

# CDBG Street Improvement Project Application and Instructions

March 5, 2019 Draft

In 2018, the Omaha City Council passed the City of Omaha’s “Policy for Maintenance of Roadways within the City of Omaha” (hereafter referred to as the Policy) into law. **Section V. Cost Sharing** of the Policy describes how to improve streets with Community Development Block Grant (CDBG) funds.

The intent of the Policy is to provide a process for housing developers and property owners to apply for CDBG funds to improve roads that will serve new or rehabilitated housing units, but it does not limit applications for projects that do not include those tasks.

This CDBG Street Improvement application process is different from the application process used for other types of projects.

Sections 1 through 4 of this document provides citizens with further guidance on how to fill out an application for funding and how the City scores the applications. Section 5 provides project examples. The CDBG Street Improvement Application form follows Section 5.

## 1 APPLICATION AND TIMING

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The application form for CDBG funded street improvement projects is located at the end of this document, after Section 5.

Applications for funding in the next CDBG budget are due on or before June 1<sup>st</sup> of the year preceding the CDBG budget year. *For example, an application for a project to be considered in the 2020 budget is due on June 1<sup>st</sup>, 2019.*

A project not funded in a program year does not require new applications in subsequent years. The City will retain and consider applications for three years in total. However, applicants are encouraged to submit a new application if there are changes to the conditions presented in the original application.

Typically, it takes two years to complete a CDBG street improvement project after submittal and approval of the application. It takes one year to prepare and submit the CDBG budget to HUD and then another year of project planning before construction begins.

## 2 MINIMUM REQUIREMENTS

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The Census Tract where the street is located must meet certain characteristics:

- It must have a poverty level of 15% or greater, required by the Policy, and
- It must have at least 51% Low- or Moderate-Income families, as required by CDBG regulations.

The City uses data from the most recent American Community Survey data collected by the U.S. Census Bureau to determine Census Tract eligibility.

The Street in question must meet certain conditions, as well:

- The adjacent properties must be residential in nature, as required by the Policy,
- It must be located in a Neighborhood Revitalization Area, as required by the Policy,
- It must have less than 50% unique, owner occupied units, as required by the Policy. Another way to say this is that the same person, or organization, must own most of the properties, and
- It may not be a major street; it must be a “neighborhood” street. The City cannot assume 51% of the users of a major street are Low- or Moderate Income clients.

A web tool located at <https://planninghcd.cityofomaha.org/cdbg-streets> can help interested persons determine a street’s eligibility. However, the results shown in this tool are not decisive they are only informative. Please contact the Autumn Evans, City Planner, for assistance with determining the eligibility of a street. Her email address is [autumn.evans@cityofomaha.org](mailto:autumn.evans@cityofomaha.org).

### 3 CONSIDERATION FOR FUNDING

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The City receives many requests for CDBG funding each year, and CDBG funds support programs operated by the Planning Department. Although a street project may meet all of the minimum requirements stated above, it must compete with other applications and programs for funding consideration.

#### 3.1.1 Scoring

The City scores all non-street specific applications for CDBG funding on a scale of 0 to 100. The higher that score, the more likely the project will receive CDBG funding. Streets have a comparable scoring range, but have different criteria than other CDBG projects.

Presented below is the scoring system for CDBG street funding:

1. 0 to 20 points from the Street Score calculated by Omaha Public Works as presented in **Section IV-C. Scoring Criteria** of the Policy.
2. 0 to 20 points for the level of investment by the property owner, or owners, for the construction or rehabilitation of affordable housing along the street. The City divides the overall housing development or rehabilitation budget by the linear feet of street and compares this total to the table presented below:

Result of Formula	Score
0	0 points
1 to 3,999	10 points
4,000 or more	20 points

3. 0 to 40 points for the number of households served by the street improvement project. The City calculates the linear feet of the street divided by the number of households served and then compares that total to the following table:

Result of Formula	Score
251 or more	0 points
151 to 250	10 points
81 to 150	20 points
61 to 80	30 points
60 or less	40 points

4. 0 to 20 point based upon the merit of the project. This factor considers how the project serves the community. Benchmarks for this category include:

Benchmark	Score
Located in an area with a Redevelopment Plan	5 points
Supports a project that creates new affordable housing	10 points
Located in an area currently targeted by the City for redevelopment	5 points

Proposed street projects will score between 0 to 100 points. A project likely needs to score 50 or more points to be competitive with other CDBG applications.

