from participation in, or be subjected to discrimination under any program or activity receiving federal financial assistance.

Public Law 90-284, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601 et seq.)

Grant recipients shall comply with the provisions of "Public Law 90-284," which refer to Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601 et seq.). The law states that it is the policy of the United States to provide, within constitutional limitation, for fair housing throughout the United States and prohibits any person from discriminating in the sale or rental of housing, the financing of housing, or the provisions of brokerage services, including in any way making unavailable or denying a dwelling to any person, because of race, color, religion, sex, or national origin. The grantee must administer programs and activities relating to housing and urban development in a manner which affirmatively promotes fair housing.

Executive Order 11063, as amended by Executive Order 12259 (24 CFR Part 107)

CDBG grant recipients must comply with the provisions of Executive Order 11063, as amended by Executive Order 12259, which direct the recipient to take all action necessary and appropriate to prevent discrimination because of race, color, religion, creed, sex, or national origin.

Title VI of the Civil Rights Act of 1964

Recipients must comply with Title VI of the Civil Rights Act of 1964 that states, no person shall, on the grounds of race, color or national origin, be excluded from participation in, be denied the

benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

Section 109 of the Housing and Community Development Act of 1974, as amended

Recipients must comply with the provisions of Section 109 of the Housing and Community Development Act of 1974 which require that no person in the United States shall on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with Community Development funds made available pursuant to Title I of the act.

Age Discrimination Act of 1975, as amended (42 U.S.C. 6101 et seq.)

CDBG recipients shall comply with the Age Discrimination Act of 1975, as amended, which provides 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 funding assistance.

Section 102 of the Housing and Urban Development (HUD) Reform Act of 1989 (24 CFR Part 12)

Recipients must comply with the provisions of Section 102 of the HUD Reform Act of 1989 if the recipient receives at least \$200,000 in covered assistance from HUD, states or local units of government, during the fiscal year in which the application is submitted. This requires the recipients to disclose:

- assistance from other government sources in connection with the project;
- the financial interests of persons in the project;
- the expected sources and uses of funds that are to be made available for the project or activity.

Section 104(1) of the Housing and Community Development Act, as amended

Section 104(1) provision states that no CDBG funds may be obligated or expended to any unit of general local government that fails to adopt and enforce a policy of prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any 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.

Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794)

Recipients must comply with Section 504 of the Rehabilitation Act of 1973, as amended, which provides that no otherwise qualified individual shall, by reason of his or her handicap, be solely excluded from participation (including employment), denied program benefits, or be subjected to discrimination under any program or activity receiving federal assistance funds.

Americans with Disabilities Act (ADA) (P.L. 101-336; 42 U.S.C. 12101)

ADA provides disabled people access to employment, public accommodations, public services, transportation, and telecommunications. The ADA extends Section 504's mandate of non-discrimination based on disability to most of the private sector and to state and local government agencies not covered by Section 504. Recipients of federal assistance should note that the ADA complements, but does not replace, Section 504.

Section 3 of the Housing and Community Development Act of 1968 (12 U.S.C. 1701(u))

CDBG grantee shall to the greatest extent feasible, comply with the provisions of Section 3 of the Housing and Urban Development Act of 1968 when planning and implementing projects assisted by a CDBG. Section 3 requires opportunities for training and employment be given to lower-income persons residing within the unit of local government or the non-metropolitan county in which the project is located, and that contracts for work in connection with the project be awarded to eligible business concerns which are located in, or owned in substantial part by residents of the project area. The recipient must assure good faith efforts toward compliance with the statutory directive of Section 3.

Executive Order 11246, as amended

CDBG recipients must comply with Executive Order 11246, as amended, which provides that grantees and any subcontractors shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin and shall take affirmative action to assure same.

Section 110 of the Housing and Community Development Act of 1974, as amended

CDBG recipients shall comply with the provisions of Section 110 of the Housing and Community Development Act of 1974, as amended through 1983. These provisions require that in all construction contracts all laborers and mechanics assisted under the act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act as amended (40 U.S.C. 276-a-276a-5). The exception to this is for rehabilitation of residential property which is for use by less than eight families.

Davis-Bacon Act, as amended (40 U.S.C. 276a-s), Section 2; June 13, 1934, as amended (48 Stat. 948.40 U.S.C. 276(c)), Popularly Known as the Copeland Act

Recipients shall comply with all amendments of the Davis-Bacon Act, including the Copeland Act, which requires that all laborers and mechanics be paid unconditionally and at least once a week with only "permissible" salary deductions. Wage rates must be not less than those contained in the prevailing local wage determination issued by the U.S. Department of Labor.

Contract Work Hours and Safety Standards Act (40 U.S.C. 327 et seq.)

CDBG recipients shall comply with the provisions of the Contract Work Hours and Safety Standards Act. According to this act, no contract work may involve, or require laborers or mechanics to work in excess of 40 hours in a work week, unless compensation of not less than one and one-half times the basic rate is paid for the overtime hours.

Section 104(f) of the Housing and Community Development Act of 1974, as amended

Recipients shall comply with Section 104(f) of the Housing and Community Development Act of 1974 that expresses the intent that the policies of the National Environmental Policy Act of 1969 and other provisions of law that further the purpose of the National Environmental Policy Act shall be effectively implemented in community development projects.

The National Environmental Policy Act of 1969 (42 U.S.C. Section 4321, et seq. and 24 CFR Part 58)

CDBG recipients shall comply with the provisions of the National Environmental Policy Act of 1969. The purpose of this act is to attain the widest use of the environment without degradation, risk to health or safety, or other undesirable and unintended consequences.

The Clean Air Act, as amended (42 U.S.C. 7401, et seq.)

Recipients shall comply with the Clean Air Act, which prohibits (1) engaging in, (2) supporting in any way or providing financial assistance for, (3) licensing or permitting, or (4) approving any activity which does not conform to the state implementation plan for national primary and secondary ambient air quality standards.

HUD Environmental Standards (24 CFR, Part 51, Environmental Criteria and Standards and 44 F.R. 40860-40866, July 12, 1979)

CDBG recipients shall comply with HUD Environmental Standards, which prohibit HUD support for most new construction (of unacceptable noise-sensitive uses) on sites having unacceptable noise exposure.

Executive Order 11990, May 24, 1977: Protection of Wetlands (42 F.R. 26961, et seq.)

Recipients shall comply with Executive Order 11990. The intent of this executive order is: 1) to avoid, to the extent possible, adverse impacts associated with the destruction or modification of wetlands, and 2) to avoid direct or indirect support of new construction in wetlands wherever there is a practical alternative.

The Wild and Scenic Rivers Act of 1968, as amended (16 U.S.C. 1271, et seq.)

