



**KANSAS**  
COMMERCE

# ECONOMIC DEVELOPMENT

## Public Infrastructure Improvement

<p><b>FINANCING</b></p> <p><b>\$750,000</b></p>	<p><b>MATCH</b></p> <p><b>50%</b></p> <p>of the CDBG grant request</p>	<p><b>APPLICATIONS ACCEPTED</b></p> <p><b>March 2 - Oct. 16, 2026</b></p>	<p><b>QUALIFY</b></p> <ul style="list-style-type: none"> <li>✓ Create/Retain Low- and Moderate-Income (LMI) jobs</li> <li>✓ Approved Pre-application</li> <li>✓ For-Profit Business(es)</li> </ul>
---	--	---	--

### Purpose

The Economic Development Grant Program funds projects assisting for-profit businesses or agricultural cooperatives with needed public infrastructure improvements to support businesses. The infrastructure improvements must be owned by a public entity, a regulated utility, or a common carrier. Unlike other CDBG grants, this program operates as a loan that must be repaid from the business back to the local government and back to the state. The grant amount will be repaid over a 10-year period at an interest rate of 0%. The assisted business will have up to 24 months upon contract end date to create or retain the LMI jobs set forth in the application and to achieve the national objective.

Two business entities may participate in the application and grant, but the city or county is the legal applicant. The private for-profit business or cooperative must provide financial information and a business plan as part of the application process. If the application is approved, the funds are directed through the local government to the entity involved. Similarly, loan payments are directed through the city/county to the state.

### Authority

The Community Development Block Grant (CDBG) program is authorized under Title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. § 5301 et seq.). The statute authorizes the U.S. Department of Housing and Urban Development to allocate CDBG funds to states for distribution to non-entitlement units of general local government. Federal regulations governing the State CDBG program are codified at 24 CFR Part 570, Subpart I.

### Timeline

**Grant Announcement:** January

**Application Period:** March – October 16

**Submission Deadline:** October 16 at 11:59 PM (CT)

**Award Notification:** Approximately 45 days after the submission deadline

Applications may be reviewed as received, as applicable to the program.

## Application Procedures

- Online application link can be found here: <https://kansascommerce.my.site.com/Grants/s/>
- Questions and submission of additional documentation should be directed to Tim Parks at [CDBG@ks.gov](mailto:CDBG@ks.gov).
- Applications that are incomplete or missing documentation will not be reviewed for rating or considered for funding.

## Release of Information

Information submitted to the Kansas Department of Commerce relating to the application may be subject to the Open Records Law (K.S.A. 45-215 et seq.).

## Eligible Use of Funds

Economic Development projects can fund public infrastructure improvements including:

- Infrastructure projects such as off-site water, sewer, roads, drainage, railroad spurs, and other types of public facilities or improvements.
- **Professional Services:** Post-award administrative, engineering, and architectural costs and fees
- **Ineligible use of funds:** Bailouts, financial restructuring, and private infrastructure benefiting the business

AVAILABLE FUNDING: \$750,000	
Maximum Per Award	\$750,000
Administration	Up to 12.5% of grant or \$35,000, whichever is less
Match	50% of CDBG grant request
Expected Awards	2

## Public Benefit Standards

CDBG economic development activities must adhere to public benefit standards, with few exceptions. The requirement for meeting public benefit standards is an eligibility issue and should not be confused with the requirements concerning meeting a national objective. It should also be noted that an activity subject to public benefit standards does not have to use the same factor for meeting that standard, as it does for meeting national objective requirements.

- Create or retain at least one full-time equivalent, permanent job per \$35,000 of CDBG funds used for all such activities, or
- Provide goods or services to residents of an area, such that the number of LMI persons residing in the area served by the assisted businesses amounts to at least one LMI person per \$350 of CDBG funds used for all such activities.

## CDBG National Objectives

The Community Development Block Grant (CDBG) program is designed to provide decent housing, suitable living environments, and expand economic opportunities principally for persons of Low- and Moderate-Income (LMI). All CDBG projects must meet a national objective and involve an eligible activity under the Housing and Community Development Act of 1974.

The three CDBG national objectives are:

1. Benefit Low- and Moderate-Income (LMI) Persons
2. Prevention or Elimination of Blight
3. Addressing an Urgent Need

The **Economic Development Program** will utilize the national objective of benefiting LMI persons through the subcategory Jobs. Jobs will be computed and calculated on a Full-Time Equivalent (FTE) basis. A job is converted to FTE status by dividing 40 by the number of hours worked during a week.

### **Benefiting LMI Persons - Jobs**

The LMI Jobs national objective addresses activities designed to create or retain permanent Kansas jobs, at least 51% of which, computed on an FTE basis, will be “made available to” or “held by” LMI persons. The income calculation for the created or retained jobs must be based upon family size and total family income for the current year, as provided by HUD. Family income is based on the median family income for the county in which the person lives at time of application.

