

**Shelby Urban County
Program Year 2025
Community Development Block Grant (CDBG)
Application Handbook**

**Online Submission Deadline
11:59 PM (CST), Wednesday, April 2, 2025**

Shelby County Department of Development Services
1123 County Services Drive, Pelham, AL 35124

January 2025

SHELBY URBAN COUNTY COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) 2025 APPLICATION HANDBOOK

This handbook provides an overview of the United States Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) Entitlement Program and the Shelby Urban County CDBG Program. The contents provide information on eligibility, program requirements, and the application process. This document is not intended to be a full disclosure of all applicable federal, state or local rules, regulations or reporting requirements.

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OVERVIEW

HUD CDBG Entitlement Program

The HUD CDBG Entitlement Program provides annual grants on a formula basis to qualified cities and counties to develop viable urban communities by providing a suitable housing and living environment, and by expanding economic opportunities, principally for low- and moderate-income persons. The program is authorized under Title 1 of the Housing and Community Development Act of 1974, Public Law 93-383, as amended; 42 U.S.C. 5301 et seq.

HUD awards grants to entitlement community grantees to carry out a wide range of community development activities directed toward revitalizing neighborhoods, economic development, and community facilities and services.

Entitlement communities develop their own programs and funding priorities. However, grantees must give maximum feasible priority to activities that benefit low- and moderate-income persons. A grantee may also carry out activities that aid in the prevention or elimination of slums or blight. Additionally, grantees may fund activities upon verification that the activities meet community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs. CDBG funds may not be used for activities that do not meet one of the national objectives.

Shelby Urban County CDBG Program

Shelby County has achieved Urban County status and receives CDBG funds as an entitlement grantee. The County receives an annual allocation of CDBG funds from HUD. The County signed cooperation agreements with the following participating municipalities to create the Shelby Urban County: Alabaster, Calera, Chelsea, Columbiana, Harpersville, Helena, Indian Springs Village, Montevallo, Pelham, Vincent, Westover, Wilsonville, and Wilton. The geographic area of the Shelby Urban County covers the unincorporated areas of Shelby County and the full corporate boundaries of these municipalities. Thus, the geographic area of the Shelby Urban County extends into portions of Chilton County (Calera), Jefferson County (Helena), St. Clair County (Vincent), and Talladega County (Vincent).

A Policy Board comprised of 14 representatives (County and each participating municipality) was created to guide the development of a Five-Year Consolidated Plan, which was adopted by the Shelby County Commission in 2024, and Annual Action Plans. Selected projects make up an annual action plan. As part of the Consolidated Plan process, the Policy Board adopted Goals and Strategies and Prioritized Needs following a needs assessment. The draft Year Two Annual Action Plan will be recommended to the Shelby County Commission for adoption following a public comment period and hearing.

ELIGIBILITY

Eligible Applicants

Eligible applicants shall be a participating member of the Shelby Urban County or an incorporated non-profit organization with 501(c) (3) tax-exempt status.

Geographic Area

The project or the activity's service area shall be wholly located within the geographic boundaries of the Shelby Urban County. The geographic area does not include the Shelby County portions of the following cities: Birmingham, Hoover, Leeds, and Vestavia Hills.

HUD

National Objectives

The project or activity shall address at least one of the following three National Objectives:

Benefiting Low- and Moderate-Income (LMI) Persons

Benefiting low- and moderate-income persons is often referred to as the primary National Objective because HUD regulations require that at least 70 percent of CDBG funds awarded benefit low- and moderate-income persons. Low- and moderate-income persons are those whose family or household adjusted gross income does not exceed the CDBG Income Limits, as published annually by HUD. Activities within this national objective are divided into four sub-categories: area-benefit, limited clientele, job creation or retention, and housing.

Preventing or Eliminating Slums or Blight

Activities that qualify under this objective are either clearly eliminating objectively determinable signs of slums or blight in a designated slum or blighted area or are strictly limited to eliminating specific instances of blight outside such an area, "spot blight". The subcategories are: addressing slums / blight on an area basis; addressing slums / blight on a spot basis; and addressing slums / blight in an urban renewal area.

Meeting an Urgent Need

Needs having a particular urgency whereas an activity must be designed to alleviate existing conditions that the grantee certifies, pose a serious and immediate threat to the health or welfare of the community; are of recent origin or recently became urgent; the grantee is unable to finance the activity on its own; and other resources of funding are not available to carry out the activity. A condition will generally be considered to be of recent origin if it has developed or became critical within 18 months preceding the grantee's certification.

