



Building a Better Community

ONE PROJECT AT A TIME

Via Prioritization & Funding Leveraging Opportunities

WALKERTON, INDIANA

- Located: St. Joseph County
- Population : 2,144
- Total Households : 819
- Median Household Income: \$41,156
- Property Taxes: 3.81%
- Assessed Value: \$64,149,856
- Operating Budget: \$3,200,000



PLANNING & PRIORITIZING IS THE FIRST STEP



1. Identify Your Communities Strengths and Weakness to Formulate Project List

Council Members – Community, Housing and Economic Development

Department Heads – Condition of Capital Assets

Business Leaders – Growth Incentives & Workforce Issues

School Administrators – Educational Needs

Philanthropic Groups – Quality of Life

General Public – General Needs from Economic & Quality of Life Standpoint

2. How Do Identified Projects Impact Your Community Performance Indicators (CPI's)

Gross Assessed Value

Population Growth

Public School Enrollment

Educational Obtainment

Per Capita Income

3. Identify Potential Funding Sources (Grants & Low Interest Loans)

Indiana Department of Transportation (Federal Highway Programs)

Indiana Housing & Community Development Authority (Housing Programs)

Indiana Department of Natural Resources (Outdoor Recreation)

Indiana Finance Authority (Water & Wastewater State Revolving Loan Funds)

Indiana Office of Community & Rural Affairs (Community Development Projects)

USDA Rural Development (Community Facility Funding for Populations 12,000 & Below)

FEMA Firefighters Assistance Program (Trucks, Training, Equipment)

US Department of Justice (Training & Equipment)

Local Community Foundation (Grants & Possible Endowment Creation)

4. Develop Evaluation Method to Prioritize Project List

Immediate Needs (Agreed Orders, Declining Property Values, Antiquated Equipment)

Available Funding (Existing Budget, Funding Opportunities)

Economic Impact (Community Performance Indicators (CPI's)

Long-Term Sustainability (Operational Costs, Manpower, Etc.)

5. Establish Project Implementation Schedule

Don't Try To Accomplish Too Much Too Soon

Know that Each Identified Project , Subject to Grant or Low Interest Loan Financing, Will Require Additional Planning (Engineering / Architectural / Environmental)

Delegate Responsibilities

Understand Patience & Persistence Will Be Needed

6. Document and Evaluate Process

Keep Meeting Notes of Planning Process in Separate Binder

Set-Up File For Each Identified Project

Take Pictures of Needs (Flooding, Potholes, Excavation, Crowded Spaces)

Obtain Support Letters Documenting Need (Complaint Log, Survey)

Keep Financial Records (Expenditures, Man Hours, Overtime)

Schedule Meetings to Evaluate Progress (Quarterly / Semi-Annual / Annual)



PRIORITY PROJECTS

1. Housing (*Low / Moderate Income & Senior Living*)
2. Immediate Medical Care
3. Park & Trail Improvements
4. Sidewalk Improvements
5. EMS Station
6. Municipal Building
7. Wastewater Treatment Plant & Collection System Upgrade
8. Water Utility Improvements
9. Library & Media Center
10. Downtown Revitalization (*Façade Improvement & Economic Development*)
11. Community Center
12. Storm Drainage Improvements

2000 through 2017

**West York
Project**

**Dogwood
Estates**

**Low/Mod
Housing**



2000 - 2005

\$620,512
St. Joseph County
Housing Consortium

\$250,000
Lilly Endowment

\$185,000
Office of Community & Rural
Affairs

\$500,000
Indiana Housing & Community
Development
Authority



EMS Station



Before

2010 - 2013

\$436,995
Office of Community & Rural
Affairs

\$200,000
CEDIT Funds

\$13,005
Philanthropic Donation



After

Municipal City Court Building



Before

2013 - 2015

\$1.8 Million
USDA
Community Facilities Loan

Decided Not To Pursue
\$1.8 Million
Local Bond



After

Wastewater Treatment Plant & Sewer Collection System Upgrade Project



2009 – 2015

\$35,000 Planning Grant via Office of Community & Rural Affairs – Preliminary Engineering Report

\$500,000 Construction Grant via Office of Community & Rural Affairs

\$2,742,000 Construction Loan via USDA Community Facilities Program

\$2,206,000 Construction Grant via USDA Community Facilities Program

Library Project

Before



After



2015 - 2018

\$15,000 Library Funds – Preliminary Architectural Study
\$400,000 Construction Grant via Office of Community & Rural Affairs
\$750,000 Library General Obligation Bond
\$250,000 Local Philanthropic Donation



