



# Community Development Block Grant

## Program Description

### Program Year

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**State of South Carolina  
Department of Commerce**



State of South Carolina  
Department of Commerce

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### *POLICY OF NON-DISCRIMINATION*

The State of South Carolina does not discriminate on the basis of age, race, color, religion, sex, national origin, disability or familial status in the admission or access to, or treatment or employment in, its federally assisted programs or activities. Barry Butler, Department of Commerce, State CDBG Program, 1201 Main Street, Suite 1600, Columbia, SC 29201, Phone (803) 734-0429 (VOICE), (803) 734-0555 (TTY 711), or email [bbutler@sccommerce.com](mailto:bbutler@sccommerce.com) has been designated to coordinate compliance with the non-discrimination requirements of the CDBG program.

## Overview

The South Carolina Community Development Block Grant Program (“State CDBG Program”) is designed to provide assistance to units of general local government in improving economic opportunities and meeting community revitalization needs, particularly for persons of low and moderate income. The State CDBG Program has been funded since 1982 by the U.S. Department of Housing and Urban Development (HUD) under the Housing and Community Development Act of 1974, as amended (Title I).

The CDBG program is governed by Title I of the Housing and Community Development Act of 1974, as amended, and its implementing regulations for the State Program at 24 CFR Part 570, Subpart I. All CDBG activities must be carried out in accordance with the requirements of Title I, Subpart I, the State Consolidated Plan and this Program Description.

The South Carolina Department of Commerce Division of Business Incentives and Community Development administers the annual allocation from HUD for the State CDBG Program. Throughout this Program Description, the term "State" generally refers to the entity administering the CDBG program, i.e., the SC Department of Commerce Division of Business Incentives and Community Development.

In the following sections, a description of the State CDBG Program is presented along with the amount of funds available and the method of distribution of those funds. Also presented are the categories of grants to be made available, selection criteria, eligible activities, and the eligibility requirements for applicants.

The State will conduct workshops to assist local governments and other interested parties in the preparation of grant applications and the administration and management of funded projects in accordance with program requirements. In addition, the State is available to provide technical assistance to local governments and non-profit organizations regarding the CDBG program.

## CDBG Program Goals and Outcomes

The SC Department of Commerce seeks to improve the well-being of all South Carolinians in a manner that supports and enhances a high quality of life. The State CDBG Program supports the agency’s efforts to strengthen communities through revitalization and improvement of neighborhoods, public infrastructure, and the local economy.

In an effort to effectively target resources and ensure program accountability, the State CDBG Program has incorporated a focus on project outcomes. Shrinking resources on the national and state levels require that programs provide concrete evidence that their investments are resulting in the desired outcomes.

The three overarching goals of the HUD CDBG program are to provide decent housing, economic opportunities and a suitable living environment. Within the context of these goals, each project funded by the State must also meet one of three outcomes identified by HUD: affordability, accessibility, or sustainability.

## National Objectives

Each activity must address at least one of the three National Objectives of the CDBG program: (1) benefit low and moderate income (“LMI”) persons, (2) aid in the prevention or elimination of slums and blight, and (3) meet other urgent community needs posing a serious threat to the health or welfare of the community, where other financial resources are not available to meet such needs. The State CDBG Program has been designed to give maximum priority to activities that will benefit LMI persons. As required by Title I, the State of South Carolina is certifying to HUD that at least 70 percent of the total CDBG funds received by the State during the last year period of the 2025 Consolidated Plan will be used to provide benefits to persons from LMI families.

For activities that address benefit to LMI persons, at least 51 percent of the beneficiaries must be from LMI families, except that housing activities must benefit 100 percent LMI. The definition of LMI used in the State's CDBG program is as follows:

### Non-metropolitan counties

Low and moderate income levels will be determined by eighty percent (80 percent) of the higher of the following: The median family income for the county of residence or the statewide non-metropolitan median family income, whichever is higher.

### Metropolitan counties

Low and moderate income levels will be determined on the basis of eighty percent (80 percent) of the entire Metropolitan Statistical Area (MSA) median family income.

HUD adjusts median family income levels for family size. The State will provide CDBG applicants and recipients with the latest available HUD data, and this must be used to determine which persons qualify at the time of assistance as being from low and moderate income families. When conducting limited clientele activities, the following persons are also presumed to be LMI by HUD (absent evidence to the contrary): abused children, elderly persons, battered spouses, homeless persons, severely disabled adults, illiterate adults, migrant farm workers, or persons living with AIDS.

Applications that address the third national objective of imminent threat to the health or welfare of the community must comply with the requirements shown below:

- Applications must contain a certification of imminent health threat from the Commissioner of the South Carolina Department of Environmental Services (DES), or the Governor must have made a declaration of emergency.
- Conditions which pose a serious and immediate threat must be of recent origin or must have recently become urgent. A condition will generally be considered of recent origin if it developed or became critical within eighteen (18) months preceding the submission of an application. The application may not address conditions that have become serious due to a lack of maintenance of an existing facility or improvement.
- The applicant must demonstrate that it lacks the resources to effectively address the imminent threat and other sources of funding are not reasonably available.

## Eligible Applicants

Under Title I, all units of general local government are eligible to apply for CDBG financial assistance with the exception of the metropolitan cities and urban counties in South Carolina that participate in the CDBG Entitlement program and receive CDBG funds directly from HUD. The ineligible cities currently include: Aiken, Anderson, Charleston, Columbia, Florence, Greenville, Hilton Head Island, Rock Hill, Spartanburg, Summerville and Sumter. The HUD designated urban counties are Berkeley, Charleston, Greenville, Spartanburg, Horry, Lexington and Richland. Unincorporated areas of the designated urban counties, and any municipalities within the county that choose to participate with the county, are also not eligible. As of December 2024, ineligible municipalities include all in Berkeley, Charleston, Greenville, and Lexington Counties, and Myrtle Beach in Horry County. However, municipalities located within an urban county should contact the urban county or the State for an eligibility determination.

For any application to be considered for funding, the applicant must comply with the requirements of this Program Description as well as applicable federal regulations and state requirements and submit a complete and acceptable application.

## Types of Applications

### Individual Application

A unit of local government generally may apply for only one project per application and funding category, and that project must be designed to address an identified priority need of the jurisdiction. The single project requirement may be waived if the State CDBG Program determines that there is an overriding administrative and/or cost benefit to undertaking separate projects under one grant or program.

### Joint Application

Eligible applicants may apply jointly for projects to alleviate common problems or address mutual need(s) when it is documented that mutual action is required or when it is in the best interests of all applicants. Additionally, a joint application may be required if a significant portion of the project beneficiaries are located outside the applicant's jurisdiction. The necessity or appropriateness for mutual action must be acknowledged by the State CDBG Program prior to the submission of an application.