In addition, the following policies apply to the calculation for determining the percentage of jobs that will benefit LMI persons:

- Only permanent jobs count (temporary jobs may not be included)
- Part-time jobs must be converted to Full-Time Equivalents (FTE)
- Seasonal jobs are considered to be permanent for this purpose, only if the season is long enough for the job to be considered as the employee’s principal occupation
- **All permanent jobs created or retained by the activity must be counted even if the activity has multiple funding sources**
- Jobs indirectly created or retained by an assisted activity may not be counted

### **Jobs “Held By” LMI Persons**

A job is considered to be held by an LMI person if the individual’s annualized income, based on prior years’ earnings, falls at or below the median family income for the county in which the employee resides at the time employment begins. The family’s entire income must be counted. The annual salary or hourly wage of the job that the person fills is irrelevant.

### **Jobs “Made Available To” LMI Persons**

Jobs that are not held (filled) by LMI persons may be claimed to be “made available to” LMI persons ONLY with prior approval from Commerce and when BOTH of the following are met:

- The jobs do not require special skills that can only be acquired with substantial (i.e., one year or more) training or work experience, and education beyond high school is not a prerequisite to fill such jobs, unless the business agrees to hire unqualified persons and train them; and
- The grantee and/or the assisted business take actions to ensure that LMI persons received “first consideration” for filling such jobs.

### **Jobs “Retained” LMI Persons**

Meeting this standard is difficult to meet and must be approved by Commerce in advance. In order to consider jobs retained as a result of CDBG assistance, there must be clear and objective evidence that permanent jobs will be lost without CDBG assistance. For this program, “clear and objective” evidence that jobs will be lost would include:

- Evidence that the business has issued a notice to affected employees or made a public announcement to that effect, or
- Analysis of relevant financial records which clearly and convincingly shows that the business is likely to have to cut back employment in the near future without the planned intervention.

### **LMI Job Creation**

Job creation refers to the business entity’s (and affiliates) net increase in its permanent labor force in Kansas on an FTE basis. The grantee must document that at least 51% of the jobs created will be held by or made available to LMI persons.

### **LMI Job Retention**

Job retention refers to the business entity’s FTE jobs that will be lost if the business fails to receive CDBG assistance.

The grantee is responsible for requiring the assisted business to secure Job Certification Forms for each person assisted with job retention or job creation.

## Eligible Applicants

Only cities and counties (units of local government) can apply for CDBG grants. Large cities and urban counties are considered entitlement communities and receive CDBG funds directly from HUD, while smaller communities apply through the State CDBG program.

The following entitlement communities are **NOT** eligible to apply to the State CDBG program: Kansas City, Lawrence, Leavenworth, Manhattan, Overland Park, Topeka, Wichita, and all of Johnson County. **The business operation assisted by CDBG funding must also be in a non-entitlement area of the state.** Communities with an open project that is currently in a time extension are not eligible until the project has been successfully closed.

### Eligible Businesses

The private for-profit business or agricultural cooperative must provide financial information and a business plan as part of the application process. If the application is approved, the funds are channeled through the local governmental unit to the entity involved. Similarly, loan payments pass through the city/county to the state. The grant amount will be repaid over a 10-year period at an interest rate of 0% via a special assessment on the assisted business' property.

- **Non-Retail/Local Service Businesses:** 25% of the grant must be repaid
- **Retail/Local Service Businesses:** 50% of the grant must be repaid

See the CDBG Grantee Handbook for definitions and more information.

## Grant Process

This grant program projects operate on a two-year timeline. The first year focuses on completing any necessary design and environmental review activities, with project implementation typically starting in the second year. Economic Development applications will be reviewed within 45 days, with award letters issued as soon as possible.

BEFORE APPLICATION	APPLICATION CRITERIA	POST AWARD
<ul style="list-style-type: none"> <li>• Initial public hearing (following the appropriate timeline)</li> <li>• Secure matching funds</li> <li>• Approved Pre-application</li> <li>• Calculate public benefit test</li> </ul>	<ul style="list-style-type: none"> <li>• Completed Preliminary Engineering or Architectural Report (PAR/PER)</li> <li>• Environmental Determination of Level of Review form</li> <li>• Community needs narrative</li> <li>• Hiring Plan</li> <li>• Determine jobs created/retained</li> <li>• Job Performance Agreement, if applicable</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental Review (must be paid for with local funds)</li> <li>• If applicable, comply with Uniform Relocation Assistance (URA), Davis-Bacon wage rates, BABA purchasing regulations, and Section 3</li> <li>• Job compliance</li> </ul>

### Local Government Responsibilities

The grantee is responsible for receiving loan repayments and transmitting them to the state. In the event of default or failure to achieve a national objective, the grantee must undertake reasonable collection efforts on the outstanding loan balance. An economic development grant must be overseen by a professional grant administrator. Even though the grantee contracts with the administrator, the grantee is fully responsible for compliance and performance.