Downtown Revitalization Plan

2016 - 2018

**\$30,000 - Planning Grant
Office of Community & Rural
Affairs**

**\$3,500
Local Funds**

THE SECOND STEP

FUNDING (GRANT / LOAN) APPLICATION PROCESS

- **Don't Develop Project Just Because There is a Grant Available**
- **Document Project Need – Prior to Applying for Funds**
 - Community Needs Assessment*
 - Pictures*
 - Citizen Complaints / Problems*
- **Make Sure You Have a Thorough Plan In Place**
 - Analysis of Existing Conditions*
 - Population Projections (20 Years)*
 - Documented Need (Pictures, Reports, Etc.)*
 - Alternatives Considered*
 - Current Cost Estimates (Ineligible Cost Included)*
 - Long-Term Operation & Maintenance Cost Evaluated*
- **Be Able to Describe Financial Impact**
 - Why Community Can't Fund on Its Own*
 - Increased Expenses Affiliated with Status Quo Situation*





If You Don't Have the Information You Need
Consider
Applying for a
Planning Grant
via the
Office of Community & Rural Affairs

Contact Your
OCRA Community Liaison
to See If Your Project Is
An
Eligible Activity
That Meets A
National Objective

AMOUNT OF PLANNING GRANT REQUEST & LOCAL MATCH

- Environmental Assessment Studies will be limited to \$15,000.
- Environmental Infrastructure Studies are limited as follows:
 - \$35,000 for a study on a single utility,
 - \$45,000 for a study on two utilities, and
 - \$50,000 for a master utility study (*water, wastewater, and storm water*).
- Dam or Levee System Evaluations will be limited to \$50,000.
- Comprehensive plans are limited to \$40,000.
- Downtown revitalization plans are limited as follows:
 - Populations over 2,000 are limited to \$40,000, and
 - Populations under 2,000 are limited to \$30,000
- Economic development plans are limited to \$40,000.
- Public facilities plans (*including libraries, community centers, parks, etc.*) will be limited to \$20,000.
- Historic preservation plans will be limited to \$20,000.

**All Projects Will Require a Minimum of a 10% Local Match
(10% of TOTAL PROJECT COST)**

There are **Three (3) National Objectives** per 24 CFR 570.489.

1

**Benefit to Low & Moderate
Income Persons**

Area Wide

Limited Clientele

2

**Elimination or Prevention
of a Slum / Blight**

Area Basis

Spot Basis

3

Urgent Need

**Most Projects Fundable by OCRA will fall under the category of
Benefit to Low & Moderate Income Persons**

**At Least 51% of the Population Within the Service Area Must Be Low/Mod
Via
US Census Data or a Certified Income Survey**



Assuming You Have a Well Developed Plan
(*Scope, Cost, Need, Financial Impact*)
and it is
An Eligible Project That Meets a National Objective
Move Forward With The
Construction Grant Application

Construction Grant Available Funding

AMOUNT OF GRANT REQUEST & LOCAL MATCH

Program	Maximum Grant Amount	Local Match Requirement
Wastewater Drinking Water (WDW)	Up to \$700,000	20%
Stormwater Improvements Program (SIP)	Up to \$500,000	10%
Public Facilities Program (PFP)	Up to \$500,000	10%
Blight Clearance Program (BCP)	Up to \$350,000	10%
Main Street Revitalization Program (MSRP)	Up to \$500,000	20%

Other Funding Sources - Local Match Considerations

USDA Rural Development:

Federal program that offers low interest loans. Interest rates **range between 2% to 4% depending on financial circumstances of the community and current market interest rates.** The term of the **financing is over a 40 year term.** This is a great option if the community's main concern is keeping the beneficiaries payments as low as possible. *(In some cases, USDA Rural Development will also contribute grant funding in order to keep rates more manageable. They utilize a \$65 benchmark.)*

IFA State Revolving Loan Program:

State program that offers low interest loans. They will only finance water and wastewater projects. **Interest rates are around 2% depending upon current market rates.** The term of the **financing is over a 20 year term.** The advantage of this program is that it is more streamlined and pairs well with OCRA construction grants. It also eliminates a lot of interest given its shorter term.