CDBG recipients shall comply with the Wild and Scenic Rivers Act. The purpose of this act is to preserve selected rivers or sections of rivers in their free-flowing condition, to protect the water quality of such rivers, and to fulfill other vital national conservation goals. Federal assistance cannot be provided to water resources construction projects that would have a direct and adverse effect on any river included or designated for study or inclusion in the National Wild and Scenic River System.

Executive Order 11988, May 24, 1978: Floodplain Management (42 F.R. 26951, et seq.)

Recipients shall comply with the provisions of Executive Order 11988. If the grantee proposes to conduct, support or allow an action to be located in the floodplain, the grantee must consider alternatives to avoid adverse effects.

The Endangered Species Act of 1973, as amended (16 U.S.C. 1531, et seq.)

Recipients shall comply with the Endangered Species Act of 1973, as amended. The intent of this act is to ensure that all federally assisted projects seek to preserve endangered or threatened species. Federally authorized and funded projects must not jeopardize the continued existence of endangered and threatened species or their habitat.

The Reservoir Salvage Act of 1960 (16 U.S.C. 469 et seq.), Section 3 (16 U.S.C. 469 a-1), as amended by the Archaeological and Historic Preservation Act of 1974

Under the Reservoir Salvage Act, CDBG recipients must comply with provisions for the preservation of historical and archaeological data (including relics and specimens) that might otherwise be irreparably lost or destroyed as a result of any alteration of the terrain caused as a result of any federally financed projects.

The Safe Drinking Water Act of 1974 (42 U.S.C. Section 201, 300(f) et seq. and U.S.C. Section 349) as amended, particularly Section 1424(e) (42 U.S.C. Section 300H-303(e))

Recipients must comply with the Safe Drinking Water Act, as amended, which is intended to protect underground sources of water. No federal financial assistance may be given any project that may contaminate an aquifer that is the sole or principal drinking water source for an area.

The Federal Water Pollution Control Act of 1972, as amended including the Clean Water Act of 1977, Public Law 92-212 (33 U.S.C. Section 1251, et seq.)

CDBG recipients must assure compliance with the Water Pollution Control Act, as amended, which provides for the restoration of chemical, physical, and biological integrity of the nation's water.

The Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901, et seq.)

Recipients must assure compliance with the Solid Waste Disposal Act, as amended. The purpose of this act is to promote the protection of health and the environment and to conserve valuable material and energy resources.

The Fish and Wildlife Coordination Act of 1958, as amended (16 U.S.C. Section 661, et seq.)

CDBG recipients must assure compliance with the Fish and Wildlife Coordination Act, as amended. This act assures that wildlife conservation receives equal consideration and is coordinated with other features of water resource development programs.

EPA List of Violating Facilities

Recipients shall ensure that the facilities under its ownership, lease, or supervision utilized in the accomplishment of the program are not listed on the U.S. Environmental Protection Agency's (EPA) List of Violating Facilities.

Historic Preservation

CDBG recipients shall, in connection with its performance of environmental assessments under the National Environmental Policy Act of 1969, comply with Section 106 of the National Historic Preservation Act of 1966 (16 U.S.C. 470).

Federal Regulations Protect Historic Properties Affected by Federal Undertakings

Section 106 of the National Historic Preservation Act of 1966, as amended, requires a federal agency head with jurisdiction over a federal, federally assisted, or federally licensed undertaking to take into account the effects of the agency's undertakings on properties included in, or eligible for, the National Register of Historic Places and, prior to the approval of the undertaking, to afford the Advisory Council on Historic Preservation (Council) a reasonable opportunity to comment on the undertaking. The process used by a federal agency to meet these responsibilities is commonly called Section 106 review process. Sometimes the federal agency makes the Section 106 review process. Sometimes the federal agency makes Section 106 review the responsibility of the local government receiving federal funds. When a local government is responsible for Section 106 review, they should contact the State Historic Preservation Officer early in the project planning process to receive recommendations and direction from the State Historic Preservation Officer's staff.

The Council seeks through the Section 106 review process to accommodate historic preservation concerns with the needs of federal undertakings. It is designed to identify potential conflicts between the two and to help resolve such conflicts in the public interest. The Council

encourages this accommodation through consultation among the federal agency official, the State Historic Preservation Officer, and other interested persons during the early stages of planning. Integration of the Section 106 review process into the normal administrative process used by federal agencies for project planning ensures early, systematic consideration of historic preservation issues. To this end, the Council encourages federal agencies and their designees to examine their administrative process to see that they provide adequately for the efficient identification and consideration of historic properties, that they provide for participation by the State Historic Preservation Officer, and others interested in historic preservation, that they provide for timely request for Council comment, and that they promote cost-effective implementation of the Section 106 review process. When impediments are found to exist in the agency's administrative process, the agency is encouraged to consult with the Council to develop special Section 106 review procedures suited to the agency's needs.

Copies of the federal regulations for the Section 106 review process (36 CFR 800) are available from the State Historic Preservation Officer, Kansas State Historical Society, 6472 S.W. 6th Avenue, Topeka, Kansas 66615.

Title IV of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4831)

CDBG recipients shall comply with the provisions of the Title IV of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4831), which prohibits the use of lead-based paint in residential structures constructed or rehabilitated with federal assistance of any kind.

The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and 24 CFR 570.488

All persons displaced as a direct result of rehabilitation, demolition or acquisition (privately undertaken or public) for a federally assisted project are entitled to relocation payments and other assistance under the URA.

Section 104(d) of Title I, Housing Development Act of 1974, as amended

Requires certification of residential antidisplacement and relocation plan if federal funds are involved. If housing stock is reduced, one-for-one replacement units will be required on all demolition or conversion of low- and moderate-income housing units.

Section 105(a)(11) of Title I, Housing Development Act of 1974, as amended

The state may make relocation payments and assistance for displaced individuals, families, businesses, organizations, and farm operations when federal funding is involved.

STATE LAW REQUIREMENTS

Prevailing Wages

Recipients shall comply with the provisions of K.S.A. 44-201 et seq., which requires that prevailing wages be paid to workers performing under contracts with any city, county, or other municipality.

Contracts with Cities and Counties, K.S.A. 12-2908

Any eligible applicant exercising powers jointly with any other public or private agency shall be required to enter contracts pursuant to K.S.A. 12-2908.

K.S.A. 75-4317 et seq., Open Public Meetings Law

CDBG recipients shall comply with the provisions of K.S.A. 75-4317 through 75-4320 which require that all public meetings except those where specific provision are made for executive sessions pursuant to K.S.A. 1983 Supp. 75-4319.