**Eminent Domain** - Executive Order 13406, which was signed June 23, 2006, prohibits the use of eminent domain in CDBG-funded projects, unless eminent domain is employed only for public use.

### Job Performance Agreement

When direct assistance to a business is provided, the grantee (city/county) must have on file a written agreement with the business in which the business agrees to keep or create a specific number of jobs and identifies each such job by type and whether the job will be full- or part-time. The agreement must also specify the actions the business and grantee will take to ensure that at least 51% of the jobs created or retained will benefit LMI persons. Lastly, the agreement identifies the capital improvement undertaken with CDBG funds that will materially benefit the business.

Project records must also document which jobs were actually created and retained, whether such job was made available to or held by an LMI person, and the FTE status of each job.

## Required Documentation

### Job Creation

When demonstrating that at least 51% of the jobs will be “made available” to LMI persons, documentation for the assisted business must include:

- A written agreement with the business that at least 51% of the jobs on an FTE basis, will be held by LMI persons and will provide training for any of those jobs requiring special skills or education
- A listing, by job title, of the total permanent jobs to be created, indicating which jobs will be available to LMI persons, which jobs require special skills or education, and which jobs are part-time
- Evidence supporting the estimated total number of jobs to be created
- A description of actions to be taken by the grantee and business to ensure that LMI persons will receive first consideration for these jobs
- A listing, by job title, race, ethnicity, gender, and handicapped status of the permanent jobs created, which jobs were made available to LMI persons, and a description of how first consideration was given to such persons for those jobs. The description must include the hiring process used, the number of LMI persons considered for each job, and the number of LMI persons actually hired
- A description of how LMI status of those given first consideration was determined
- A description of how the total number of jobs was determined

When demonstrating that at least 51% of the jobs will be held by LMI persons, documentation for the business must include:

- A written commitment by the business that at least 51% of the jobs on an FTE basis, held by LMI persons
- A listing, by job title, of employees at the time of application for assistance is submitted
- A listing by job title, of permanent jobs to be created
- Evidence supporting the estimated total number of jobs to be created
- A listing, by job title, race, ethnicity, gender, and handicapped status of the permanent jobs actually created and those initially held by LMI persons
- A description of how the LMI status of those hired was determined by the state during the review of the grantee
- A description of how the total number of jobs was determined

### Job Retention

Meeting this standard is difficult to meet and must be approved by Commerce in advance. When demonstrating that at least 51% of jobs retained by the business will be “held by” LMI persons, documentation for the business must include:

- Clear and objective evidence that in the absence of CDBG assistance, the jobs will be lost
- A written commitment by the business to meet the standard for retaining jobs involving the employment of LMI persons
- A listing, by job title, race, ethnicity, gender, and handicapped status of the employees at the time assistance is provided.

### Hiring and Training Plan

In addition to the Job Performance Agreement, the grantee is expected to enter into a **Hiring and Training Plan** with the assisted business. The Hiring and Training Plan will ensure the assisted business will properly recruit, hire, and train workers, particularly those that are considered LMI. At a minimum, the Hiring and Training Plan must include:

- A breakdown of the jobs to be created or retained, including the number and type of jobs that are full-time, part-time, skilled, semiskilled, or unskilled positions, including the job titles and descriptions, and the rates of compensation. For applications proposing positions involving less than full-time employment, an estimate of the number of hours to be worked each week or the number of months to be worked each year for each position must be included
- A discussion of the actions to be taken to ensure that the positions created will be filled by LMI persons
- A timetable for creating the jobs, the total number of persons, and number of LMI persons to be hired
- An assurance that the business will comply with the equal opportunity and nondiscrimination laws

- Procedures for outreach, recruitment, screening, selection, training, and placement of workers that will ensure maximum access for local residents, particularly LMI persons
- A description of the training curriculum and resources, if applicable
- Written commitments from any agencies or organizations participating in the implementation of the hiring plan (e.g., KANSASWorks)
- A written commitment from the assisted business to comply with the hiring plan

## Public Hearings and Citizen Participation

Citizen participation is a required component of the CDBG program. Any local government applying for CDBG funds must provide citizens with reasonable opportunities to participate in the planning and development of applications, especially residents of proposed project areas. Citizens must be provided adequate and timely information so they can be meaningfully involved in important decisions.

Local governments must hold an initial public hearing to allow citizens the opportunity to comment on community needs and the proposed use of funds. If funded, a second public hearing must be held at the project's conclusion to review the project's results and obtain input on the grantee's performance.