A joint application will be funded as a multi-jurisdictional award and must include an agreement written in accordance with HUD and the State CDBG Program procedures which:

- States that the parties have agreed to cooperate in undertaking the project,
- Delineates the responsibilities and authorities of each party with respect to the administration of the grant, and
- Authorizes one of the parties to be the recipient of the funds and have primary administrative responsibility.

Applicants proposing to submit joint applications should contact the State CDBG Program for further instructions. The lead jurisdiction in a joint application must comply with program threshold requirements. Each participating jurisdiction is required to comply with all citizen participation requirements, certifications and other Title I requirements, as applicable.

### **Applications for Areas Outside Municipal Jurisdiction**

Activities must significantly benefit residents of the applicant jurisdiction and the applicant must determine that the activities will meet a priority need. This determination should be documented in the needs assessment and public hearing. For an activity to significantly benefit the residents of the applicant jurisdiction, CDBG funds expended must not be unreasonably disproportionate to the benefits of the applicant's residents. Where activities significantly benefit another jurisdiction or mutual action is required, a County may apply jointly with a municipality to address the needs of areas outside the jurisdiction of a municipality. Please contact the State CDBG Program if a project is not wholly within the proposed applicant's jurisdiction. It is also permissible for a County to undertake a project in a municipality without meeting the requirements of a joint application, since the County's jurisdiction includes the municipality.

### **Applications Involving an Entitlement Jurisdiction**

Generally, State CDBG funds may not be spent in entitlement communities. Residents of entitlement jurisdictions may only receive an incidental benefit from a State CDBG Program funded activity. For projects submitted by applicants eligible for the State CDBG Program that also incidentally benefit entitlement areas:

- The applicant must determine that the proposed activity meets a priority need,
- All but incidental beneficiaries must be documented as residing in the non-entitlement area,
- The project must be consistent with the Entitlement's Consolidated Plan, and
- The Entitlement may be required to provide a share of the total project cost equal to the proportion of Entitlement benefit.

## **Eligible Activities**

Units of local government may apply for assistance under the appropriate grant program category to undertake any of the activities specified in Section 105(a) of Title I, as amended. A copy of Title I, as amended, is available from the State.

Examples of the types of activities that are eligible for CDBG funding are as follows: acquisition of real property; construction of public facilities and improvements; rehabilitation of non-residential structures; limited provision of public services; assistance to neighborhood-based non-profit organizations, local development corporations or for-profit entities to carry out economic development activities; demolition and clearance; removal of architectural barriers; and CDBG eligible planning and administration.

## General Requirements

### **Applications**

In order to be considered for CDBG funding, units of local government must submit an acceptable application that meets all federal and state program requirements. A local government may obtain an application by submitting to the State CDBG Program a written request from the chief elected or chief administrative official of the local government. The Application Request contains a brief description of the proposed project, the number of proposed beneficiaries and an estimate of the percentage of beneficiaries who are LMI (if appropriate), the project location, total project costs, all funding sources, the amount of CDBG funds to be requested and the proposed use of such funds. The State CDBG Program may request a meeting with the potential applicant or conduct a site visit to determine eligibility and feasibility prior to mailing an application. Deadlines for applications to be submitted for consideration are specified in each program category described in this Program Description or as indicated when the application is mailed to the applicant.

### **Citizen Participation**

Units of local government wishing to participate in the State CDBG Program must provide for participation by citizens in the planning and implementation of any project involving CDBG funds. Units of local government are required to develop and follow a written citizen participation plan, to conduct a community needs assessment to identify the community revitalization and economic development needs of the local government and LMI persons, and to hold public hearings regarding these identified needs and completed activities in accordance with the federal and state program requirements and guidelines.

### **Performance Thresholds**

In order to participate in the State CDBG Program, a unit of local government must be able to meet certain performance threshold requirements for state CDBG funds previously awarded. These requirements are detailed in the descriptions of each grant category in this Program Description. The State CDBG Program may waive the threshold requirements where circumstances beyond the control of the applicant were directly responsible for such requirements not being met or in the event of an urgent and compelling need for immediate assistance, such as an imminent health threat to the public or a state or federally declared disaster.

### **Certifications and Disclosures**

All applicants for funding under the State CDBG Program are required to comply with the provisions in Title I and other applicable federal and state laws and regulations. Lead applicants must also provide certifications and disclosures regarding the amount of assistance sought from the State CDBG Program and other government entities during the federal fiscal year, the financial interests of persons involved in the activities, the sources of funds to be made available for the activities and how such funds will be used as well as any known, potential conflicts of interest.

### **Residential Anti-displacement and Relocation Assistance Plan**

The State certifies that it will undertake activities that minimize the displacement of persons or businesses. CDBG funds should not be used to carry out activities that result in displacement unless there is a public health or safety threat. Local governments must also make such certification and must demonstrate that there are no other feasible alternatives.

Section 104(d) provides that a grant funded under CDBG may be made by the State only if the applicant certifies that it is following a "residential anti-displacement and relocation assistance plan" (the Plan). The Plan must contain at least two components: (1) a requirement to replace all LMI dwelling units that are demolished or converted to a use other than LMI housing as a direct result of CDBG assistance; and, (2) a relocation assistance component (which also addresses the applicant's efforts to minimize the displacement of persons). Both components must meet the HUD requirements at 24 CFR 570.488.

The State CDBG Program will not require the Plan to be submitted with an application unless CDBG activities that would involve the Plan are proposed to be undertaken. The State CDBG Program Implementation Manual provides guidance on the preparation of the Plan.

### **Application Assistance**

The State publishes Application Guidelines and annually provides technical assistance to help potential applicants in applying for CDBG funding. The Application Guidelines can be downloaded from the website [www.cdbgsc.com](http://www.cdbgsc.com).

### **Access to State Records and Program Information**

Program information is posted on and can be downloaded from the State CDBG Program website – [www.cdbgSC.com](http://www.cdbgSC.com). Or interested individuals may contact the State CDBG Program, by emailing [sc-cdbg@sccommerce.com](mailto:sc-cdbg@sccommerce.com) or calling (803) 734-0429 (VOICE) or (803) 734-0555 (TTY 711).

The procedures for the review of State CDBG Program records are in accordance with the Freedom of Information and Privacy Acts. Records related to the use of State CDBG funds administered by the State are available for public review upon request at the SC Department of Commerce, Division of Business Incentives & Community Development, 1201 Main Street, Suite 1600, Columbia, SC 29201 between 8:30 a.m. and 5:00 p.m., Monday through Friday. Persons wishing to review such records or who would like additional information should contact the State CDBG Program - Phone: (803) 734-0429 (VOICE) or (803) 734-0555 (TTY 711).