K.S.A. 1983 Supp. 45-206 et seq., Open Records Act

CDBG recipients shall comply with the provisions of K.S.A. 1983 Supp. 45-206 et seq., which requires that all records of a public agency shall be open to inspection by the public, except to the extent otherwise specifically closed by state or federal law, and specifically K.S.A. 1983 Supp. 45-211.

K.S.A. 58-1301 et seq., Handicapped Accessibility Standards

CDBG recipients shall comply with the provisions of K.S.A. 58-1301 et seq., which require that all buildings and facilities constructed with monies appropriated by the state or a political subdivision be made accessible to the physically handicapped.

Articles 10 and 11 of Chapter 44 of the Kansas Statutes Annotated, Kansas Acts Against Discrimination

CDBG recipients shall comply with the provisions of Articles 10 and 11 of K.S.A. Chapter 44, which prohibit discrimination in employment, public accommodations or housing, on the basis of race, religion, color, sex, disability, national origin, or ancestry.

STATE LAWS THAT MAY BE AVAILABLE OR APPLICABLE

K.S.A. 12-2901 et seq., Interlocal Cooperation

The Interlocal Cooperation Act permits units of local government to exercise most powers permitted by law jointly with any other public or private agency. This act may be used by any local government recipient undertaking joint Community Development projects. Any recipient utilizing the provisions of this act shall comply with K.S.A. 12-2908, relative to contracts with cooperative agencies. Use of this act may be necessary in order to meet capacity requirements.

K.S.A. 12-5219 et seq., Local Residential Housing Finance Law

The Local Residential Housing Finance Law permits cities and counties to contract for home mortgage loans through lending institutions, to make loans, issue bonds to defray the cost of loans, and exercise other powers necessary to make residential housing available.

K.S.A. 12-1742 et seq., Urban Renewal Law

The Urban Renewal Law permits cities to formulate programs of urban rehabilitation through the exercise of various powers, including the power of eminent domain, and the issuance of bonds to finance projects.

K.S.A. 12-1770 et seq., Redevelopment of Central Business District Areas

K.S.A. 12-1770 et seq., permits cities to provide for downtown redevelopment through the use of tax increment financing and the issuance of special obligation bonds repaid from revenues of the project. Caution should be exercised in the decision to utilize this act, to ensure qualification of CDBG funds for such a project.

K.S.A. 12-1781 et seq., Business Improvement Districts

K.S.A. 12-1781 et seq. permits the establishment of business improvement districts to promote economic vitality through the financing of beautification, transportation, or other public service projects.

K.S.A. 12-17,107 et seq., Enterprise Zones

K.S.A. 12-17,107 et seq. permits cities to create enterprise zones to offer financial incentives to encourage development of business and industry within certain areas of the city. Information pertaining to, and applications for the creation of, an enterprise zone is available through the Kansas Department of Commerce.

K.S.A. 12-1740, Economic Development Revenue Bonds

K.S.A. 12-1740 et seq. permits the issuance of revenue bonds to pay part (or all) of the cost of purchasing, acquiring, constructing, equipping, enlarging or repairing facilities for agricultural, commercial, hospital, industrial, natural resources, recreational development and manufacturing purposes. Sales tax and property tax incentives may also be offered.

These are only some of the tools that may be available or made applicable in connection with projects financed with CDBG grants.

Appendix E
Business Plan Guidelines



1-877-625-7232

BUSINESS PLAN OUTLINE

Every business can benefit from the preparation of a carefully written business plan. A business plan allows you to develop goals and strategies for your business. Business owners who do all or most of the work themselves are the ones who benefit most from the planning process. Planning helps not only to identify all costs associated with the future operations, expansion, or special projects, but also helps to keep a company looking toward the future.

This outline is intended to serve as a guide for an operational business plan. It explores all aspects of a business operation. It will

1. Help you think through any project and ensure that you have considered all of your options and anticipated any potential difficulties;
2. Convince potential lenders and investors that you are in control of the project and that their money will be safe with you;
3. Serve as a road map for the success of your business.

The following outline lists key topics that should be included in narrative (story) form and standard financial statement format. Start with Section IV. Sections I-III will be written last. The final product should be tailored to fit your business circumstances and personality. Keep your copy in a three-ring binder so you can make revisions easily. If you provide copies of your plan to persons outside the company, give your plan a professional appearance by printing it on high quality paper and presenting it in a binder.

I. Cover Sheet

Your cover sheet should include the name of the business, owner's name, address, phone and fax numbers, and e-mail addresses for the business. Show the date of issue of the plan and "Copy Number ____" if you need to control the copies.

II. Executive Summary

The Executive Summary, while presented at the beginning of the plan, is the last section written. It is a condensed version of the entire business plan that must be able to stand on its own. It is not simply an introduction to the rest of the business plan. Bankers or investors who review many business plans may read only the Executive Summary. If the Executive Summary is not successful in gaining the banker's or investor's confidence, the plan may be rejected and may never be read in its entirety. The Executive Summary should include:

- the purpose of the plan (operating guide, loan request, prospectus for investors),
- the type of business you own or propose to own and the current state of development,
- the unique aspects of your product or service,
- the business structure you have chosen (sole proprietorship, partnership, corporation, LLC),
- the names of the principals,
- the amount of money you need to implement your plan and how it will be used,
- the amount of money you are investing,
- if you are requesting a loan, how you will repay the funds and the collateral that will be used to secure the loan,
- a summary of the financial projections.

III. Table of Contents

List major topics and page references.

IV. The Company

A. Company Mission and Philosophy

1. What is the mission of the company?
2. What is the company philosophy regarding relationships between the company and its customers, suppliers, owners, regulators, employees and other stakeholders?
3. What are the short and long term goals for the company?

B. Company Description and History

1. What is the legal structure of the business (sole proprietorship, partnership, corporation [C or S], LLC)? Who are the principals and what is their proportion of ownership?
2. What is the company's history?
3. What are the company's strengths and weaknesses, opportunities and threats?
4. Describe the physical plant, equipment, etc., the advantages/disadvantages of your location.
5. Describe the product or service.
6. Explain the company's position in the market today.

V. The Project

A. Project Description

1. What will you be doing? Start up? Purchase? Expansion? Sale?
2. Where will it happen?
3. How will it be accomplished?
4. Who will be involved?
5. When will it happen? Include a timeline for construction, equipment installation, employee training, financing, etc.