Public hearings must be held at a time and location convenient to potential or actual beneficiaries, with accommodations for non-English speaking residents and persons with disabilities. Public hearings may not be held in any buildings built or rehabilitated with CDBG funds. Records of these efforts must be part of the grant files, including the public hearing notice, affidavit of publication, record of posting, public hearing attendance log, public hearing minutes, any written complaints and grantee response, and any other documented efforts to involve citizens throughout all stages of the project.

### Requirements to Publish a Public Hearing Notice

A notice about the hearing must be published at least 5 FULL days in advance (but no more than 20 days) in advance to allow citizens the opportunity to schedule their attendance. The day that the public hearing notice is first advertised and the day of the public hearing do NOT count towards the minimum 5 day period.

Notices must be published in a local newspaper having the widest general circulation in the community or on the government website that is accessible to persons with disabilities or Limited English Proficiency. Applicants must also make every effort to inform those who might not be reached through the newspaper notice or website that the public hearing is to be held. Such efforts might include the distribution of leaflets, posting notices on bulletin boards at town hall, social media channel announcements, notices to local organizations, clubs, and churches, and/or personal contact.

### Initial Public Hearing

The purpose of the initial public hearing is to inform citizens about the proposed project, including its location, total cost, activities, and beneficiaries. Community members must be given a chance to suggest other project ideas and share their input, and the local governing body should carefully consider this feedback before submitting the application. The initial public hearing must be held at least 15 FULL days before the CDBG application is submitted, and no earlier than 120 days. **The total project funding and CDBG amount requested must match what appears in the public hearing notice.**

## SAMPLE PUBLIC HEARING NOTICE

The City/County of \_\_\_\_\_ will hold a public hearing on (day), (date), at (time) in the (location) to consider an application to be submitted to the Kansas Department of Commerce for Community Development Block Grant (CDBG) funds under the \_\_\_\_\_ category. A specific project application to be discussed is (description) in an area generally bounded by (location) that will consist of (specific activities). The estimated project cost is \$\_\_\_\_\_ with the grant request for \$\_\_\_\_\_ of the project cost.

Other project proposals introduced at the hearing will be considered. Oral and written comments will be recorded and become a part of (City/County)'s CDBG Citizen Participation Plan.

Persons with disabilities or non-English speaking persons who wish to attend the public hearing and need assistance should contact (local contact name) at (address and telephone) no later than (number of hours/days) prior to the meeting date to allow for necessary arrangements. Every effort will be made to make reasonable accommodations for these persons.

### Example Timeline

Sun.	Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.
1	2	3	4	5 <b>Notice is Published (Day 0)</b>	6 Day 1	7 Day 2
8 Day 3	9 Day 4	10 Day 5	11 <b>Public Hearing</b>	12 Day 1	13 Day 2	14 Day 3
15 Day 4	16 Day 5	17 Day 6	18 Day 7	19 Day 8	20 Day 9	21 Day 10
22 Day 11	23 Day 12	24 Day 13	25 Day 14	26 Day 15	27 Application can be submitted	28
29	30	31				

### **Closeout Public Hearing**

The second public hearing is held at the conclusion of the project prior to closeout to inform citizens of the project's successful or unsuccessful completion, as well as provide results, project totals, funds expended, and obtain input on the grantee's performance. This public hearing cannot be held until a final monitoring letter has been received by the grantee and all deficiencies have been resolved.

## Matching Funds

Local funding is required for all CDBG projects, and no project can be funded entirely by grants. Matching funds can originate from private or public sources, but the application must document that these funds are firmly committed (e.g., a letter of commitment from a bank or other funding source).

Applicants are encouraged to leverage a variety of matching funds to strengthen their CDBG proposals. Eligible sources of match include bank loans, industrial revenue bonds, owner equity, contributions from local governments, and grants or loans from economic development entities. Other grant funds may also be used as match if the grant funding is secured by the time the CDBG contract is signed. To be considered secured, funds must either be deposited in a city or county account under the applicant's control or supported by an official award letter from the granting agency outlining the award amount and terms. All matching funds must be clearly documented and verifiable.

At least 10% of the matching funds must be cash from a local source (i.e., owner funds, city/county cash). In-kind contributions are also allowed in various forms, but this funding source cannot make up more than 10% of the local match. If salary for a city or county employee is used, payrolls and timesheets outlining hours worked on CDBG projects must be submitted to project managers for approval.

The following do not qualify for matching funds: expected cash flow from future operations, loan principal payments, and conversion of existing debt to equity or the write-down of debt.