## Funding Distribution

The State of South Carolina estimates it will receive \$20,158,365 as its 2026 CDBG allocation from HUD. Based on this estimated 2026 funding, the State will distribute funds based on the chart shown below. (Note that italicized amounts are breakdowns of the Community Development Program total amount.)

| Category  | Amount              |
|---|---------------------|
| Community Development Programs                      | \$18,703,616        |
| ■ <i>Community Infrastructure</i>                   | \$8,000,000         |
| ■ <i>Community Enrichment</i>                       | \$7,953,616         |
| ■ <i>Local Priorities</i>                           | \$2,000,000         |
| ■ <i>Ready to Go</i>                                | \$750,000           |
| Business Development Program                        | \$ 250,000          |
| Regional Planning Program                           | \$ 500,000          |
| State Technical Assistance (1%)                     | \$ 201,583          |
| State Administration (2% of allocation + \$100,000) | \$ 503,166          |
| <b>Total 2026 CDBG Allocation **</b>                | <b>\$20,158,365</b> |

\*\* Note that this estimate is based on the prior 2025 allocation. When the actual 2026 allocations are announced, any additional funds will increase funds available under the Community Infrastructure, Community Enrichment and Local Priorities Programs on a pro rata basis, and any decrease will reduce funds available for the Community Infrastructure and Community Enrichment Programs on a pro rata basis.

At the end of the Spring funding round, or the Community Infrastructure program round, any remaining funds will become available as additional funding for the Fall funding round (Community Enrichment and Local Priorities). Also, up to ten percent may be reallocated among any of the grant categories to address the State's program priorities and local needs as identified by the Secretary of the Department of Commerce. In the event of a federal or state declared disaster or emergency, up to ten percent of the State's unobligated allocation may be reallocated to address the needs of the disaster consistent with Title I. Any Department of Commerce requirements, thresholds, or limits may be waived at the discretion of the State in the event of a disaster. Priority consideration will be given to projects that address the immediate needs of LMI persons as a result of the disaster.

### **Administration and Technical Assistance**

The State may not use more than twenty percent of the total annual allocation for planning and general administrative costs carried out by units of local government and the State. Section 811 of the Housing and Community Development Act of 1992 includes a provision that allows the State to use one percent of its allocation to provide technical assistance to local governments and non-profit program recipients. The State intends to use such funds to provide technical assistance to units of local government, non-profits, and other interested parties on community and economic

development issues. There will be an emphasis on the provision of technical assistance for local governments.

Assistance will include one-on-one advice and guidance, training workshops and manuals, and best practices exchanges. On-site assistance will be provided for identification of community needs, planning, project development, project implementation and meeting federal and state program compliance requirements. Funds will also be used to conduct workshops to assist interested parties in applying for and implementing CDBG funded projects.

## **Distribution of Additional Allocations, Reallocated, Recaptured and Remaining Funds**

Additional allocations are any funds HUD adds to the State's original grant award for any given year. Reallocated funds are those funds that HUD has recaptured from a grantee and reallocated to the State. Recaptured funds are funds the State receives back from a grantee as a result of disallowed costs, deobligation or termination of CDBG funding.

Remaining funds consist of any funds that have not been awarded at the completion of a program category funding cycle, or one year after such funds were granted to the State, or at the time the State is awarded its next regular allocation by HUD. This may occur due to an insufficient number of acceptable applications being received by the State in a particular funding category or as a result of insufficient funds remaining in a funding category to fully fund another acceptable application.

At the discretion of the State CDBG Program , any additional allocations, reallocated, recaptured or remaining funds described in this or any prior year's Program Description may be awarded in any grant category described in this Program Description or the applicable prior year's Program Description. Generally such funds will be awarded in the program categories where applications for eligible and fundable projects exceed available funds. Funds may also be awarded for eligible projects submitted though not funded through other Commerce or related programs. Eligible applicants with potentially CDBG eligible projects may be invited to apply for CDBG funds. All CDBG requirements apply, and applications will be scored with scoring criteria listed in this description. There is no guarantee of funding if invited to apply. Under unusual circumstances, the State CDBG Program may consider a waiver of any CDBG program requirement set by the State and may use any available funds for projects that are determined to meet urgent or compelling needs or for pilot projects where the Secretary of the Department of Commerce determines it necessary to implement the objectives of the Department of Commerce, within HUD requirements.

## **Program Income**

The State will require that units of local government, unless the conditions of the grant award state otherwise, return to the State all program income from activities carried out with CDBG funds. All program income returned to the State will be administered in accordance with the provisions of this Program Description and applicable federal and state regulations and statutes.

Any program income received by the State will be treated as recaptured funds and distributed in accordance with the provisions in this Program Description. The State does not anticipate receiving any program income this year.

Under the provisions of Title I, the State is obligated to waive the requirement for the return of program income to the State when the unit of local government will use that income to carry out the same activity that provided the income, provided that other HUD and State administrative requirements will be met. Examples of the same activity would be: using program income resulting from the repayment of a loan made to a business to make another loan and using program income resulting from housing rehabilitation activity to establish a revolving loan fund to carry out additional housing rehabilitation.

Each CDBG application must contain a program income plan, whether income will be received or not. The State will require that all program income derived from CDBG funds be returned to the State unless the recipient requests retention of program income to be used for the same activity. Program income plans must be approved by the local governing body and signed by the chief executive official of the local government. Program income plans are to be submitted at the time of grant application and will be considered on a case-by-case basis. If the plan submitted with the application is acceptable, the approval of the grant is indication that the program income plan has been approved. However, if the plan is incomplete, unacceptable or not included, the grant award will be conditioned to require submission of an acceptable program income plan.

Program income, whether returned to the State or retained at the local level, may be included in the total amount of funds from which the State may take up to two percent for State CDBG Program administrative costs.

## Grant Program Categories

Below is a description of the types of grants available to address the objectives of the State CDBG Program and the methods of distributing funds for these categories. Each category includes a description of the objectives, requirements, grant amounts, funding limits, matching requirements and the selection process. There are three broad grant program categories: Community Development, Business Development, and Regional Planning. The Community Development Program is further broken down into several subcategories to address infrastructure, community facilities, and local priorities.

The State CDBG Program will perform due diligence in reviewing each application for feasibility, fundability, and compliance with program requirements. Site visits will be conducted as necessary to verify information contained in the application. Applicants should have the individuals responsible for writing the application, as well as those individuals who are most familiar with the project area available during the site visit, if requested. The applicant should ensure that the application is internally consistent and that all numbers are correct prior to submission.

The State CDBG Program reserves the right to prescribe revisions in project proposals if activities prove to be CDBG ineligible, do not address program initiatives, or are not necessary project components; if proposed project costs are determined to be unacceptable, e.g., costs exceed CDBG requirements or recommendations; or if there is not enough funding available to fully fund the

request. Additionally, projects should not be submitted for consideration if there is local controversy regarding the activities or proposed outcomes. Such projects may be returned to the applicant for local resolution.

\*\* Note that the amounts shown below for each program are estimates, based on the estimated 2026 allocation. When the actual 2026 allocation is announced, any increase will be used to increase funding for the Community Infrastructure, Community Enrichment and Local Priorities Programs on a pro rata basis. Any decrease will reduce funding for Community Infrastructure and Community Enrichment on a pro rata basis.