B. Sources and Uses of Funds

1. Sources
 - a. Loan amount
 - b. Your investment
 - c. Investment of others
2. Uses
 - a. Real Estate (separate land and buildings)
 - b. Equipment
 - c. Prepaid Expenses
 - d. Working Capital (Cash)

VI. Marketing

A. Market Research and Analysis

1. Target market (customers) and demographics
 - a. Who are potential customers? Define the characteristics of the customer by sex, age, income, education, occupation, household size, geography, lifestyle, or other relevant characteristics.
 - b. How many different market segments (customer groups) are included in the customer base? Describe each market segment. What is the basis of purchase decisions by each segment: price? Quality? Service? Personal contacts? Political pressures? Other factors?
2. Market size and trends
 - a. How much money is spent on the product or service within the target market each year?
 - b. Describe the potential annual growth of the target market for the product or service for each market segment.
 - c. Describe the major factors affecting market growth including industry trends, socio-economic trends, government policy, population shifts, etc.
3. Competition (direct and indirect)
 - a. Present a profile for each main competitor by defining the current advantages and disadvantages of its products and services, suppliers, and place in the market (quality leader, lowest price, etc.)

- b. Assess their strengths, weaknesses, opportunities, and threats.
 - c. Compare competing products/services listed based on price, performance, warranties, and other pertinent features.
 - d. Discuss each competitor's share of the market, sales, distribution, and production capabilities.
 - e. Discuss why any companies have entered or dropped out of the market in recent years. Indicate any knowledge of competitors' actions that could lead the company to new or improved products/services and an advantageous position.
 - f. Discuss the possible opportunities a competitor might have in the market place. How easy is it to enter the market? How easy or difficult will it be to compete?
- B. The Marketing Plan
- 1. Promotion and advertising
 - a. What methods will be used for each market segment previously identified – TV, radio, journals, magazines, direct mail, trade shows, etc.? Are there co-op opportunities with suppliers?
 - b. Describe any advertising materials proposed or developed.
 - c. What type of promotions will you use?
 - d. What results do you expect from advertising and promotion efforts?
 - e. Include a schedule of activity by month, including costs.
 - 2. Pricing
 - a. What is the pricing strategy? Why was it chosen?
 - b. Compare pricing strategy to competitors, and explain its advantage for the company.
 - 3. Place
 - a. Discuss the strengths and weaknesses of the location.
 - b. What are the sales and distribution tactics that you will use to market the product or service? Internal sales force? Outside sales persons? Distributors? Discuss any selling salaries, contracts, commissions, or other costs in the distribution channel such as margin requirements.
 - 4. Persuasion – personal selling
 - a. Will you sell direct to the end customer? If not, discuss the distribution methods that will be used.
 - b. Discuss the customer service philosophy.
 - c. What are the service and warranty policies?

VII. Management and Operations

- A. Management Team
 - 1. Describe the organizational structure including a brief job description for each position. Include an organization chart if appropriate.
 - 2. What personal business experience do you have? What industry experience do you have that lends itself to the success of this new venture?
 - 3. Who is on the management team? Include resumes in the appendix.

4. What, if any, training will be required to address weaknesses? Describe ongoing professional development.
 5. Have you selected a Board of Directors/Advisors/Management Resource Team? Identify them and their areas of expertise.
- B. Personnel
1. Describe the labor market in terms of unemployment rates, education, background, and experience as it relates to the business.
 2. Do you anticipate difficulty in finding and recruiting employees? If so, please discuss how you will overcome them.
 3. What, if any, initial training will be required? Describe ongoing training programs.
 4. Briefly describe the personnel policies and include a copy of the personnel manual in the appendix.
- C. Operations
1. Government regulations
 - a. What licenses and permits are needed to operate in your city and state?
 - b. Is the business affected by zoning regulations?
 2. Asset protection
 - a. Have you protected your concept with patents, trademark registration, and/or copyrights? If so, discuss and include supporting documents in the appendix.
 - b. Describe the insurance coverage needed to protect both the company and yourself.
 - c. Will you/your employees need to be bonded?
 - d. If the company will have credit sales, briefly describe the credit and collections policy and include a copy of the written policy in the appendix.
 - e. If the company will have inventory, describe the inventory control system.
 3. Financial management
 - a. Describe the record keeping system.
 - b. Include the name of the company's bank, accountant, and other finance professionals who will provide assistance.
 4. Describe day-to-day operations. Do operations need to be altered to achieve company goals as stated in part I of the business plan? What changes will be required?

VIII. Financial Data

This section of the business plan will be closely scrutinized by bankers and/or potential investors. Include a minimum of a twelve month cash flow for the first year of your project, income statements, and balance sheets for the first three years of the project. State all underlying assumptions.

A. Project Financial Requirements

1. Initial costs - A complete list of all items required to begin the business, undertake the expansion, buy or sell the business, and their costs.

2. Monthly operating costs - Include a written explanation of all operating costs, by line item that appear on the projected cash flow.
 3. Owner's financial requirements including taxes.
- B. Financial Statements
1. Projected Cash Flow by month for first 12 months.
 2. Projected Income Statement for 3 years.
 3. Projected Balance Sheet for 3 years.
 - a. Number of Shares/Memberships, par or stated value, amount contributed per share
 - b. Subordinated debt (owner carry back, stand by loans)

IV. Appendix

The appendix should support the body of the business plan. You may choose to include marketing reports, brochures, an organizational chart, resumes, plant layout drawings, photos of the product, copy of purchase agreements, vendor cost estimates for equipment to be purchased, contractor estimates for renovation or construction, letters of support from customers, technical reports explaining your product, etc.

The following items should be included in the appendix for a loan proposal:

- Company financial statements and tax returns for the past three years.
- Ownership information including names of owners or stockholders (when appropriate).
- A list of corporate officers.
- Date and domicile of incorporation, date partnership agreement was signed.
- Personal income tax returns of all owners.
- Personal financial statement.
- Insurance coverage including carrier, amount, and beneficiary, if applicable.
- Quotes for equipment, construction, etc.
- Store or production layout.

Appendix F
Suggested Median Fees
For Professional Engineering
Services and Architectural Services

Suggested Median Fees For Professional Engineering Services as a Percentage of Net Construction Cost

Schedule for Basic Engineering Services:

Net Construction Cost	% Fee	Net Construction Cost	% Fee
30,000	14.00	400,000	8.80
40,000	13.00	450,000	8.65
50,000	12.50	500,000	8.55
60,000	12.25	550,000	8.35
70,000	11.85	600,000	8.15
80,000	11.55	650,000	8.05
90,000	11.35	700,000	7.90
100,000	11.20	750,000	7.80
110,000	11.00	800,000	7.70
120,000	10.85	850,000	7.60
140,000	10.55	900,000	7.55
160,000	10.30	1,000,000	7.40
180,000	10.15	1,500,000	7.00
200,000	9.95	2,000,000	6.70
250,000	9.55	2,500,000	6.55
300,000	9.25	3,000,000	6.45
350,000	9.00	4,000,000	6.30

The schedule for basic engineering services includes preliminary services, collection of field data, design services and services during construction, including periodic inspections. An additional compensation of two percent (2%) shall be made for the design of water treatment plants, sewage treatment plants, sewage collection systems and dams and impounding reservoirs, based on the actual cost thereof. An additional compensation of one percent (1%) may be allowed for the design on existing projects for rehabilitation purposes, based on the actual cost thereof.