**Any expenses incurred prior to the grant award are ineligible for reimbursement with CDBG funds and cannot be counted as local match for the project. This includes application writing, engineering, architecture, and land/building purchase.**

## Pre-Application

Interested applicants should consult with CDBG staff to discuss their project idea and review the necessary planning needed before submitting a pre-application. Applicants must submit a pre-application to allow CDBG to provide early feedback and address any eligibility concerns before applicants complete the full application, and ensure projects align with program goals and are prepared for funding.

The pre-application requires a brief project description, estimated budget, eligibility status, and proof of readiness to proceed requirements. Commerce will review submissions within 10 days and provide further instructions. Only those with an approved pre-application may submit a full application, but pre-approval does not ensure grant funding. The deadline to submit a pre-application is Sept. 15, 2026.

**Pre-Application:** <https://forms.office.com/g/2MtSs7bep1>

## Preliminary Engineering/Architectural Report

CDBG projects proposing construction activities must undergo review by a licensed professional engineer or architect before an application can be submitted. The review will consist of a Preliminary Engineering Report (PER) or Preliminary Architectural Report (PAR) sufficient in scope to analyze the need, determine the most appropriate solution alternatives, provide estimated construction and non-construction costs, and recommend the required level of funds for operation and maintenance of the system, if applicable. **Note: If a vendor is used to supply a cost estimate, said vendor cannot bid on the work if the applicant receives a grant award.**

Incomplete or inadequate information may lead to a request for corrections from the applicant or the application not passing threshold, depending on the type and extent of the information missing. At a minimum, the following must be addressed in the report:

1. Name of the applicant or owner of the system.
2. Name, address, and telephone number of the engineering/architectural company.
3. Date of review.
4. Description and documentation of the problem.
5. Cause(s) of the problem, including the age of any existing publicly owned system(s).

6. Discussion of the alternatives – Several alternatives should be considered to determine feasibility and cost-effectiveness, with justification of the alternative selected. The alternatives must be listed.
7. Estimated construction and non-construction costs. Cost per square foot is not an acceptable architectural estimate. Costs must be broken out for the specific structure.
8. If the scope of the report includes more activities than the proposed CDBG project, clearly identify the CDBG portion in narratives and cost estimates.
9. Analysis of operation, maintenance, and replacement budget.
10. Land requirements – Identify sites and easements required. Also specify whether these properties are currently owned, acquired, or leased. Must attach proof to receive credit.
11. Asbestos must be addressed if you do a building renovation or demolition.

## Environmental Review

All CDBG-funded projects require an environmental review under the National Environment Policy Act of 1969 (NEPA) and HUD's implementing regulations at 24 CFR Part 58. The Environmental Determination of Level of Review form must be submitted with the application. This form will inform Commerce as to what level of environmental review you will undertake for your project if awarded.

Post-award, the city or county must complete an environmental review of the project. This responsibility cannot be delegated and the cost to conduct the review **must be paid with local funds**. The entire project, not just the CDBG-funded portion of the project, is subject to the NEPA review. The project must group together all activities that are related either on a geographical or functional basis or are logical parts of an overall project into a single project for review. The environmental review process includes determinations of applicability to various laws and authorities, consultation with various regulatory agencies, publication of findings, an advertised local comment period, and a 15-day state comment period.

**Construction or other project activities may not begin until after the Award Letter is signed and the Environmental Release of Project Funds is approved by the State.** Project activities include all elements that together cause the creation or retention of jobs, not just those activities funded by the CDBG program.

## THRESHOLD REQUIREMENTS

Before the application is scored and ranked, it must meet the following threshold requirements:

1. The applicant must be eligible.
2. The application must be received within the application period.
3. Only complete standard application forms will be accepted.
4. The proposed activity for CDBG funding must be an eligible activity under Section 105(a) of Title I of the Housing and Community Development Act of 1974, as amended.
5. The proposed project must meet a national CDBG objective. If the national objective of the project is to benefit LMI persons, the percentage of LMI beneficiaries must be 51% or higher.
6. Provide appropriate matching funds with supporting documentation. All matching funds must be secured at the time of application.
7. A Preliminary Engineering Report (PER) or Preliminary Architectural Report (PAR) must be included. The report shall address the items included in the section herein discussing such requirements.
8. The public hearing notice must be published at least 5 full days before the hearing (starting one day after publication and not counting the date of the hearing) but no more than 20 full days prior to the hearing. The public hearing must occur at least 15 full days and no more than 120 full days before the application due date. The total project funding and CDBG amount requested must match what appears in the public hearing notice.
9. All required subrecipient and interlocal agreements must be included, if applicable.