## Community Development Programs

**Total Funds:** **\$18,703,616\*\* (estimated)**

### **Description**

This program is designed to produce outcomes that improve citizens' quality of life and create a competitive environment for jobs and investment by addressing priority community development needs. Activities should contribute to healthy, safe and sustainable neighborhoods and communities. These grants are designed to improve the quality of life for distressed and LMI communities. Community Development projects will compete within the following subcategories that have the same general submission requirements, except that the Ready to Go Program will not be funded in a competitive funding round. Applications for this program will be considered eligible once all required application information is received and if it qualifies for the minimum score using the scoring criteria of the Community Development Programs. All other Community Development requirements will apply.

### Community Infrastructure

**Funds Available:** **\$8,000,000\*\* (estimated)**

**Grant Maximum:** **\$1,000,000\***

**Grant Minimum:** **\$50,000**

\* Waivers of the grant maximum will be considered based on whether the project addresses an urgent and compelling need, regional solution, or system-wide improvements (i.e., treatment plant), as well as the extent of leveraging and a reasonable CDBG cost (generally \$20,000 per household or less). A written waiver request explaining the rationale must be submitted for consideration with the application request.

### **Outcome and Priorities**

A Community Infrastructure application must contribute to creation of healthy, resilient and sustainable residential communities through water, sewer, roads, drainage or other activities that address one or more of the priorities listed in order of importance:

1. Significant improvements to existing infrastructure to address health concerns, meet required quality standards, ensure community sustainability or improve resiliency

2. Projects that result in a more viable regional infrastructure solution or that provide new access to services near business centers where it is cost effective to address a documented health threat
3. Upgrades to infrastructure to address quality standards where there are only general health concerns or provide new services that are not near business centers when it is cost effective to address a documented health threat

Note: Priority will not be assigned to infrastructure improvements that are necessary because of a lack of maintenance and repairs. Similarly, a priority may not be assigned if new service is proposed for an isolated neighborhood and there is no documented health threat or the service is not cost effective given the number of households committed to benefit.

## **Community Enrichment**

**Funds Available:** ***\$7,953,616\*\* (estimated)***

**Grant Maximum:** ***\$750,000\****

**Grant Minimum:** ***\$50,000***

Note that, due to federal caps on public services/equipment, the number and amount of grants for public services out of this program may be limited. Also, planning grants are subject to a \$100,000 maximum with a potential waiver for infrastructure studies with adequate documentation.

\*NOTE: Waivers of the grant maximum, up to \$1 million, may be considered for projects proposing Priority 1 or 2 activities in counties designated as Development Status Tier 3 or 4. A written waiver request explaining the rationale and including supporting documentation must be submitted for consideration with the application request.

### **Outcome and Priorities**

This program is designed to fund public facilities, services and other activities that strengthen existing communities and support a high quality of life within the following state priority areas:

1. Economic competitiveness, resiliency and narrowing the digital divide
2. Education and workforce development
3. Safe and healthy communities

Project investments should contribute to quality of life and the long-term vitality of communities. Activities must have the broad support of citizens and local businesses. Buildings and brownfield sites should be owned by the local government. Note that costs for operating or maintaining public facilities are not eligible for CDBG, so building projects must demonstrate financial viability. Equipment for public service activities must be for new or expanded services and generally associated with a significant capital investment in facilities. Only major pieces of equipment that have a durable life of five years will be considered for funding.

A variety of activities are eligible but consideration for funding will be based on state priorities listed below and in the Community Development Selection Criteria:

- First priority - Economic Competitiveness

- Brownfield clearance projects or demolition of obsolete buildings
- Demolition of vacant, dilapidated residential structures in a targeted LMI neighborhood
- Downtown streetscape improvements. Projects must include a plan for retail/small business support.
- New or upgraded sidewalks in LMI residential areas
- Planning by professional engineers and architects for regional infrastructure, hazard mitigation, resiliency and sustainability for eligible public infrastructure and facilities, broadband, brownfields clean up and redevelopment, or master drainage studies
- Second priority - Education and Workforce Development
  - Library facilities or services (fixed or mobile), including renovation or new construction and equipment for internet connectivity
  - Publicly owned childcare facilities (facilities intended primarily for children age 12 and under, e.g. daycare centers and Head Start preschool centers)
  - Other publicly owned facilities principally designed as multi-service centers that will be used for educational programming or workforce training
  - Publicly owned transportation-oriented public facilities or services to serve LMI workforce populations
- Third priority – Safe and Healthy Communities
  - Public safety facilities and services in LMI areas, such as a police substation. Primary police stations are not eligible.
  - Fire substations or fire trucks for existing stations that serve LMI residential areas if there will be a documented ISO (Insurance Services Office) reduction or expansion of service
  - Publicly owned health and/or social services facilities or equipment in underserved LMI areas
  - ADA accessibility and energy efficiency improvements for CDBG eligible public facilities (i.e., replacing windows, upgrading HVAC, etc.)

## **Local Priorities Program**

**Funds Available:** **\$2,000,000\*\* (estimated)**

**Grant Maximum:** **\$300,000**

**Grant Minimum:** **\$50,000**

Note that, due to federal caps on public services, the number and amount of grants for public services out of this program may be limited.

### **Outcome and Priorities**

This program is designed to address unique local and regional needs and priorities for addressing those needs through community development, including projects that reflect priorities established in conjunction with the Department of Commerce Business Incentives & Community Development Division. Projects may reflect community development needs that are not typically

funded through the other State CDBG programs, and generally should not be funded by other HUD partner programs, such as HOME and NHTF (affordable housing), ESG (homelessness) or HOPWA (special needs). These funds will be used for alternative grant activities and partnerships that meet the community development needs of eligible municipalities. Local priority projects could include historic preservation, innovation, energy conservation, parks, and trails/greenways. New or expanded public service activities are also eligible. Projects should leverage other funding or include local funding, impact identified needs and demonstrate strong community support while meeting a National Objective and all other requirements.

A variety of activities are eligible but, in addition to addressing local needs, priority in funding will be given to projects that also support the state priorities listed below:

- First Priority
  - Projects that impact economic development or increase economic competitiveness
- Second Priority
  - Projects that address public health and safety, quality of life or improve the long-term sustainability of the community
- Third Priority
  - Projects that address resiliency or help narrow the digital divide

## **Ready to Go**

**Funds Available:** **\$750,000\*\* (estimated)**

**Grant Maximum:** **\$500,000\***

**Grant Minimum:** **\$50,000**

\* Waivers of the grant maximum will be considered for infrastructure projects based on whether the project addresses an urgent and compelling need, regional solution, or system-wide improvements (i.e., treatment plant), as well as the extent of leveraging and a reasonable CDBG cost (generally \$20,000 per household or less). A written waiver request explaining the rationale must be submitted for consideration with the application request.

