COMMUNITY DEVELOPMENT BLOCK GRANT DOWNTOWN PUBLIC INFRASTRUCTURE

The Michigan Strategic Fund (MSF), in cooperation with the Michigan Economic Development Corporation (MEDC), administers the economic and community development portions of the Community Development Block Grant (CDBG) program. CDBG is a federal grant program utilizing funds received from the U.S. Department of Housing and Urban Development (HUD). The community development portion of Michigan's CDBG Program has a specific focus on downtown development which includes special funding for downtown infrastructure.

The Downtown Infrastructure program enables a community to improve downtown's infrastructure quality and reduce redevelopment costs to make a project feasible. This program is restricted to providing public downtown infrastructure improvements that are tied to new commercial/mixed-use development activities, which require the additional infrastructure to create new economic opportunities and job creation activity within a downtown area. Communities may request grants to provide public infrastructure improvements that directly support redevelopment projects in traditional downtowns.

WHO IS ELIGIBLE?

Small cities, townships, and villages of less than 50,000 in population, and counties with populations of 200,000 or less, are generally eligible to apply for grants under the Michigan CDBG program. There are over 1,600 eligible, general-purpose, local governments and these are referred to as **non-entitlement jurisdictions** *(click on link for complete list).*

Under the Michigan CDBG program, all public infrastructure projects must meet the following national objectives and the corresponding statutorily mandated requirements to be considered for funding:

- The activities will benefit persons of low and moderate income, as defined by Section 104(b)(3) of the Housing and Community Development Act and 24 CFR 570.483.

GRANT DETAILS

Downtown infrastructure projects will be measured as to their ability to meet each of the following criteria:

- **National Objective**
  Proposed projects are expected to meet the national objective of either (1) benefiting a population of individuals of whom at least 51 percent reside in low- to moderate-income households, or (2) projects that will result in the creation of full-time equivalent (FTE) jobs, of which at least 51 percent of the created jobs will be held by low to moderate income persons.
- **Minimum Leverage Ratio**
  Proposed projects are expected to leverage private and other public funds. Funding priority will be given to projects when the leverage ratio of all other private and public funds to CDBG funds is 1:1 or greater.
- **Matching Funds**
  Proposed projects are expected to have local government funding participation. Depending on project strength and priority, a range of 10 percent to 50 percent of local government cash match will be required.
- **Financial Viability**
  For job creation projects, the business must be financially viable and able to document that it has sufficient management abilities and skills to operate the business.
- **Project Selection**
  Priority will be given to projects leveraging the greatest amount of job creation and private investments, as well as projects that increase density and vertical development.
- **Project Provisions**
  For job creation or retention projects, funding priority will be based on project strengths; the amount of CDBG funds available per job created is in a range of $10,000 up to $25,000.

The maximum individual grant award will not exceed $750,000.

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CDBG DOWNTOWN PUBLIC INFRASTRUCTURE *continued*

GRANT ACTIVITIES

Examples of Eligible Grant Funded Activities:
Roads; curbs and gutters; storm sewers; water mains; sanitary sewer mains; sidewalks; bike paths; lighting; landscaping; boardwalks; park/seating areas; and public parking. Public infrastructure also includes demolition necessary to undertake the above activities. Infrastructure activities must be publicly owned and maintained.

GRANT PROCESS
JOB CREATION PROJECTS

Typical process can take between 3–5 months until funds can be spent or contracts signed. Note: The following steps are offered as general guidelines only to provide some guidance to communities on typical steps, timelines and responsibilities.

1. Contact your CATeam specialist for review and evaluation of the project.
2. If the project evaluation is determined to meet the criteria of the program, the community will be asked to complete a CDBG pre-application for project details.
3. Following submission of the pre-application, your CATeam specialist will present your project to the CATeam staff for support to move the project forward. If supported, your project is placed on the Michigan Strategic Fund Board agenda.
4. If the project is approved by the MSF board the community will be invited to complete a full application.
5. Once completed, the full application is reviewed by the CDBG project manager.
6. Following review and upon completion of all required items, the CDBG project manager prepares a grant agreement for the project.
7. Upon all documents being signed and approved, the CDBG project manager will give the community authorization to incur costs. ***Do not start any work or sign any contracts until you are given authorization by the CDBG project manager to incur costs.***

GRANT PROCESS
AREA WIDE BENEFIT FOR LOW- AND MODERATE-INCOME COMMUNITIES

- If your community is designated as a "low- and moderate-income community" by HUD, your project can qualify for funding based on satisfying the national objective of Area Wide Benefit.
- Area Wide Benefit funds are made available through competitive grant rounds occurring at various times throughout the year.
- If your community is a low- and moderate-income community, you will be notified of an upcoming grant round and be directed to all application instructions, application deadlines and application forms.
- Following the grant round deadline, the completed applications will be scored and communities with the highest scores will receive funding based on the amount of funding available in the grant round.

WHY WOULD A COMMUNITY WANT TO APPLY FOR CDBG INFRASTRUCTURE FUNDS?

There may be private investments within the downtown that necessitates additional public infrastructure improvements. For example, a new restaurant or office building within the downtown may require additional parking spaces for employees, customers and patrons. The Downtown Infrastructure program enables a community to utilize public resources to reduce private development costs and spur job creation. This program is based on the premise that public infrastructure improvements will stimulate additional private investment in the buildings and surrounding area and attract and increase additional customers, thereby resulting in additional economic activity.

CONTACT

To receive consideration for CDBG Downtown Public Infrastructure funding, initial contact should be made with the Community Assistance Team member assigned to your territory **(click link for map).** For more information, contact the MEDC Customer Assistance Center at 517.373.9808 or visit our website at **www.MichiganAdvantage.org.**

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