10. If CDBG funds are used for the procurement of professional services, the procurement must follow the CDBG procurement process as outlined in the CDBG Grantee Handbook, which includes free and open competition. Projects may not follow a Design Build approach or a Construction Manager at Risk (CMAR) approach. Construction contract(s) must not be procured until after grant award and environmental review approval.
11. A map of the project area identifying subject business location and infrastructure improvement locations.
12. The private for-profit business or cooperative association must be eligible to participate, and its commitment must be documented.
13. The job piracy issue must be resolved where applicable.
14. The business plan and financial data must be included.
15. The Residential Anti-displacement and Relocation Assistance Plan Certification must be included.

Should any document be missing, incorrect, or otherwise have deficiencies that do not meet threshold requirements, contact will be made with the applicant after the applications are initially reviewed. The applicant will be given two weeks from notification to correct the deficiency. Threshold items such as an inadequate amount of time for a public hearing, a public hearing not having required information, or a public hearing too late would not be correctable, and the application will not be scored. The extension of time granted is not intended to provide extra time for securing commitments from alternative sources, lifting contingencies, or finalizing the particulars of the application.

## Rating Criteria

All CDBG projects are evaluated based on a numerical scoring system tied to the established rating criteria. While there is no official minimum score required for consideration, priority is given to applications that score higher. As a general guideline, projects scoring below 70 are typically not competitive and are less likely to be approved. Applicants are encouraged to review the criteria carefully and ensure their proposals are as compelling as possible.

All applications must include a Community Needs Narrative, which should be drafted and then pasted into the online application portal. The narrative should describe the community’s overall prioritized needs, not just those related to the proposed project. Applicants should explain how these needs were identified and whether they have been formalized in any existing plans or documents. The narrative should tell the story of the community and highlight needs across all sectors. It is limited to one page and must specifically address housing needs. Examples of community needs include education, childcare, fire safety, community and government buildings, transportation, recreation, housing, workforce development, economic development, and homelessness.

The matrix below describes each selection criterion as a numerical score within the **Economic Development Grant Program**.

SELECTION CRITERIA MATRIX	MAXIMUM
1. Project Need	30
2. Financial Feasibility and Ability to Repay	25
3. Project Readiness	25
4. Job Creation	10
5. Match	10
<b>TOTAL</b>	<b>100 Points</b>

### 1. Project Need (30 Points)

- Describe the overall need for the project and explain why public improvements are essential for the business to be created, relocated, or expanded.
- Identify necessary public infrastructure improvements, why they are necessary, the nature and cause of the problem, how long it has existed, and its impact on the community.

## **2. Financial Feasibility and Ability to Repay (25 Points)**

- Demonstrate that the project and business are ready to begin, show projected cash flow that supports loan repayment, and confirm CDBG funds are not replacing committed funding.
- Describe past attempts to address the need, any improvements already made, and alternative solutions considered.

## **3. Project Readiness (25 Points)**

- Summarize the status of planning, professional services, site control, and environmental/permitting requirements.
- Identify who will benefit from the public facilities or infrastructure and how the community will be impacted.

## **4. Job Creation (10 Points)**

- Include how many jobs will be created or retained and outline the recruitment plan.
- Explain how an applicant will achieve hiring objectives.

## **5. Match (10 Points)**

- Matching funds consist of non-CDBG resources contributed to the project by the grantee or business entity. Examples of matching funds include bank loans, industrial revenue bonds, owners' equity, contributions from local governments, and grants or loans from other federal programs such as USDA Rural Development. Applicants who meet the minimum 50% match requirement will receive 10 leverage points.

Following completion of the ratings, Commerce will conduct a comprehensive review to ensure that projects are equitably distributed across the state, with priority given to those demonstrating the capacity to complete on time, presenting minimal CDBG compliance risks, and contributing to geographic dispersion.

## **Financing specifics**

### **Gap Financing**

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

### **Funding Ceiling**

The funding ceiling for an application under the regular program are held to the maximum of \$750,000. In addition to the annual funding ceiling, there is a cumulative limit on assistance of \$1.5 million per community that a company may receive from all the components of the CDBG Economic Development Program.

### **Failure, Default, Restructuring**

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

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

## **Grant Performance Expectations**

In addition to Applicant Eligibility requirements, all CDBG grantees are expected to comply with the following standards:

### **1. Project Completion**

Grantees are expected to complete all approved project activities within the 24-month grant period whenever feasible. Construction projects should generally complete design and environmental review during the first year and target physical construction completion by the end of the second year. Completion expectations may vary by activity type and award agreement requirements.

## 2. Allowable Costs

Only eligible and allowable CDBG expenses may be included in the approved project budget.