## **Outcome**

This program is designed to stimulate the local economy or address urgent or compelling community needs. Funding may also be used for pilot projects which have been developed in coordination with, and have been approved by, the State CDBG Program. The goal is encouraging innovation, the timely implementation of CDBG eligible projects, and cost effectiveness. The project requires an upfront investment of local and other funds for planning, project design and permitting that is substantially equivalent to the required 10% local match.

The project must be an eligible public facility improvement under the Community Infrastructure, Community Enrichment, or Local Priorities program. All required project activities leading up to bidding must be complete prior to submission of the application including but not limited to: project design, environmental review, acquisition and permits. CDBG funds may only be used for construction or demolition. Brownfields projects may be considered if significant upfront investment of local funds has been made and all other program requirements are met (including

voluntary clean up contract (VCC) with SCDES and local government ownership). Local and other funds must be used for pre-bid activities and will count toward the match requirements of the program. Projects must be advertised for bid within 60 days of grant award.

Applications will be accepted on an ongoing basis and funding will occur throughout the year, based on funding availability, when all application documentation has been received. No grant award will be made until evidence is submitted that all pre-bid activities are complete. Projects will be reviewed using the non-comparative scoring factors as listed in the Community Development Program Selection Criteria section. The project must obtain a minimum score of 150 points to be considered eligible for funding. In the event there are more eligible applications submitted during the same time than funds available, the highest scoring eligible projects will be funded. Application requests that do not meet all program requirements may be considered in the appropriate competitive program.

In the event of a state or federally declared disaster, applications for eligible public facilities and infrastructure that are not ready to go will be considered and eligible local governments will be notified of the availability of funds. Application requests will be accepted on a first come, first served basis. Projects will be reviewed using the non-comparative scoring factors as listed in the Community Development Program Selection Criteria section. The project must obtain a minimum score of 150 points to be considered eligible for funding. In the event there are more eligible applications submitted during the same time than funds available, the highest scoring eligible projects will be funded.

## **Community Development Program Requirements**

A unit of local government, filing individually or as a lead applicant, may submit only one application per Community Development Program category. Depending on the program, Community Development Program project may consist of one primary activity and associated activities as appropriate and necessary to implement the primary activity in one or more eligible target areas, or a project may consist of multiple activities which address priority needs in one defined LMI neighborhood or target area.

The grant award limits for each category may be waived at the discretion of the State CDBG Program in order to provide the level of assistance required where other resources are not reasonably available to the unit of local government to address the need in a timely manner or where the State CDBG Program determines the amount is necessary and appropriate to achieve the State's CDBG Program objectives.

### **Performance Threshold**

As a performance-based incentive, a unit of local government can apply for an additional Community Development grant if it has no more than two open CDBG grants (excluding Business Development or Regional Planning grants). However, the open grants must not have exceeded a 30 month grant period. Additionally, a grantee may only have one open downtown streetscape project.

For threshold purposes, a grant is considered open if it is not programmatically closed at the time of application submission. The applicant must submit a request for waiver prior to or with the

application request. At the discretion of the State CDBG Program, a performance threshold waiver may be considered only for the following reasons:

- There is an urgent or compelling need for immediate assistance, such as an imminent health threat to the public or a state or federally declared disaster, or
- It is determined that lack of performance on an open grant is due to unavoidable circumstances or conditions beyond the control of the local government. If problems are determined to be administrative, the local government may be allowed to apply if a different grant administrator is responsible for the new application/project.

A unit of local government may not apply for Community Development funds if it has any open grant which has not been programmatically closed due to the local government's lack of compliance with significant programmatic or financial requirements of the program. A grant may not be awarded to a local government which has a serious, outstanding audit or monitoring finding involving the potential for significant monetary restitution or non-responsiveness on any previously funded CDBG grant.

### **Application Requests and Deadlines**

Units of local government that are interested in applying for Community Development Programs must request an application from the State CDBG Program and provide a brief, written description of the proposed project, the proposed number of beneficiaries and an estimate of the percentage of beneficiaries who are LMI (if appropriate), the project location and map, total project costs, all funding sources, the amount of CDBG funds to be requested, and the proposed use of such funds. Signed application requests must be submitted by the chief elected or administrative official of the unit of local government by the application request due date. Application requests will be reviewed to determine whether the proposed project appears to meet eligibility, national objective and threshold requirements. The State CDBG Program may request a meeting with the potential applicant or conduct a site visit to determine eligibility and feasibility prior to mailing an application.

CDBG application-related deadlines for the 2026-2027 Program Year are:

#### **Community Infrastructure**

|                           |                                    |
|---------------------------|------------------------------------|
| Application Requests due: | <b>March 20, 2026 at 5:00 p.m.</b> |
| Applications due:         | <b>April 20, 2026 at 5:00 p.m.</b> |

#### **Community Enrichment and Local Priorities**

|                           |  |
|---------------------------|--|
| Application Requests due: | <b>August 21, 2026 at 5:00 p.m.</b>    |
| Applications due:         | <b>September 21, 2026 at 5:00 p.m.</b> |

#### **Local Match**

CDBG projects are expected to leverage other public and private investments and serve as a catalyst for future development. Projects that traditionally have the greatest long term impact are those that have an investment by the community. Leveraging of CDBG funds is also considered a scoring factor in the selection of projects for funding.

There must be a 10% match of the total CDBG request, unless otherwise approved, which can come from a variety of committed sources including other, non-Commerce grants, loans, waiver of fees, public or private investments, and documented volunteer or in-kind contributions.

Any fees for low and moderate income hook up/connection to public water and sewer must be waived or paid with non-CDBG funds, and may be considered part of the local match requirement.

The required match must be for activity costs directly related to the CDBG project. The State must approve in advance any proposed match (except application preparation or environmental review costs) that has been spent prior to application submission for all projects except Ready to Go. With prior written approval, the match may be used for acquisition (after completion of environmental review/clearance), engineering design or permitting prior to the submission of the application. This is encouraged so that projects are construction ready.

The match requirement may be modified or waived by the State CDBG Program upon written request and after consideration of the following minimum factors: the nature of the project, the need being addressed, local financial capacity and the availability of other resources. the State CDBG Program may request financial and other information as may be needed to make a determination. It is unlikely that a 100% waiver will be approved since match can come from a variety of sources.

### **Selection Process**

The State CDBG Program will review all of the applications it receives for completeness and eligibility of activities under federal and state guidelines. Applications will also be reviewed based on the following factors to determine fundability and feasibility of the project:

- Appropriateness of the technical design given the size and resources of the community and the complexity of the problem
- Project is ready to start

Applications that are incomplete or contain significant problems, deficiencies or discrepancies, such that a determination of the viability or fundability of the project cannot be readily determined, may not be considered and may be returned to the applicant. Projects which are locally controversial will not be considered feasible until the controversy is satisfactorily resolved. Clarifications to the application which are requested by the State CDBG Program must be submitted within the timeframe specified and must be acceptable to the State CDBG Program. Failure to adequately respond within the timeframe may result in the application being returned to the applicant or the State CDBG Program may reduce or eliminate questioned activities.