Suggested Median Fees for Construction Inspection: 75 percent of Basic Engineering Services.

Architectural Services

The CDBG dollars for architectural design services will be seven percent of the construction cost. Varying degrees of project complexity may result in a higher negotiated fee. The maximum increase for complexity of an architectural service is four percent.

Inspection costs: 75 percent of Basic Architectural Design Services.

***2021
Economic Development
Application Forms***

A.

Kansas Small Cities Program Community Development Block Grant 2021 Application Summary	FOR COMMERCE USE ONLY Date Received: _____ Application No. _____
---	--

1. APPLICANT Name: _____ STREET ADDRESS: _____ PO BOX: _____ City: _____ Zip + 4: _____ County: _____ Telephone: _____ Fax: _____ Email: _____ DUNS#: _____	2. LOCAL CONTACT PERSON Name: _____ Title: _____ Address: _____ City: _____ Zip Code: _____ Telephone: _____ Application Preparer: _____
--	--

3. PROJECT TYPE [select one or more] <input type="checkbox"/> Infrastructure <input type="checkbox"/> Business Finance <input type="checkbox"/> Section 108 Guarantee	4. CITIZEN PARTICIPATION Date of Public Hearing: _____ Publication In: _____ Date of Publication: _____ ✓Affidavit of Publication must be attached
--	--

5. **PROJECT DESCRIPTION:**

6. **PROPOSED FUNDING**

Business Finance.....	\$ _____
Infrastructure.....	\$ _____
Grant Administration.....	\$ _____

Funds to be supplied by other sources: **✓ A Resolution or documentation of Commitment of Funds must be attached**

<u>Source</u>	<u>Contact Person</u>	<u>Telephone</u>	<u>Amount</u>
a) _____	_____	() _____	\$ _____
b) _____	_____	() _____	\$ _____
c) _____	_____	() _____	\$ _____
d) _____	_____	() _____	\$ _____
e) Total funds supplied by other sources.....			\$ _____
f) Total project funding.....			\$ _____

The total project funding and CDBG amount requested must match what appears in the public hearing notice.

7. PROJECT BENEFIT Total Persons Benefiting: _____ Total LMI Benefiting: _____ Percent LMI Benefiting: _____	8. Proposed Beginning Date: _____ Estimated Ending Date: _____ Duration of Project: _____
--	---

9. **CDBG DISCLOSURE REPORT (See Application Guidelines)**

10. STATE REPRESENTATIVE:

Name: _____
District #: _____

STATE SENATOR:

Name: _____
District #: _____

U.S. REPRESENTATIVE:

Name: _____
District #: _____

The applicant certifies that the information contained in the Application Summary is true and correct and the document has been duly authorized by the governing body. The applicant agrees that, if approved, this with the attached Certifications will become a part of the agreement for activities and services authorized under the Housing and Community Development Act of 1974, as amended.

Typed Name and Title of Chief Elected Official:

Name: _____ Title: _____

Signature: _____ Date: _____

STATEMENT OF ASSURANCES AND CERTIFICATIONS

The applicant hereby assures and certifies with respect to the grant that:

- (1) It possesses legal authority to make a grant submission and to execute a community development and housing program.
- (2) Its governing body has duly adopted or passed as an official act a resolution, motion or similar action authorizing the person identified as the official representative of the grantee to submit the final statement, all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the grantee to act in connection with the submission of the final statement and to provide such additional information as may be required.
- (3) That prior to submission of its application to Commerce, the grantee has met the citizen participation requirements, prepared its application of Community Development objectives and projected use of funds, and made the application available to the public, as required by Section 104(a)(2) of the Housing and Community Development Act of 1974, as amended, and implemented at 24 CFR 570.486.
- (4) It has developed its final statement (application) of projected use of funds so as to give maximum feasible priority to activities that benefit low- and moderate-income families or aid in the prevention or elimination of slums or blight; the final statement (application) of projected use of funds may also include activities which the grantee certifies are designed to meet other Community Development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available.
- (5) Its chief executive officer or other officer of the grantee approved by Commerce:
 - (a) Consents to assume the status of a responsible federal official under the National Environmental Policy Act of 1969 and other provisions of federal law as specified in 24 CFR 58.1(a);
 - (b) Is authorized and consents on behalf of the grantee and himself/herself to accept the jurisdiction of the federal courts for the purpose of enforcement of his/her responsibilities as such an official; and
- (6) The grant will be conducted and administered in compliance with the following federal and state regulations (see Appendix A: Applicable Laws and Regulations):
 - (a) Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352), and implementing regulations issued at 24 CFR Part 1;
 - (b) Fair Housing Amendments Act of 1988, as amended, administering all programs and activities relating to housing and community development in a manner to

- affirmatively further fair housing; and will take action to affirmatively further fair housing in the sale or rental of housing, the financing of housing, and the provision of brokerage services;
- (c) Section 109 of the Housing and Community Development Act of 1974, as amended; and the regulations issued pursuant thereto (24 CFR Section 570.602);
 - (d) Section 3 of the Housing and Urban Development Act of 1968, as amended; and implementing regulations at 24 CFR Part 135;
 - (e) Executive Order 11246, as amended by Executive Orders 11375 and 12086 and implementing regulations issued at 41 CFR Chapter 60;
 - (f) Executive Order 11063, as amended by Executive Order 12259 and implementing regulations at 24 CFR Part 107;
 - (g) Section 504 of the Rehabilitation Act of 1973 (Pub. L. 93-112), as amended and implementing regulations when published for effect;
 - (h) The Age Discrimination Act of 1975, as amended, (Pub. L. 94-135), and implementing regulations when published for effect;
 - (i) The relocation requirements of Title II and the acquisition requirements of Title III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended and the implementing regulations at 24 CFR 570.488;
 - (j) Antidisplacement and relocation plan requirements of Section 104(d) of Title I, Housing and Community Development Act of 1974, as amended;
 - (k) Relocation payment requirements of Section 105(a)(11) of Title I, Housing and Community Development Act of 1974, as amended;
 - (l) The labor standards requirements as set forth in 24 CFR 570.603 and HUD regulations issued to implement such requirements;
 - (m) Executive Order 11988 relating to the evaluation of flood hazards and Executive Order 11288 relating to the prevention, control, and abatement of water pollution;
 - (n) The regulations, policies, guidelines and requirements of OMB Circular Nos. A-87, A-110 and A-122 as they relate to the acceptance and use of federal funds under this federally assisted program;
 - (o) The Americans With Disabilities Act (ADA) (P.L. 101-336; 42 U.S.C. 12101) provides disabled people access to employment, public accommodations, public services, transportation and telecommunications;