## 3. Administrative and Compliance Requirements

Grantees must:

- Provide all information necessary to execute the grant award agreement.
- Sign and return the grant award agreement within 30 calendar days of receipt.
- Comply with applicable acquisition, environmental review, labor standards, and procurement requirements, including URA, NEPA, Davis-Bacon, and competitive procurement rules.
- Submit quarterly progress and financial reports.
- Obtain prior written approval from Commerce for changes to project scope, budget, or timeline.
- Submit a final performance report within 90 days of project completion.
- Maintain complete grant records for at least three years after state grant closeout with HUD, or longer if required by audit, litigation, or compliance obligations.
- Comply with the State of Kansas policy prohibiting sexual harassment, discrimination, and retaliation as established by Executive Order 18-04.

## Accountability and Reporting

Grantees must comply with all accountability, reporting, and monitoring requirements established in the grant agreement and applicable guidance from Kansas Commerce.

Quarterly performance and financial reports must document:

- Activity status
- Milestone achievement
- Beneficiary data (if applicable)
- Compliance or implementation issues

A final report is required within 90 days of project completion or closeout. Grantees are subject to monitoring, including desk reviews, site visits, financial review, and national objective verification. Failure to submit timely or accurate reports may result in payment holds or administrative action.

## Grant Payments

CDBG funds are distributed on a reimbursement basis.

Grantees must:

- Incur eligible costs prior to requesting payment.
- Submit payment requests with supporting documentation (e.g., invoices, contractor pay applications, proof of payment).
- Ensure requests align with the approved scope, budget, and timeline.

Commerce may delay or withhold payments if reports are not current, documentation is incomplete, or compliance issues exist. Final payment will not be released until all closeout requirements are satisfied.

## Release of Information

Information submitted to the Kansas Department of Commerce relating to a CDBG application or award may be subject to disclosure under the Kansas Open Records Act, K.S.A. 45-215 et seq. Except as required by law, confidentiality cannot be guaranteed. Personally Identifiable Information (PII) and other legally protected or sensitive information should not be included in public records. Grantees are responsible for identifying, exempting, or redacting PII or sensitive information prior to public release in accordance with applicable law and HUD and state open records guidance.

## Definitions

An eligible applicant is a general-purpose unit of local government, including a city or county, that is eligible to receive State CDBG funds. In Kansas, eligible applicants are non-entitlement communities as defined by the U.S. Department of Housing and Urban Development.

### Subrecipient

A subrecipient means an entity that receives a subaward from a local unit of government to carry out all or a portion of a CDBG award. The term subrecipient does not include a beneficiary or participant. Characteristics that support classification as a subrecipient include when the entity:

1. Determines who is eligible to receive CDBG assistance;
2. Has its performance measured in relation to whether CDBG objectives were met;
3. Has responsibility for programmatic decision-making;
4. Is responsible for adherence to applicable CDBG program requirements; and
5. Implements a program for a public purpose specified in authorizing statute, rather than providing goods or services for the benefit of the pass-through entity.

### Low- and Moderate-Income (LMI)

Families or households whose income does not exceed 80 percent of the area median income, as determined annually by HUD.

### National Objective

One of the three primary objectives established under the HUD CDBG program. Every CDBG-funded activity must meet at least one national objective to be eligible for funding.

### Matching Funds

Matching funds are the portion of total project costs contributed by the applicant or other non-CDBG sources. Match may include local government funds, private funds, donated land, or other eligible cash contributions directly related to the approved project.

### Additional Definitions

Additional program and technical definitions may be found on the Kansas Department of Commerce CDBG Resource Page:

<https://www.kansascommerce.gov/cdbg/resource-library/>

## Post Award Requirements

### Real Property Acquisition

If the project involves the purchase of land or buildings, the property transactions must follow the provisions of the Uniform Relocation Assistance (URA) and Real Property Acquisition Policies Act of 1970, as amended. This law is commonly referred to as the Uniform Act. The Uniform Act applies regardless of whether federal grant funds are being utilized for the actual property transaction. **The use of CDBG funds in any part of the project triggers the application of the Uniform Act, no matter the funding source.**

### Davis-Bacon Wage Rates

Davis-Bacon requirements are triggered when construction work over \$2,000 is financed in whole or in part with CDBG funds. **If CDBG funds are used to finance only a portion of the construction work, labor standards are applicable to the entire construction work.** If the application is funded, the grantee will have to consult with Commerce to obtain wage rate determinations as applicable. Commerce must be contacted concerning the applicability of Davis-Bacon wage rates.

### **Build America, Buy America (BABA) Act**

The grantee must comply with the Build America, Buy America (BABA) Act, which requires all iron, steel, manufactured products, and construction materials used in federally funded infrastructure projects to be produced in the United States. Funds obligated by HUD must follow BABA requirements unless an approved waiver applies, as outlined in HUD’s “Public Interest Phased Implementation Waiver for FY 2022 and 2023” (88 FR 17001).

### **Section 3**

Section 3 of the Housing and Urban Development Act of 1968 requires that recipients of CDBG funding direct employment, training, and contracting opportunities to low-income individuals and the businesses that employ these persons within their community, to the greatest extent feasible. Section 3 applies to construction projects exceeding \$300,000 or more in CDBG and/or other HUD covered funds.