An on-site review of the proposed project may be conducted as necessary to verify information in the application. Upon completion of the feasibility and fundability review, applications will be evaluated and scored based on the Selection Criteria below.

### **Community Distress**

**5%**

- (All projects) Projects will be assigned a score from highest to lowest based on location in the county designations, as defined by the SC Department of Revenue for the purpose of determining Job Tax Credits

- ◆ Tier III and IV (Distressed and Least Developed) Counties = 3
- ◆ Tier II (Moderately Developed) Counties = 2
- ◆ Tier I (Developed) Counties = 1

**Severity of the Problem** **10%**

- Degree that public health and safety is affected, if applicable, and
- Degree facilities/services are currently serving the community and the adequacy of the facilities/services, as applicable
  - ◆ Severe need = 3
  - ◆ Moderate need = 2
  - ◆ Slight need = 1

**Citizen Participation** **5%**

- Outreach efforts to low and moderate income citizens,
- Needs assessment is comprehensive and solicited from broad community,
- Project is top 3 priority need unless otherwise justified,
- Public hearings held according to requirements,
- Participation in hearings by broad community, and
- Local leadership, businesses and residents are committed to the project and there is no evidence of controversy or disagreement

*Scores based on review of above factors:*

- ◆ All requirements met and significant additional efforts and participation = 3
- ◆ Above minimum effort but additional effort or participation limited = 2
- ◆ Minimum requirements met = 1

**Level of Effort** **5%**

- Return on CDBG investment ratio compared to all projects
  - ◆ Rank ordered and assigned points in logical increments

**Feasibility** **15%**

- Effective project planning addresses all aspects of project and outcomes are achievable
  - ◆ Long term, viable solution to the problem
  - ◆ Past efforts to solve problem and develop plans for implementation, and
  - ◆ Alternatives considered and best solution being implemented, and
  - ◆ Cost estimates current, appear reasonable based on need, impact and benefit, all necessary costs included, and
  - ◆ All project resources are available in a timely manner, and
  - ◆ Project is eligible and all qualifying households determined and committed

*Scores based on review of above factors:*

- ◆ Effective project planning and ability to achieve outcome with resources available in a timely manner = 3
- ◆ Some concerns which impact ability to achieve outcome in a timely manner = 2
- ◆ Significant issues which impact ability to achieve outcome in a timely manner = 1

|  |           |
|--|-----------|
| <b>Readiness to Proceed</b>  | <b>5%</b> |
| <ul style="list-style-type: none"> <li>■ Readiness to proceed with project if awarded <ul style="list-style-type: none"> <li>◆ Environmental review submitted to GA</li> <li>◆ Engineer/Architect selected</li> <li>◆ Design complete</li> </ul> </li> </ul> |           |
| <i>Scores based on review of above factors:</i> <ul style="list-style-type: none"> <li>◆ One point will be assigned for each of the above activities completed, up to a maximum of three points</li> </ul>   |           |

|  |           |
|--|-----------|
| <b>Cost/Benefit</b>  | <b>5%</b> |
| <ul style="list-style-type: none"> <li>■ CDBG cost/benefit ratio compared to all projects <ul style="list-style-type: none"> <li>◆ Rank ordered and assigned points in logical increments</li> </ul> </li> </ul> |           |

|  |           |
|--|-----------|
| <b>Beneficiaries</b>   | <b>5%</b> |
| <ul style="list-style-type: none"> <li>■ LMI % benefiting (to be scored regardless of the national objective) <b>(5%)</b> <ul style="list-style-type: none"> <li>◆ 100-85 = 3</li> <li>◆ 84-65 = 2</li> <li>◆ 64-51 = 1</li> </ul> </li> </ul> |           |

|   |            |
|---|------------|
| <b>Outcome</b>  | <b>20%</b> |
| <ul style="list-style-type: none"> <li>■ Implements a comprehensive plan for revitalization or development</li> <li>■ Provides new or improved access to public services or facilities</li> <li>■ Supports healthy and safe neighborhoods and community</li> <li>■ Contributes to overall community sustainability- economically or environmentally</li> <li>■ Acts as stimulus for additional investments</li> </ul> |            |

|   |
|---|
| <i>Scores based on review of above factors:</i> <ul style="list-style-type: none"> <li>◆ Significant Impact = 3</li> <li>◆ Moderate Impact = 2</li> <li>◆ Lower Impact = 1</li> </ul> |
|---|

|   |           |
|---|-----------|
| <b>Project Sustainability</b>   | <b>5%</b> |
| <ul style="list-style-type: none"> <li>■ Extent to which improvements can be maintained without creating new, undue tax burdens <ul style="list-style-type: none"> <li>◆ Infrastructure operating revenues as measured by annual rate per 6,000 gal / median household income for applicant</li> <li>◆ Rank ordered and assigned points in logical increments</li> <li>◆ Budgets, market studies and other documentation indicate ability to sustain improvements and does not result in new, undue operating burden</li> </ul> </li> </ul> |           |

|   |
|---|
| <i>Scores based on review of above factors:</i> <ul style="list-style-type: none"> <li>◆ Ability to maintain documented = 3</li> <li>◆ Some ability = 2</li> <li>◆ Limited ability = 1</li> </ul> |
|---|

| <b>State Priorities</b>  | <b>10%</b> |
|--|------------|
| ■ Extent to which project is consistent with state priorities as listed under each program category. |            |

*Community Infrastructure, Community Enrichment, Local Priorities:*

- ◆ First priority projects = 3
- ◆ Second priority projects = 2
- ◆ Third priority projects = 1

*Ready to Go priorities will be based on Community Infrastructure or Community Enrichment priorities, as applicable*

| <b>Capacity</b>   | <b>10%</b> |
|---|------------|
| First time applicant or previous recipient with grants closed over three years will receive maximum points. |            |

Previous applicants - Performance on grants in last three years:

- Compliance with program requirements (monitoring and match commitment) **(3%)**
  - ◆ All requirements met on all applicable grants = 3
  - ◆ Requirements are generally met (minor issues) on all grants = 2
  - ◆ Significant requirements not met on 1 or more grants = 1
- Achieved program benefits **(3%)**
  - ◆ Total and LMI benefit numbers exceeded or on target for all grants = 3
  - ◆ Benefit reduced by 10% or less = 2
  - ◆ Benefit reduced more than 10% = 1
- Timely completion of projects **(3%)**
  - ◆ All projects completed within 24 months = 3
  - ◆ All projects completed within 30 months = 2
  - ◆ All projects completed within 3 years = 1
- Timely submission of reports and information **(1%)**
  - ◆ All information submitted within required timeframes = 3
  - ◆ Average of less than 30 days late = 2
  - ◆ Average exceeds 30 days = 1

| <b>Opportunity Zone Bonus Points</b> | <b>10 points</b> |
|--------------------------------------|------------------|
|--------------------------------------|------------------|

Projects located in Opportunity Zones will receive an additional 10 bonus points. For more information about SC Opportunity Zones, and to verify the location in an Opportunity Zone, go to [www.http://scopportunityzone.com/](http://scopportunityzone.com/)

Applications will be scored against those submitted in the same program. For example, Community Infrastructure applications will be compared and scored against each other. The Selection Criteria will be rated and assigned a score from 1 to 3 where 3 = the best response, 2 = average, and 1 = less than satisfactory. Zero points may be awarded to a criterion if minimum program requirements are not addressed. The point assignment will be multiplied by the weight of each criterion to obtain a score. There is a maximum score of 300 points.

