

## **Part 3 – Sources and Uses of Non-CDBG Funds**

**Sources and Uses of Non-CDBG Funds**  
**Private, Participating Party, Public Leverage from Non-Local and Local Funding Sources**  
**Table L-1**

Activity #	Source	Amount Claimed for Scoring	Amount Not Claimed for Scoring	Type (Participating Party, Loan, Grant, Local Government Funds, Donated Land, or Other Leverage)
		\$	\$	
		\$	\$	
		\$	\$	
		\$	\$	
		\$	\$	
		\$	\$	
	Totals	\$	\$	
	Total Funds Claimed for Leverage Scoring	\$		

Use the preceding totals to compute the number of points you are claiming for leverage scoring on the next page.

### Leverage Score Summary

<p style="text-align: center;"><b>Leverage Points Calculation for NR, CR, and HR</b></p> <p style="text-align: center;"><b>Communities with a LMI Population of 1,249 or Less</b></p> <p style="text-align: center;">\$ _____ ÷ \$1,000 = _____ Points</p> <p style="text-align: center;">(25 Points Maximum)</p>
<p style="text-align: center;"><b>Leverage Points Calculation for NR, CR, and HR</b></p> <p style="text-align: center;"><b>Communities with a LMI Population of 1,250 or More</b></p> <p style="text-align: center;">\$ _____ ÷ \$2,000 = _____ Points</p> <p style="text-align: center;">(25 Points Maximum)</p>
<p style="text-align: center;"><b>Leverage Points Calculation for ED</b></p> <p style="text-align: center;">\$ _____ ÷ \$10,000 = _____ Points</p> <p style="text-align: center;">(125 Points Maximum)</p>

**Leverage Score:** \_\_\_\_\_

(Transfer this score to line 3d. on the Application Scoring Summary page in Part 8.  
25 Points Maximum for NR, HR, and CR. 125 Points Maximum for ED.)

## **Part 3 – Sources and Uses of Non-CDBG Funds**

### **Instructions**

### **Leverage**

Leverage includes local government funds, grants and loans to the local government, funds expended by other entities for the project, including a Participating Party in an Economic Development project, fee waivers, or land required for the project which is donated by the local government or any other entity or private individual (i.e., an easement). Special CDBG allocations awarded separately from the annual allocation, such as disaster recovery funding, may be used as leverage. Leverage funds must be spent on activities that are eligible for CDBG reimbursement in the program category that is being funded to receive leverage points for the respective application. Funds expended incidentally in a service area by other entities, on activities which the local government is not legally responsible for, and which would occur regardless of the CDBG activity (such as FDOT paving of a state highway), may not be claimed for leverage.

Points can be claimed for documented leveraged funds that were committed to the project by resolution or vote of the local governing body prior to the application deadline. A copy of the resolution or certified meeting minutes must be included with the application (Appendix E) that reflects the commitment. List by activity all leverage funding; indicate the source and amount of funds that will be claimed for scoring.

In addition to the resolution or certified minutes, documentation of leverage provided by non-local sources must be submitted to the Department with the application to qualify for points.

- For Commercial Revitalization, Housing Rehabilitation and Neighborhood Revitalization applications in communities with fewer than 1,250 LMI residents, claim one point for each \$1,000 of non-CDBG funds contributed to the project as leverage. (25 Points Maximum)
- For Commercial Revitalization, Housing Rehabilitation and Neighborhood Revitalization applications in communities with 1,250 LMI residents or more, claim one point for each \$2,000 of non-CDBG funds contributed to the project as leverage. (25 Points Maximum)
- For Economic Development applications, claim one point for each \$10,000 of non-CDBG funds contributed to the project as leverage. List all funds to be contributed.

The following requirements relate to the use of leveraged funds claimed for application score points:

- a. Except for grant application preparation costs, leverage must be expended after the date of application site visit and prior to submission of the administrative closeout
- b. Leveraged funds must be expended proportionately and concurrently with CDBG funds to the extent feasible.
- c. Except for fee waivers and donation of land, leverage must be cash expenditures.
- d. Impact, permit and other fees which the local government would normally collect due to the CDBG project, but which the local government waives, qualifies as local government leverage. (If the fee would have been collected by another entity and that entity waives the fee, it qualifies as “non-local” leverage.)
- e. Except for administrative and engineering costs, leverage funds shall only be expended on eligible activities for the program category that is

being funded to qualify for scoring. The leveraged activities must meet the LMI national objective. For NR and CR projects, the leveraged activities shall take place in the designated service areas.