## **Upload Checklist - Economic Development**

The following forms must be signed and submitted through the online application portal. Forms are available in the online CDBG Resource Library at [kansascommerce.gov/cdbg/resource-library](https://kansascommerce.gov/cdbg/resource-library).

1. Project Budget Form
2. Statement of Assurances and Certifications
3. Resolution of Governing Body to File Application
4. Commitments from other Funding Sources
5. Affidavit of Public Hearing Notice
6. Environmental Determination of Level of Review
7. Map of project area identifying subject business location and infrastructure improvement locations
8. Disclosure Report
9. Anti-Displacement Plan
10. Project Items BABA Status Worksheet
11. Preliminary Engineering/Architectural Report
12. Business Plan(s)
13. Purchase Option, if applicable
14. Job Creation/Retention Forms
15. Project Business Description, or equivalent
16. Employee Notification, if applicable
17. Company Commitment Letter
18. Project’s Need for CDBG Assistance
19. Project Source and Use Form
20. Itemized Summation of Expenditures
21. Project Spending Acknowledgment


More Questions?

**CONTACT THE CDBG TEAM**

 [CDBG@ks.gov](mailto:CDBG@ks.gov)

 [kansascommerce.gov/cdbg](https://kansascommerce.gov/cdbg)

 785-296-3481

 915 SW Harrison St.,  
Suite 250  
Topeka, Kansas 66612

# CDBG Economic Development Scoring Rubric

The following are the review criteria the review team will use to score each grant application for Economic Development. Each grant will be rated based on the criteria listed and given a score out of one hundred.

	Exemplary	Meets Expectations	Insufficient Evidence
<b>(1) Project Need - 30 Points Possible</b>	<p>Provides a thorough description of the overall need for the project, clearly explaining why public improvements are essential for the business to be created, relocated, or expanded. Necessary public infrastructure improvements are identified, with clear explanation of their necessity, the nature and cause of the problem, how long it has existed, and its impact on the community. Past attempts to address the need, improvements already made, and alternative solutions considered are fully described.</p> <p>(21-30 Points)</p>	<p>Provides a clear description of the project need and the role of public improvements, but some details regarding infrastructure improvements, duration of the problem, or community impact may be limited. Past attempts and alternative solutions are partially addressed.</p> <p>(11-20 Points)</p>	<p>Provides minimal or unclear information about the project need, public improvements, infrastructure requirements, or community impact. Job creation, recruitment plans, and past attempts to address the need are not sufficiently documented. Past attempts to address the need are not sufficiently documented.</p> <p>(0-10 Points)</p>
<b>Financial Feasibility and Ability to Repay - 25 Points Possible</b>	<p>Demonstrates that the business is fully ready to begin, providing detailed projected cash flow that clearly supports loan repayment. CDBG funds are confirmed as supplemental and not replacing committed funding.</p> <p>(20-25) Points</p>	<p>Demonstrates business readiness with some supporting financial information, though projected cash flow may lack detail.</p> <p>(11-19 Points)</p>	<p>Provides insufficient evidence of financial or business readiness. Financial information is incomplete or unclear.</p> <p>(0-10 Points)</p>
<b>(2) Project Readiness - 25 Points Possible</b>	<p>Planning status, professional services, site control, and</p>	<p>Planning, professional services, site control, or</p>	<p>Provides insufficient evidence of business readiness. Planning,</p>

# CDBG Economic Development Scoring Rubric

	environmental/permitting requirements are thoroughly summarized. The beneficiaries of the public facilities or infrastructure and the resulting community impact are clearly identified.  (21-25) Points	environmental/permitting information is partially described. Community benefits are mentioned but not fully articulated.  (11-19 Points)	professional services, site control, environmental/permitting requirements, or community impact are minimally addressed or missing.  (0-10 Points)
<b>(4) Job Creation – 10 Points</b>	The number of jobs to be created or retained is specified with a detailed recruitment plan.  (8-10) Points	Jobs to be created or retained and recruitment plans are mentioned but not fully detailed.  (3-7) Points	Job creation, recruitment plans, and past attempts to address the need are not sufficiently documented.  (0-2) Points
<b>(5) Match - 10 Points</b>	Provides detailed information on non-CDBG matching funds, including bank loans, industrial revenue bonds, owner’s equity, contributions from local governments, or other federal program grants or loans. Meets or exceeds the 50% match requirement and provides full documentation to support these contributions.  (10 Points)	Fails to meet the minimum 50% match requirement.  (0 Points)	Fails to meet the minimum 50% match requirement.  (0 Points)
<b>Total: 100 Points</b>			