The State CDBG Program may utilize the expertise of other appropriate State agencies, such as the SC Department of Environmental Services, the SC Department of Administration, SC Rural Infrastructure Authority, or the State Housing and Finance Development Authority in making a determination regarding the above factors. The State CDBG Program may request additional information from the applicant or other sources as necessary to evaluate the application and proposed project. The State CDBG Program reserves the right to negotiate or require changes in activities or funding in order to achieve program objectives. For water and sewer projects, the State may require that rates be adjusted to appropriate levels to ensure adequate funding for operation and maintenance or to facilitate borrowing a portion of project costs if such rate increases are reasonable and appropriate.

In the event of a tie where there are more applications under consideration for funding than there are funds available, preference will be given first to those applications addressing the highest state priorities and second, to those with the highest Outcome score. If there continues to be a tie the one that benefits the most LMI persons will be funded. The highest scoring projects determined to be fundable will be recommended to the Secretary of the SC Department of Commerce, or his designee, for funding based on the amount of funds available. Projects generally should score at least 175 points to be considered for funding but such projects are not guaranteed funding. The Secretary, or his designee, will make final funding determinations based on a review of the projects utilizing the selection criteria and that best meet Department objectives.

The State CDBG Program may make commitments for funding from future rounds, or any additional allocations, reallocations, recaptured or remaining funds, to projects from this program year which are determined by the Secretary, or his designee, to meet Department objectives. The State CDBG Program may also make a commitment to a project and/or partially fund a project (i.e., for ERR, acquisition, engineering) that scores sufficiently but is not ready due to design, environmental or funding issues. Funding may come from this program year, reallocated or recaptured funds, or be contingent on future years' funding.

## Business Development Program

**Total Funds: \$250,000\*\* (estimated)**

### **Outcome**

This program provides financial resources for local governments to pursue opportunities that create new jobs, retain existing employment, stimulate private investment, and revitalize or facilitate the competitiveness of the local economy. Funding will be prioritized based on the following order:

- New or expanding businesses tied to job creation
- Area economic development activities not associated with job creation
- New or expanding local businesses that provide essential goods and services in predominately LMI communities

### **Grant Amount**

Grants and/or loans with performance requirements may be provided to assist new or expanding businesses that propose to create or retain jobs. The level of assistance will be based on an analysis of the needs of the business and the local government, the CDBG cost per job, and the amount of investment by the business. Projects must first qualify based on the actual need for assistance and do not automatically qualify for the maximum grant amount.

|   |                        |
|---|------------------------|
| Maximum for job creation/retention:                   | \$10,000 per job       |
| Minimum:  | \$50,000               |
| Maximum for area economic development:                | \$500,000              |
| Minimum:  | \$50,000               |
| Maximum for local goods and services:                 |                        |
| ○ Service area less than 20% poverty or 70% LMI       | \$350 per LMI person   |
| ○ Service area equal/more than 20% poverty or 70% LMI | \$1,000 per LMI person |

The maximum grant limit may be waived, by the Secretary of Commerce, where it is determined that the increased cost is appropriate and necessary to address state and local economic development needs as long as CDBG requirements will still be met. A waiver may be further considered in unique circumstances where the level of assistance is determined justified by the Secretary of Commerce based upon the overall impact of the project and where the necessary level of assistance cannot be met by other available resources in a timely manner.

## Business Development Program Requirements

Applications for the Business Development Program must meet one of the three national objectives of the CDBG program. There is an emphasis on expanding employment opportunities for persons from LMI families. A unit of local government may apply at any time for a Business Development Grant and grants will be awarded throughout the year, as funds are available based on the funding priorities.

HUD regulations require that at least 51 percent of any jobs to be created and/or retained as a direct result of CDBG assistance be for persons whose total family income is low to moderate (LMI Jobs). Any business that will create or retain jobs directly as a result of any project undertaken with a Business Development Grant must provide a written commitment of the total number of jobs to be created or retained as a result of the grant funded activities. For new jobs, the employer must commit to hiring at least 51 percent of the employees from low and moderate income families. For jobs to be retained, the employer must establish that 51 percent of the jobs to be retained are, or within a reasonable time period will be, held by persons from LMI families. Where appropriate, the State CDBG Program will make a preliminary determination of the potential for LMI jobs to be created by reviewing the entry-level job skills, educational requirements, and job training opportunities to be provided and average wage. For retained jobs, there must also be clear and objective evidence that permanent jobs would be lost without the CDBG assistance. Jobs must be created within a reasonable time frame of the assistance, when the business becomes operational (generally 24 months from time of the assistance). The State CDBG Program may require a legally binding performance agreement which outlines repayment of a portion or all of the CDBG funds awarded for a project if the jobs creation/retention commitment and LMI hiring requirement is not met.

Generally, projects to support job creation through the location or expansion of retail and/or services type projects (shopping centers, truck stops, etc.) may only be considered in areas which qualify under HUD's presumption criteria for low and moderate income benefit or in predominately low and moderate income communities.

The State CDBG Program will not fund any project which involves the relocation of a business from another state, in accordance with HUD requirements, where there would be a significant job loss in the labor market area. The State CDBG Program also will not generally recommend relocation of a business from one jurisdiction to another within the State. The Secretary, in an exceptional circumstance, may waive this restriction where it is in the best interest of the State as a whole; e.g., where relocation is necessary to retain an existing business or to permit significant expansion of employment and such relocation will not have substantial negative impact on the local economy and employment.

### **Performance Thresholds**

At the discretion of the State CDBG Program, a grant may not be awarded to local governments which have a serious, outstanding audit or monitoring finding related to any previously funded CDBG grant where the grantee has not been responsive and/or there is the potential for significant monetary restitution.

### **Application Requests and Deadlines**

The chief elected or administrative official of the unit of local government must request applications for Business Development assistance from the State CDBG Program. Such requests should include as appropriate, the name of the business, its product or service, estimated initial capital investment, and the number of jobs to be created or retained. The request must also briefly describe the project for which CDBG funds are being requested, the estimated total cost of the project, the amount of CDBG funds being requested and the sources of all other funds necessary to complete the project. (If a preliminary engineering cost report is available, it should be included). The State CDBG Program may request a meeting with the potential applicant or may conduct a site visit to determine the eligibility and feasibility prior to mailing an application.