Other Funding Sources - Local Match Considerations

Open Market Bonding:

A community can utilize open market bonding through the issuance of a **Revenue Bond or a General Obligation Bond**. Interest **rates are based upon current market interest rates and subject to the community's bonding capacity based upon their assessed value**. This is a very streamline approach and typically is faster to obtain than other options.

Local Bank Loan:

This option is **available for smaller scale projects**. Terms and conditions are subject to individual bank requirements.

Cash On Hand:

In an effort to be the most competitive, the community should always **look at existing cash reserves and pledge cash on hand if it has not been earmarked for another project**. However, available cash resources are limited in how they can be utilized.

Other Funding Sources - Local Match Considerations

Fundraising / Donations:

Capital campaigns are always a good idea – ask the general public for help. **Monetary donations show community support.** Also try partnering with the local **Community Foundation** to earn extra points towards the application scoring. *(Extra points for up to 2% of the project cost via philanthropic donations).*

In-Kind Donations:

Donated time and materials can also be apart of the local match but **CANNOT exceed more than 5% or \$25,000 (whichever is less) of the total match commitment.**

Force Account Labor:

Community work force can be utilized on the project. **Hourly wage is based upon their current hourly rate.** Limitations on how much can be utilized and concerns regarding long-term liability.

Application Process Is Time Consuming



Planning Grants: 4 – 6 Months

*Procurement of Service Provider
Public Hearings*

Construction Grants: 6 – 12 Months

FEEPS

Financial (Local Match)

Engineering (Adequate Plan)

Environmental (Section 106)

Permits (Identified)

Site Control (Land Acquisition / Easements)

Choice Limiting Actions

- **Cannot commit HUD and non-HUD funds to a proposed project prior to release of funds authorization;**
- **Must oversee actions of sub-recipient;**
- **Choice-limiting actions will reduce or eliminate your opportunity to choose alternatives. Examples: property acquisition, leasing, demolition, rehabilitation, construction, and site improvements (including site clearance);**
- **Do not take ANY action until the environmental review compliance is achieved; and**
- **Option agreements are allowable**



Completion of Application

1. Fill In All The Blanks – Empty Boxes Raise Flags
2. Be Concise – No Run On Sentences
3. Be Compelling – Benefit To Citizens
4. Pictures Are Worth A Thousand Words
5. Cite Examples – Problems Experienced
6. Accurate Budget – Make Sure Numbers Add Up
7. Quantify Goals & Objectives – How It Will Help
8. Meet With Grant Review People to Discuss Prior

PROJECT IMPLEMENTATION - THE FINAL STEP





Who's Neck Is On the Line???

**Chief Elected Official – a bit !!
Grant Administrator – could lose
certification but won't make the
headline news**

Clerk Treasurer – You Bet !!

**You're the Record Keeper
So Make Sure You Know What Is Going
On At All Times & Keep All Documents
to Protect Yourself !!**

Required Implementation Record Keeping

1. Make Sure You Keep A Full Copy of the Completed Grant Application;
2. Make Sure You Have the Environmental Record;
3. Make Sure You Have Recorded All Easements / Property;
4. Make Sure You Read Through the Grant Agreement & Understand Terms;
5. Make Sure You Keep Copies of All Invoices and Expenditures;
6. Make Sure Federal Funds Received in Excess of \$5,000 are Spent within Five (5) Business Days;
7. Make Sure All Semi-Annual Reports Are Completed & Submitted;
8. Make Sure All of Your Ordinances (*Fair Housing, Drug Free, Rate Ordinances*) Are Up to Date;

- 9. Make Sure You Attend Construction Progress Meetings or Obtain Meeting Summary Report;**
- 10. Do Not Allow Any Change Orders to Be Approved Unless You Know You Have the Funds to Cover;**
- 11. Make Sure That Davis Bacon (*Federal Wages*) Are Being Paid & Maintain Copies of Payroll Reports;**
- 12. Don't Write Out Final Payments Until You Know That Everyone (*Council & Project Team*) Is Satisfied;**
- 13. Understand that You Will Be Audited by Grant Agency & State Board of Accounts;**
- 14. Keep Track of How Much Grant Funding You Spend In the Fiscal Year for Year End Report and Federal Auditing Purposes (*\$750,000 – More Stringent SBOA Audit*);**
- 15. Keep Records for At Least Five (5) Years After Grant / Loan Close-Out.**



Questions ??