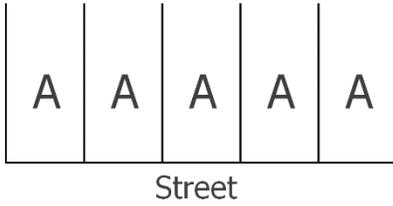
## 4 SELECTION PROTOCOLS

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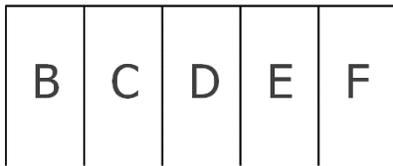
The City does not set aside a portion of each year's CDBG budget for street improvements, and therefore the highest scoring projects do not automatically receive funding. Street improvement projects are compared side-by-side with other CDBG funding applications.

The City must evaluate the cost of the project within the context of the total CDBG budget before deciding to fund a project or not. For example, if the City receives \$3 million in CDBG funding from HUD, we are unlikely to fund a \$1 million street improvement project that year. A lower scoring street project may receive funding over a higher scoring street project because the cost of the project is lower, and that smaller budget is a better fit within the overall CDBG budget.

## 5 EXAMPLES



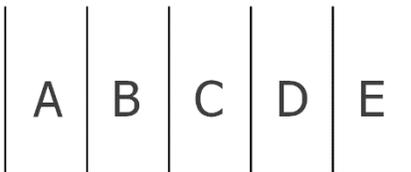
**Example 1.** There are ten parcels of land along the street. Each parcel has one owner occupied house. Property Owner A owns five parcels of land along the street. These homes are under construction and the builder will not use these homes as rental properties.



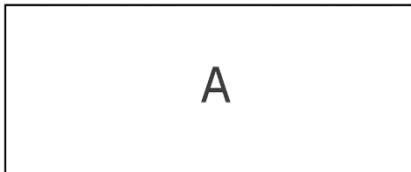
In this scenario, the diagram shows a qualifying project because Owner A owns “not less than 50% of the owner occupied housing” along the street.

If Owner A owned only four of the ten of the parcels along the street, this project would not qualify under the policy because the owner would own only 40% of the owner occupied properties.

If Owner A owned five lots but they were all rental properties, then the project would not qualify.



**Example 2.** There are six parcels of land along the street. Each parcel has, or will have, one owner occupied house. Property Owner A owns one large parcel on one side of the street and another parcel across the street.



In this scenario, the diagram shows a project that does not qualify for funding. Owner A owns 33% of the owner occupied homes along the street.

If Owner A plans to develop the large lot into five smaller lots and build homes on them which will then be sold to new home owners, then Owner A will own 60% of the homes and the project would qualify for funding.

If Owner A owned a multi-family housing unit on the large lot, and then purchased, redeveloped, and resold all the parcels of land across the street, the project would qualify for funding because Owner A owns “not less than 50% of the owner occupied housing.” Ownership of the multi-family property across the street does not invalidate the conditions across the street.

If the large lot owned by Owner A does not have a single family home, but they won three of the five lots on the other side of the street, the project qualifies for funding. In most cases, the City considers parks and other types of greenspace to be types of residential properties for the purpose of this application.

# CDBG Street Improvement Application

**Applicant Name:** \_\_\_\_\_

**Date of Application:** \_\_\_\_\_

**Location of Project:** \_\_\_\_\_

*Example: North 29<sup>th</sup> Street between Hamilton and Charles Streets.*

**Estimated Project Cost:** \_\_\_\_\_

*Please refer to the Public Works website*

*<https://publicworks.cityofomaha.org/residents2/streets/unimproved-streets> for help with the estimated budget. Please note that CDBG funded projects will include the cost of sidewalks, as necessary.*

**Project Description:**

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Please attach any relevant information, such as diagrams, budgets, etc., that help explain the project.

Please send applications to: CDBG Street Improvement Application, Attn: Autumn Evans, 1819 Farnam Street, Suite 1111, Omaha, NE 68183 or [autumn.evans@cityofomaha.org](mailto:autumn.evans@cityofomaha.org).

The following section is reserved for City use.

What is the street score?	_____	Date submitted to the City	_____
What is the investment score?	_____	Funded Year 1	_____
What is the household served score?	_____	Funded Year 2	_____
What is the project merit score?	_____	Funded Year 3	_____
<b>Total score</b>	_____		