HUD Eligible Projects / Activities

The following are some examples of the projects or activities for which CDBG funding may be used. A complete breakdown can be found at the following HUD website:

<https://www.hudexchange.info/sites/onecpd/assets/File/CDBG-National-Objectives-Eligible-Activities-Chapter-2.pdf>

Acquisition of Real Property

Acquire real property in whole, or in part, by purchase, long-term lease (15 years or more), donation, or otherwise. Funds may be used by the county, another public agency, a public non-profit entity or a private non-profit entity to acquire property for a public purpose.

Public Facilities and Improvements

Acquire, construct, reconstruct, rehabilitate, or install public improvements or facilities (except for buildings for the general conduct of government). Activities include all improvements and facilities that are either publicly owned or traditionally provided by the government, or owned by a non-profit and operated so as to be open to the general public.

Clearance

Demolition of buildings and improvements; removal of demolition products and other debris; physical removal of environmental contaminants or treatment of such contaminants to render them harmless; and movement of structures to other sites qualify.

Public Services

Provide public services (including labor, supplies, materials and other costs). It must be either a new service or a quantifiable increase in the level of service. The funds obligated in a program year to support public service activities may not exceed 15 percent of the total grant award.

Ineligible Projects / Activities

Some examples of projects and activities that **do not qualify** for CDBG funding include the following:

1. Buildings used for the general conduct of government (except the removal of architectural barriers);
2. General government expenses required to carry out the regular responsibilities of local government;
3. Political activities;
4. New construction of housing units;
5. Purchase of construction equipment, fire protection equipment, furnishings, and personal property; and,
6. Income payments.

Other

Federal awards with State, local and Indian tribal governments are subject to the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards at [2 CFR part 200](#).

Federal awards to institutions of higher education, hospitals and other non-profit organizations are subject to the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards at [2 CFR part 200](#).

Per 2 CFR part 184, all Federal awards with infrastructure projects must include the Buy America Preference in the terms and conditions. The Buy America Preference must be included in all subawards, contracts, and purchase orders for the work performed, or products supplied under the Federal award. The terms and conditions of a Federal award flow down to subawards to subrecipients unless a particular section of the terms and conditions of the Federal award specifically indicate otherwise. This regulation supports the implementation of the Build America, Buy America (BABA) Act.

Income

CDBG projects generally must benefit LMI individuals. LMI persons are those with household incomes at or below 80 percent of the median family income (MFI). An area benefit project must be substantiated by census tract / block group or other supporting data. For FY 2024, Shelby County is an Exception Grantee whereas the minimum percentage of LMI persons that must reside in the service area of an area benefit is 39.50% rather than 51%. The following table lists current income limits by family size for Shelby County (Birmingham-Hoover, AL Metropolitan Area). It is the responsibility of the applicant to obtain and provide the necessary information on income eligibility for the proposed CDBG project.

**HUD Income Limits
Shelby County (Birmingham-Hoover, AL Metro)
Effective June 1, 2024**

No. of Persons	Extremely Low (30% MFI)	Very Low (50% MFI)	Low Income (80% MFI)
1	\$ 19,850	\$ 33,050	\$ 52,850
2	\$ 22,650	\$ 37,800	\$ 60,400
3	\$ 25,500	\$ 42,500	\$ 67,950
4	\$ 28,300	\$ 47,200	\$ 75,500
5	\$ 30,600	\$ 51,000	\$ 81,550
6	\$ 32,850	\$ 54,800	\$ 87,600
7	\$ 35,100	\$ 58,550	\$ 93,650
8	\$ 37,400	\$ 62,350	\$ 99,700

Shelby Urban County

The project or activity **shall address** one or more of the following adopted goals and strategies and **shall target** a priority need.