- (7) The conflict of interest provisions of 24 CFR 570.489 apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the state, or of a unit of general local government, or of any designated public agencies, or subrecipients which are receiving CDBG funds. None of these persons may obtain a financial interest or benefit from the activity, or have an interest or benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter, and that it shall incorporate or cause to be incorporated, in all such contracts or subcontracts a provision prohibiting such interest pursuant to the purpose of this certification.
- (8) It will comply with the provisions of the Hatch Act that limits the political activity of employees.
- (9) It will comply with the provisions of 24-CFR-200.
- (10) It will give the state, HUD, and the Comptroller General or any authorized representative access to and the right to examine all records, books, papers, or documents related to the grant.
- (11) It will comply with the lead paint requirements of 24 CFR Part 35 Subpart B. issued pursuant to the Lead-Based Paint Hazard Elimination Act (42 U.S.C. 4801 et seq.).
- (12) The local government will not attempt to recover any capital costs of public improvements assisted in whole or in part with CDBG funds by assessing properties owned and occupied by low- and moderate-income persons unless: (a) CDBG funds are used to pay the proportion of such assessment that relates to non-CDBG funding or; (b) the local government certifies to the state that, for the purposes of assessing properties owned and occupied by low- and moderate-income persons who are not very low-income, that the local government does not have sufficient CDBG funds to comply with the provision of (a) above.
- (13) It accepts the terms, conditions, selection criteria, and procedures established by this program description and that it waives any right it may have to challenge the legitimacy and the propriety of these terms, conditions, criteria, and procedures in the event that its application is not selected for CDBG funding.
- (14) It will comply with the regulations, policies, guidelines, and requirements with respect to the acceptance and use of federal funds for this federally assisted program.
- (15) It will comply with all parts of Title I of the Housing and Community Development Act of 1974, as amended, which have not been cited previously as well as with other applicable laws.

The applicant hereby certifies that it will comply with the above stated assurances.

Signature, Chief Elected Official	Name (typed or printed)
Title	Date

B. Project Administration and Re-use of CDBG Funds:

Name of Applicant: _____

1. List previous CDBG Economic Development projects:

Grant ID No.	Company Name	Percent Complete	Jobs Proposed	Jobs Actual	Was there a debt rescheduling?	Was foreclosure/liquidation necessary

2. Explanatory Narrative (if needed):

3. What party other than community personnel, if any, helped prepare this application?

4. Does the community expect to contract with an outside party for administrative services?

D. Project Business Description Form:

Name of Applicant: _____

1. Business Name/Address/Phone/Contact Person/NAICS Code:

2. Legal Structure:

3. Business Ownership:

4. Business Management:

5. Business and Professional Affiliations:

6. Business History:

7. Operation and Product Line:

8. Markets:

9. Employment History at this location: (In the appropriate space, give the number of full-time equivalent (FTE) employees for each of the most recent 12 months.)

Starting Month													Average Monthly Employment
FTE Employees													

F. Project Source and Use Form:

Name of Applicant: _____

1. CDBG Funds Requested:	Amount	Rate	Term	Collateral	Lien Position
a) Business Finance	\$ _____	% _____	_____ yrs*	_____	_____
b) Infrastructure	\$ _____				
c) Administration	\$ _____				

2. Other Sources of Funds:	Source	Amount	Rate	Term	Collateral	Lien Position
a)	_____	\$ _____	% _____	_____ yrs	_____	_____
b)	_____	\$ _____	% _____	_____ yrs	_____	_____
c)	_____	\$ _____	% _____	_____ yrs	_____	_____
d)	_____	\$ _____	% _____	_____ yrs	_____	_____

3. Total Project Funding: \$ _____ *Includes principal moratorium of _____ months on business finance loan

4. Use of Funds (in thousands)	TOTAL COST	CDBG	Source A	Source B	Source C	Source D
a) Administration						
b) Planning/Design						
c) Infrastructure (1) Water (2) Sewer/Storm Drainage (3) Streets/Roads (4) Other						
d) Real Property Acquisition (1) (2)						
e) Site Work (1) Improvements (2) Clearance/Demolition						
f) Building (1) New Construction (2) Rehabilitation						
g) Working Capital (1) Payroll (2) Inventory (3) Other						
h) Machinery/Equipment (1) (2) (3)						
i) Other (specify) (1) (2)						
TOTAL PROJECT COST						

G. Itemized Summation of Expenditures Form:

Name of Applicant: _____

1. Provide an itemized breakdown of specific expenditures to occur in each of the categories of the Project Source and Use Form. Be very specific when addressing the working capital category. Documentation supporting the amount shown in each spending category must be attached.

H. Aging of Accounts Receivable and Payable:

Name of Applicant: _____

COMPANY NAME: _____
AS OF: / / _____

Period	Accounts Receivable	%	Accounts Payable	%
Under 30 Days				
30 - 59 Days				
60 - 89 Days				
90 - 119 Days				
120 Days and Over				
Uncollectable				
Total				

I. List of Existing Obligations:

Please list all long-term leases, notes and mortgages payable and reconcile with figures on Balance Sheet. Include any debt owed by the business. Do not include Trade Payables.

To Whom Payable	Original Amount	Original Date	Present Balance	Rate of Interest	Maturity	Monthly Payment	Collateral Securing Loan

List of Proposed Obligations

To Whom Payable	Original Amount	Original Date	Present Balance	Rate of Interest	Maturity	Monthly Payment	Collateral Securing Loan

J. Resume:

Please fill in all spaces, use full first, middle and maiden names. If an item is not applicable, please so indicate. All owners and key managers, with 20 percent or greater stakes, should complete this form.

PERSONAL

Name _____ SSN _____
 First Middle Maiden Last

Date of Birth _____ Place of Birth _____

Residence Telephone _____

Residence Address _____
 Street City State Zip

Previous Address _____
 Street City State Zip

Lived there from _____ to _____ (month and year)

Spouse's Name _____ SSN _____
 First Middle Maiden Last

Are you a U.S. citizen? Yes No

If no, give Alien Registration Number _____ and a copy of green card, front and back.

Have you ever declared bankruptcy? Yes No If yes, furnish details in a separate exhibit.

Are you a named party in any current litigation? Yes No If yes, furnish details in a separate exhibit.

Have you ever been charged with or convicted of any criminal offense other than a misdemeanor involving a motor vehicle violation? Yes No If yes, furnish details in a separate exhibit.

Are you presently under indictment, on parole or probation? Yes No If yes, furnish details in a separate exhibit.