Applications may be submitted at any time. The State CDBG Program may issue commitments at any time for project funding contingent upon receipt of an acceptable written commitment from the business (if job creation or retention is involved), acceptable application information, compliance with CDBG program guidelines and HUD regulations, and continued program funding.

### **Local Match**

CDBG projects are expected to leverage other public and private investments and serve as a catalyst for future development. Projects that traditionally have the greatest long term impact are those that have an investment by the community.

There must be a 10% match/leverage of the total CDBG request, unless otherwise approved, which can come from a variety of committed sources including other, non-Commerce grants, loans, waiver of fees, public or private investments, and documented volunteer or in-kind contributions.

The required match must be for activity costs directly related to the CDBG project. The State CDBG Program must approve in advance any proposed match (except application preparation or environmental review costs) that has been spent prior to application submission. With prior written approval, the match may be used for acquisition, engineering design or permitting prior to the submission of the application. This is encouraged so that projects are construction ready.

The match/leveraging requirement may be modified or waived by the State CDBG Program upon written request and after consideration of the following minimum factors: the nature of the project, the need being addressed, local financial capacity and the availability of other resources. The State CDBG Program may request financial and other information as may be needed to make a determination. It is unlikely that a 100% waiver will be approved since every community is expected to make a contribution to the project.

### **Selection Criteria**

Applications will be considered in the order received. Funding may be limited or delayed if necessary to ensure funding availability for prior commitments for economic development assistance. The State CDBG Program will review the applications for completeness and for compliance with the above criteria, and applicable HUD regulations. Applications not meeting these requirements will not be recommended for funding.

The State CDBG Program may request other state agencies to assist in evaluating projects and activities. The State CDBG Program may request additional information from the applicant or other sources as necessary to evaluate the application and the proposed project.

The State CDBG Program will utilize the HUD guidelines at 24 CFR 570.482(e) and Appendix A in evaluating and selecting projects to be recommended for assistance to businesses under the Business Development Grant Program. The objectives of these guidelines are to ensure: (1) That project costs are reasonable; (2) That all sources of project financing are committed; (3) That to the extent practicable, CDBG funds are not substituted for non-Federal financial support; (4) That the project is financially feasible; (5) That owner's equity return is not unreasonably high; and (6) That to the extent practicable, CDBG funds are disbursed on a pro-rata basis with other finances provided to the project. The following factors will also be considered, as appropriate, in making a funding determination on all projects recommended by the Secretary:

### **Market Conditions (Need)**

- Availability and utilization of local government or other public resources to assist the project and the relative need for CDBG assistance. Evidence of local economic distress such as recent plant closings and/or lay-offs and local unemployment rate. Evidence of market need for local goods and services.

### **Economic Impact**

- Number of permanent, full time jobs created or retained; CDBG cost per job (LMI and non-LMI); average wages, health benefits, capital investment; potential future growth; potential for catalyzing area economic development activity or cluster activity.

### **Leveraging**

- Ratio of private and/or public funds to CDBG funds. Generally private investment is expected to significantly exceed the amount of the CDBG and other public assistance.

### **Viability/Level of Public Risk**

- Public costs are reasonable, all funding sources are committed and available, private funding to be spent before public funding to the extent practical, security provided, as appropriate (assets, guarantees, etc.), and potential of the project to achieve the proposed public benefits within proposed timeframe.

The Secretary will approve funding as recommended, unless the Secretary's consideration of the above factors results in a determination that such funding is not necessary or appropriate.

In the event funds are not available to fully fund all Business Development applications under consideration at the same time, priority will be given to applications with prior commitments, and then preference will be given to projects based upon a consideration of the following factors: (1) level of job creation or retention, (2) economic impact on the local economy, (3) level of capital investment and (4) distress level of the county where the project is located.

Under unusual circumstances, the State CDBG Program may consider a waiver of any CDBG program requirements, set by the State, for projects that are determined to meet urgent or compelling needs or where the Secretary of the Department of Commerce determines it necessary to implement the objectives of the Department of Commerce.

## Regional Planning Program

**Funds Available:** **\$500,000\*\* (estimated)**

**Grant Maximum:** **\$50,000\***

\* Waivers of the grant maximum may be considered to conduct significant planning activities approved by the State CDBG Program that could lead to an eligible activity in our community and business development programs.

Note: Regional Planning funds awarded under the 2026 Program Description may come from either the 2025 or the 2026 CDBG allocation. The estimated funding allocation above is the amount set-aside out of the 2026 CDBG allocation for the Regional Planning program. The amount set-aside out of the 2025 allocation was also \$500,000. It should be noted that the requirements for the Regional Planning Program are subject to change based on guidance provided by the Office of Management and Budget (OMB).

### **Outcome**

This program is designed to provide CDBG funds to Councils of Governments to assist local governments in developing plans and building local community development capacity. This assistance will build capacity to effectively determine community needs, long-term goals and short-term objectives, and develop plans for carrying out effective strategies to address community needs. Specific activities related to the State's Consolidated Plan may be required. The planning assistance is not be limited to the jurisdiction of the applicant and will include both regional and local planning and technical assistance activities. However, planning activities should only be conducted in non-entitlement communities.

### **Requirements**

One applicant from each regional planning district may apply for this assistance. Each of the counties within a regional planning district must enter into an Intergovernmental Agreement to apply for and implement regional planning assistance grants. This Agreement will designate a lead county to apply for the grant to comply with all requirements of the application and grant, and it should be reviewed each year and updated as necessary to make sure it reflects current officials and jurisdictions. The lead county will enter into a 12-month subrecipient agreement with the Councils of Government to undertake the activities on behalf of the applicant. The subrecipient agreement will include specific performance and reporting measures tied to the scope of work outlined in the application and other appropriate factors. Planning activities must be directly related to an activity which, if carried out, would be eligible under the CDBG program and meet one of the three national objectives -- benefit to low and moderate income persons, aid in the prevention or elimination of slums and blight, or meet other urgent community needs posing a serious threat to the health or welfare of the community where other financial resources are not available to meet such needs.

### **Performance Threshold**

The previous year's Regional Planning grant may still be open, where there are extenuating circumstances, at the time of application for and award of the next Regional Planning Grant.

However:

- Only one prior year planning grant can be open at the time of award. Any older planning grants must be programmatically closed prior to award of the new year's planning grant.
- All prior planning grant funds must be fully expended, or unused funds returned to the State CDBG Program, as a startup condition of the new Planning Grant. The State CDBG Program will not release funds for the new year's planning grant until this condition is met.

Note that costs to be reimbursed under the new year's planning grant may be incurred beginning with the date of award, which for Program Year 2026 is expected to be June 2026.

### **Application Deadlines and Selection Process**

Applications due: **May 5, 2026 at 5:00 p.m.**

Only one application will be funded within each of the ten planning districts of the State. The awards will be based on completion of an acceptable application, which complies with the program description requirements.