GOALS and STRATEGIES



GOAL 5
Fair Housing

- Educate the Public on the Fair Housing Act
- Promote Fair Housing Practices

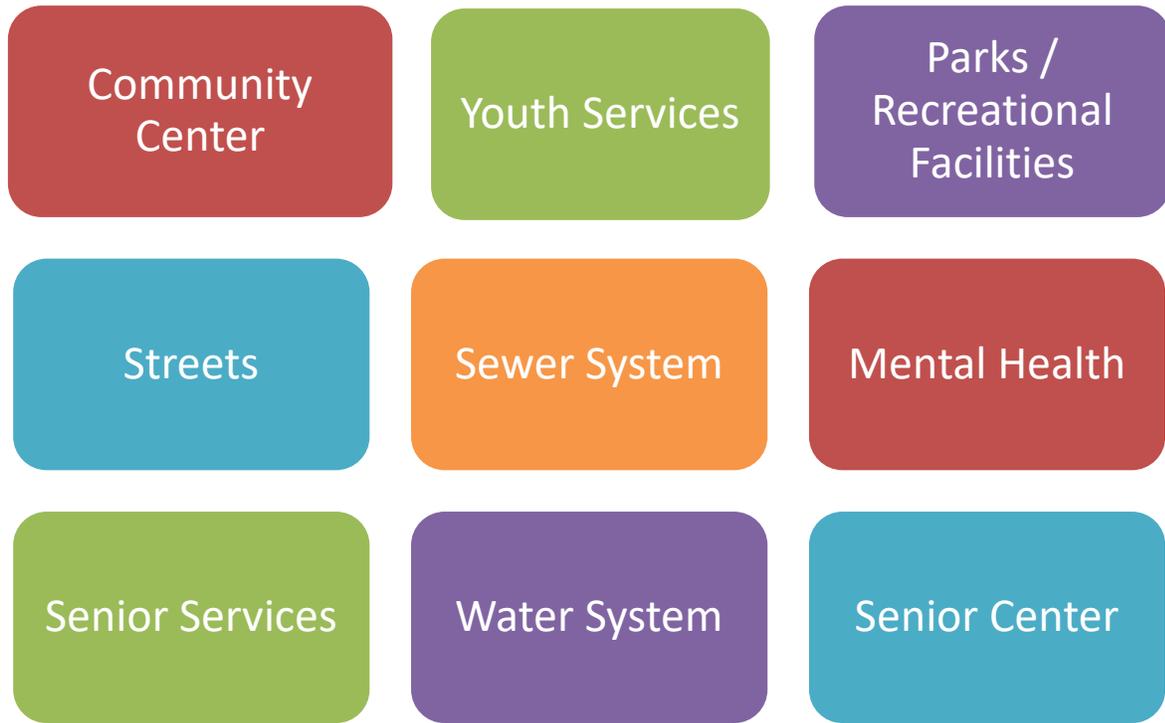
GOAL 6
Economic Development

- Target Economic Activities that Promote Job Creation and Retention within Low- and Moderate-Income Areas
- Target Economic Activities that Promote Job Creation and Retention for Low- and Moderate-Income / Special Needs Populations

GOAL 7
Administration, Planning, and Technical Assistance

- Provide Oversight to the CDBG Program

PRIORITIZED NEEDS



APPLICATION PROCESS

Guidelines

The Policy Board has designated two categories of CDBG funds -- Capital / Infrastructure and Public Service / Programs and will accept project applications for both. Note that Public Service / Programs funding requests are limited to no more than 15 percent of the CDBG funding allotment. You must select the appropriate application type.

The maximum Capital or Infrastructure Project request of CDBG funds may be equal to 100 percent of the allotment that Shelby County receives from HUD if no Public Service Project applications are submitted and/or selected. The maximum Public Service Project request of CDBG funds shall be equal to 15 percent of the allotment that Shelby County receives from HUD. The minimum request of CDBG funds for either project category is \$100,000.

A match is required for each application. A minimum funding match of 10 percent of the total eligible project cost is required for projects up to and including \$250,000. A minimum funding match of 15 percent of the total eligible project cost shall be committed for projects greater than \$250,000. Due to the competitive nature of these grants, applicants are encouraged to exceed the minimum match required. A city or board resolution is required for the match commitment.

A separate application must be submitted for each activity / proposal for funding; however, each eligible entity may submit no more than two applications, one primary and one secondary per year. Primary applications will be given priority, scored, and potentially selected. If funding remains, secondary applications will then be scored and potentially selected.

Unspent CDBG funds will remain with Shelby County for use in the next funding cycle.

Letter of Intent (LOI)

All applicants are **required** to submit a Letter of Intent for each proposed project to ensure each project is eligible for CDBG funding before completing a full application. LOI forms are available on the Shelby County website (shelbyal.com/urbancounty). Submit Letters of Intent via email to: cdbg@shelbyal.com. The deadline to submit a LOI is **Wednesday, January 15, 2025 at 5:00 PM (CST)**. Only full applications, submitted by eligible applicants that have submitted a Letter of Intent, will be accepted.

The LOI will include, but not be limited to, the following: applicant information, proposed project, estimated total cost, phase feasibilities, phase feasibility costs, local match availability, location / service area, potential LMI beneficiaries, National Objective addressed, and Urban County Goal addressed.