EDUCATION

Type of Degree	Name and Location of Institution	Dates From/To	Major	Did You Graduate?

MILITARY SERVICE BACKGROUND

Branch _____ From _____ To _____
Honorable Discharge _____ Rank at Discharge _____

WORK EXPERIENCE (List chronologically, beginning with present employment)

From _____ To _____ Title _____
Duties _____

Company Name/Location: _____

From _____ To _____ Title _____
Duties _____

Company Name/Location: _____

From _____ To _____ Title _____
Duties _____

Company Name/Location: _____

From _____ To _____ Title _____
Duties _____

Company Name/Location: _____

NOTE: You may include additional relevant information on a separate exhibit.

Signature _____ Date _____

K.

The Personal Financial Statement can be found at: www.sba.gov/sbaforms/sba413.pdf.
This document will be pages 80 – 81 of this manual.



OMB APPROVAL NO. 3245-0188
EXPIRATION DATE: 3/31/2008

PERSONAL FINANCIAL STATEMENT

U.S. SMALL BUSINESS ADMINISTRATION

As of _____, _____

Complete this form for: (1) each proprietor, or (2) each limited partner who owns 20% or more interest and each general partner, or (3) each stockholder owning 20% or more of voting stock, or (4) any person or entity providing a guaranty on the loan.

Name _____ Business Phone _____
 Residence Address _____ Residence Phone _____
 City, State, & Zip Code _____
 Business Name of Applicant/Borrower _____

ASSETS		(Omit Cents)	LIABILITIES		(Omit Cents)
Cash on hand & in Banks	\$	_____	Accounts Payable	\$	_____
Savings Accounts	\$	_____	Notes Payable to Banks and Others	\$	_____
IRA or Other Retirement Account	\$	_____	(Describe in Section 2)		
Accounts & Notes Receivable	\$	_____	Installment Account (Auto)	\$	_____
Life Insurance-Cash Surrender Value Only	\$	_____	Mo. Payments \$ _____		
(Complete Section 8)			Installment Account (Other)	\$	_____
Stocks and Bonds	\$	_____	Mo. Payments \$ _____		
(Describe in Section 3)			Loan on Life Insurance	\$	_____
Real Estate	\$	_____	Mortgages on Real Estate	\$	_____
(Describe in Section 4)			(Describe in Section 4)		
Automobile-Present Value	\$	_____	Unpaid Taxes	\$	_____
Other Personal Property	\$	_____	(Describe in Section 6)		
(Describe in Section 5)			Other Liabilities	\$	_____
Other Assets	\$	_____	(Describe in Section 7)		
(Describe in Section 5)			Total Liabilities	\$	_____
Total	\$	_____	Net Worth	\$	_____
			Total	\$	_____

Section 1. Source of Income	Contingent Liabilities
Salary	As Endorser or Co-Maker
Net Investment Income	Legal Claims & Judgments
Real Estate Income	Provision for Federal Income Tax
Other Income (Describe below)*	Other Special Debt

Description of Other Income in Section 1.

*Alimony or child support payments need not be disclosed in "Other Income" unless it is desired to have such payments counted toward total income.

Section 2. Notes Payable to Banks and Others. (Use attachments if necessary. Each attachment must be identified as a part of this statement and signed.)

Name and Address of Noteholder(s)	Original Balance	Current Balance	Payment Amount	Frequency (monthly, etc.)	How Secured or Endorsed Type of Collateral

Section 3. Stocks and Bonds. (Use attachments if necessary. Each attachment must be identified as a part of this statement and signed).					
Number of Shares	Name of Securities	Cost	Market Value Quotation/Exchange	Date of Quotation/Exchange	Total Value
Section 4. Real Estate Owned. (List each parcel separately. Use attachment if necessary. Each attachment must be identified as a part of this statement and signed.)					
	Property A	Property B	Property C		
Type of Property					
Address					
Date Purchased					
Original Cost					
Present Market Value					
Name & Address of Mortgage Holder					
Mortgage Account Number					
Mortgage Balance					
Amount of Payment per Month/Year					
Status of Mortgage					
Section 5. Other Personal Property and Other Assets. (Describe, and if any is pledged as security, state name and address of lien holder, amount of lien, terms of payment and if delinquent, describe delinquency)					
Section 6. Unpaid Taxes. (Describe in detail, as to type, to whom payable, when due, amount, and to what property, if any, a tax lien attaches.)					
Section 7. Other Liabilities. (Describe in detail.)					
Section 8. Life Insurance Held. (Give face amount and cash surrender value of policies - name of insurance company and beneficiaries)					
I authorize SBA/Lender to make inquiries as necessary to verify the accuracy of the statements made and to determine my creditworthiness. I certify the above and the statements contained in the attachments are true and accurate as of the stated date(s). These statements are made for the purpose of either obtaining a loan or guaranteeing a loan. I understand FALSE statements may result in forfeiture of benefits and possible prosecution by the U.S. Attorney General (Reference 18 U.S.C. 1001).					
Signature:		Date:	Social Security Number:		
Signature:		Date:	Social Security Number:		
PLEASE NOTE: The estimated average burden hours for the completion of this form is 1.5 hours per response. If you have questions or comments concerning this estimate or any other aspect of this information, please contact Chief, Administrative Branch, U.S. Small Business Administration, Washington, D.C. 20416, and Clearance Officer, Paper Reduction Project (3245-0188), Office of Management and Budget, Washington, D.C. 20503. PLEASE DO NOT SEND FORMS TO OMB.					

L. START OF PROJECT SPENDING ACKNOWLEDGMENT:

I, _____, understand that project funds (public or private)
Print Name

may not be expended until the Department of Commerce issues an award letter and environmental clearance entitled "Notice of Request for Release of Funds and Certification Approval." Expenditure of any project funds (public or private) prior to the signing of the Award Letter and approval of the *Request for Release of Funds* will jeopardize the grant of CDBG funds. This includes real property acquisition, site preparation work, construction of new buildings, repair or renovation of existing buildings and purchase of machinery and equipment.

Name of Company: _____

Title: _____

Signed: _____

Date: _____

NDC Format:

I. Balance Sheet
Date (Month/Day/Year)

1.	Cash and Marketable Securities				
2.	Accounts Receivables				
3.	Inventory				
4.	Prepaid Expenses				
5.					
6.					
7.					
8.	CURRENT ASSETS				
9.	Net Fixed Asset				
10.	Inventory in Subsidiaries				
11.	Notes Receivable				
12.	Intangibles				
13.					
14.					
15.	TOTALS				
16.	Short Term N/P - Bank				
17.	Short Term N/P - Other				
18.	Accounts Payable				
19.	Accruals				
20.	Taxes (Income)				
21.	Current Portion LTD				
22.					
23.	CURRENT LIABILITIES				
24.	Long Term Debt				
25.	Officer Debt (Subordinated)				
26.					
27.	TOTAL LIABILITIES				
28.	Common Stock				
29.	Capital Surplus				
30.	Retained Earnings				
30A.	(Less) Treasury Stock				
31.	Total Net Worth				
32.	TOTAL LIABILITIES AND N/W				
33.	Contingent Liabilities				

NDC Format:

II. Profit and Loss Statement

Number of months _____ Year pending _____

34.	- Sales					
35.	- COGS					
36.	= Gross Profit					
37.	- SGA					
38.	= Operating Profit					
39.	- Officers(s) Salary					
40.	- Depreciation Expense					
41.	- Interest Rate	CDBG				
		Non-CDBG				
42.	- Rent					
43.	+ Other Income/Expenses					
44.	= EBT					
45.	- Income Taxes					
46.	= PAT					

NDC Format:

III. Cash Flow Statement

GROSS OPERATING FUNDS					
Net Income					
+ Depr. and Other Non Cash Charges					
= Gross Funds Flow					
(+) OPR. CASH SOURCES					
Incr. (decr.) Accts. Payable					
Incr. (decr.) Accruals					
Incr. (decr.) Taxes Payable					
(=) Total Operating Sources					
(-) LESS: OPR. NEEDS/USES					
Incr. (decr.) Receivables					
Incr. (decr.) Inventory					
Incr. (decr.) Prepaid Expenses					
(=) Total Operating Needs					
= NET OP. CASH FLOW					
(-) LESS NON-OPERATING CASH NEEDS					
Capital Expenditures					
Purchase Other Assets					
Repay Short-Term Debt					
Repay Long-Term Debt					
Repay Officer Debt					
Dividends/Withdrawals					
(=) Total Non-Operating Needs					
(+) NON-OPERATING SOURCES OF FUNDS					
Incr. Short-Term Debt					
Incr. Long-Term Debt					
Incr. Officer Debt					
New Equity					
Sale/or Decrease of Other Assets					
= Total Non-Opr. Sources					
= NET INCR. (DECR.) IN CASH					

(Minimum required by all applicants for funding – must be submitted with application)

**Residential Anti-displacement and Relocation Assistance Plan
under Section 104(d) of the
Housing and Community Development Act of 1974, as Amended**

The (City/County) _____ will replace all occupied and vacant occupiable low- and moderate-income dwelling units demolished or converted to a use other than as low- moderate-income housing as a direct result of activities assisted with funds provided under the Housing and Community Development Act of 1974, as amended, as described in 24 CFR Part 570.488.

All replacement housing will be provided within three years of the commencement of the demolition or rehabilitation relating to conversion. Before obligating or expending funds that will directly result in such demolition or conversion, the (City/County) _____ will make public and submit to the Kansas Department of Commerce the following information in writing:

1. A description of the proposed assisted activity;
2. The general location on a map and approximate number of dwelling units by size (number of bedrooms) that will be demolished or converted to a use other than as low- and moderate-income dwelling units as a direct result of the assisted activity;
3. A time schedule for the commencement and completion of the demolition or conversion;
4. The general location on a map and approximate number of dwelling units by size (number of bedrooms) that will be provided as Section 104(d) replacement dwelling units;
5. The source of funding and a time schedule for the provision of Section 104(d) replacement dwelling units; and
6. The basis for concluding that each Section 104 (d) replacement dwelling unit will remain a low- and moderate-income dwelling unit for at least ten years from the date of initial occupancy.

The (City/County) _____ will provide relocation assistance, as described in Section 570.488 to each low- and moderate-income household displaced by the demolition of housing or by the conversion of a low- and moderate-income dwelling to another use as a direct result of assisted activities.

Consistent with the goals and objectives of activities assisted under the act, the (City/County) _____ will take the following steps to minimize the displacement of persons from their homes:

Based on initial review of project, the following occupied dwellings (by address) will be demolished with grant funds (should contain proposed demolitions):

As chief elected official of [(City/County) _____], I hereby certify that the above plan was officially adopted by (City/County) _____ of _____ on the _____ day of _____, _____.

Date: _____ Signature – Chief Elected Official: _____

Beneficiary Data:

To document compliance with Title VI of the Civil Rights Act of 1964, please provide the information in the space below.

Total Population of Applicant: _____

	Ethnicity Number				Ethnicity Number		
	Hispanic	Non-Hispanic	Total Population		Hispanic	Non-Hispanic	Total Population
White	_____	_____	_____	A	_____	_____	_____
BAA	_____	_____	_____	A/W	_____	_____	_____
BAA/W	_____	_____	_____	AI/AN/BAA	_____	_____	_____
AI/AN	_____	_____	_____	AI/AN/W	_____	_____	_____
NH/PI	_____	_____	_____	Other	_____	_____	_____

Number of Persons with Disability _____

Female Head of Household _____

*BAA-Black African American; BAA/W-Black African American and White; AI/AN-American Indian or Alaskan Native; NH/PI-Native Hawaiian or Pacific Islander; A-Asian; AW-Asian and White; AI/AN/BAA-American Indian or Alaskan Native and Black African American; AI/AN/W-American Indian or Alaskan Native and White

THE CITY/COUNTY OF _____, KANSAS

RESOLUTION NO. _____

RESOLUTION CERTIFYING LEGAL AUTHORITY
TO APPLY FOR THE 2021 KANSAS
SMALL CITIES COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
FROM THE KANSAS DEPARTMENT OF COMMERCE
AND AUTHORIZING THE MAYOR
TO SIGN AND SUBMIT SUCH AN APPLICATION

WHEREAS, The City/County of _____, Kansas, is a legal governmental entity as provided by the laws of the STATE OF KANSAS, and

WHEREAS, The City/County of _____, Kansas, intends to submit an application for assistance from the 2021 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM.

THE APPLICANT hereby certifies that the City/County of _____, Kansas, is a legal governmental entity under the status of the laws of the STATE OF KANSAS and thereby has the authority to apply for assistance from the 2021 KANSAS SMALL CITIES COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM.

THE APPLICANT hereby authorizes the MAYOR/COMMISSIONER of _____, Kansas, to act as the applicant's official representative in signing and submitting an application for the assistance to the 2021 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM.

THE APPLICANT hereby dedicates \$_____ in cash funds toward this project and \$_____ in in-kind material and/or labor for same.

APPROVED BY THE GOVERNING BODY OF THE CITY/COUNTY OF _____, KANSAS, this _____ day of _____, _____.

APPROVED _____
MAYOR/COMMISSIONER

ATTEST _____

(SEAL)