Application Workshop

The Program Year 2025 CDBG Application Workshop will be held on **Wednesday, February 5, 2025, from 10:00 AM to 12:00 PM (CST)** at the County Services Building located at 1123

County Services Drive, Pelham, AL 35124. This will be the only application workshop and attendance is **required** for applicants. Confirmation of workshop attendance will be determined based on sign-in sheets. Materials will be distributed to attendees at the workshop and online applications will be available from the Shelby County website (shelbyal.com/urbancounty).

Tier 1 Consultation

Applicants are **required** to attend a consultation prior to submitting their online application. The consultation will be between the applicant and County staff to go over Tier 1 requirements to make sure all requirements have been satisfied. Consultations will occur from Monday, March 31 through Tuesday, April 1, but may occur the week prior based on applications. Time slots and locations should be scheduled well in advance as consultation time slots are on a first-come, first-serve basis. Applicants will be told what items are missing and assistance will be provided to alleviate any problems. Tier 1 requirements will still need to be provided on the online application submittal. **Applications missing even one Tier 1 requirement will not be scored.**

Online Submission

Applicants shall submit online applications by **11:59 PM (CST) on Wednesday, April 2, 2025** via the Shelby County website (shelbyal.com/urbancounty).

Review

Applications will be reviewed by Shelby County staff who will follow the application checklist to confirm that all Tier 1 requirements have been met. Any application missing any Tier 1 required items will not be considered for funding.

Evaluation, Scoring Process, and Presentation

The Policy Board adopted an evaluation and scoring process to use points based on criteria factors. Each application will be evaluated based only on the information provided therein. The Policy Board will consider the scored applications, available CDBG funds, and a **required applicant presentation** to select projects for the Year Two Annual Action Plan.

The criteria factors are grouped by Community Benefit (Long Term) (Total 100 Points); Community Benefit (Cost Effectiveness) (Total 100 Points); Community Benefit (LMI) (Total 100 Points); Prioritized Need (Total 100 Points); CDBG Aggregated Funding Program Years 2024-2028 (Total 100 Points); Leverage / Match (Total 100 Points); and Community Engagement / Alignment (Total 200 Points). The total points one may accumulate is 800 points. There is a Multi-Agency Cooperation Bonus (Total 50 Points), whereby one with bonus may accumulate 850 points. All applicants with eligible projects who reach a criteria threshold of 400 points will be required to present the project to the Policy Board on April 16, 2025, in order to be considered for funding. Failure to present will disqualify the applicant. The point breakdown of the criteria factors are as follows:

CRITERIA	POINTS	MAX
Community Benefit (Long Term)		100
Benefit Last 25+ Years	100	
Benefit Last 11-25 Years	65	
Benefit Last 5-10 Years	30	
Benefit Last < 5 Years	0	
No Documentation	0	
Community Benefit (Cost Effectiveness)		100
CDBG Funds Requested / LMI Persons Benefitting		
\$1 - \$1000 per Beneficiary	100	
\$1001 - \$5000 per Beneficiary	65	
\$5001 - \$10,000 per Beneficiary	30	
> \$10,000 per Beneficiary	0	
Community Benefit (LMI)		100
<i>LMI % of Population Served (39.5-100% Only)</i>		
<39.5%	0	
Incomplete Documentation of Beneficiary Calculations will NOT receive points		
Prioritized Need		100
Water & Sewer	100	
Mental Health	100	
Community / Senior Center	65	
Senior Services	65	
Youth Services	65	
Streets, Storm Drainage, & Sidewalks	30	
Parks	30	
CDBG Aggregated Funding Program Years 2024-2028		100
\$0	100	
\$1-\$250,000	65	
\$250,001-\$500,000	30	
> \$500,000	0	
Leverage / Match		100
<i>{(Local or Other Funds / Total Project Cost)} x 150</i>		
Community Engagement / Alignment		200
Public Hearing	50	
Community Support Letters (5 Pts per Letter up to 50 Pts)	5 to 50	
Comprehensive Plan Goal Alignment	50	
Prior Resident Letters (5 Pts per Letter up to 50 Pts)	5 to 50	
SUB-TOTAL		800
BONUS		50
Multi-Agency Cooperation	50	
TOTAL		850

Adoption

The Policy Board will recommend the draft Year Two Annual Action Plan (projects) to the Shelby County Commission. There will be a thirty (30) day public comment period prior to a required public hearing. The Shelby County Commission will consider adoption after a public hearing on the draft Annual Action Plan.

Approval

The adopted Annual Action Plan will be submitted to HUD for approval no later than August 1, 2025. Successful projects will be notified upon confirmation of HUD's approval. The Shelby Urban County program year commences on October 1, 2025.