- f. Funds for jurisdiction-wide or large area-wide activities (i.e., sewer or water treatment plant, water tank, etc.) shall not be counted unless the CDBG project is for the same activity or the leveraged funds are for a new or expanded water or sewer plant and the CDBG project is for the associated water or sewer lines or hook-ups.

The proportion to be counted shall be based on a pro-rata share of service to the project's beneficiaries. If beneficiary information is not available, households may be used for calculating the proportion. (For example, leveraging a new sewer plant with a CDBG grant for 50 of 200 total hookups will allow the proportion to be calculated using total and CDBG beneficiaries, if these are known; if total beneficiaries are unknown, use the proportion of CDBG hook-ups to total hook-ups [25%.])

- g. Grant or loan funds, which the local government will expend as leverage, must be under contract or awarded to the local government when the application is submitted. All documents necessary to complete the award, loan or grant must be fully executed by all parties before the application deadline date.
- h. Funds not yet awarded by EDA may be claimed for leverage if the local government can document that it received a written formal notification that their EDA application has been received, reviewed and found to warrant further consideration within the 12 months before the application deadline.
- i. Grants or loans from the Florida Communities Trust, pursuant to Chapter 380.501-.515, F.S., may be counted if the parcel is included in a grant awarded prior to application deadline and the parcel will be part of a CDBG activity.
- j. State Housing Initiatives Partnership (SHIP) funds can only be used for leverage on Housing Rehabilitation projects.
- k. For grants and loans in NR, for each \$5 of construction leverage expended on an activity, there must be at least \$1 of CDBG funds expended on the same activity.

To meet this requirement, the following activities listed separately in the application shall be considered one activity:

- Water plant, new or replacement water lines and water hook-ups
- Sewer plant, new or replacement sewer lines and sewer hook-ups
- New roads and resurfacing existing road

- l. Land acquisition, including easements, required for any activity shall be considered part of that activity. Funds which will be expended on the project by another entity must be officially committed to the project on the application deadline by a letter signed by an authorized individual representing that entity. The letter must state the amount, source and use of the entity's funds and, except for SHIP funds, must indicate that the funds are currently available. The applicant is responsible for ensuring that the person signing the letter is authorized to commit the funds.

### **Donated Land**

- m. To be counted for leverage, land must already be owned by the local government, be the subject of a purchase agreement or purchase option, or be the subject of a donation agreement (contingent on only the local government obtaining the grant and completing the project).
- n. Donation of land qualifies as leverage only if the property is not already being used for the CDBG activity requiring the land and the donation allows the local government to avoid a purchase of land for the project. If the land is already in use and the CDBG activity allows continuation of the existing use, leverage cannot be claimed (i.e., land being used as a park will not qualify as leverage for a new park; land not used as a park, but donated for that use will qualify as leverage; a golf course which will also be used as a wastewater spray field will not qualify as leverage.)
- o. The value of donated land shall be based on one of the following:
  - The most recent value established by the County property appraiser.
  - An appraisal based on proposed use by a state licensed appraiser.
  - The most recent sale price if sale was within 12 months of application deadline; or, for property valued at less than \$10,000, a statement of value from someone knowledgeable about property values.
  - For easements, a proportional value, based on the size of the easement to the value of the total property's size, is acceptable.

### **Economic Development/Participating Party Leverage**

In addition to the overall leverage requirements, leverage funds provided by a Participating Party must be reflected in the Participating Party's letter of commitment. For scoring purposes, a Participating Party may claim a leverage amount that is less than the total amount reflected on Table E-2.

To qualify for points, funds must be:

- In the form of available cash, new equity or debt funds.
- Spent on activities at the job creation location or on activities directly in support of grant-related activities at the job creation location.
- Expended on initial startup costs.

Funds cannot be for ongoing costs of operation, such as payroll, rent, lease expense, inventory purchases, non-capitalized equipment, maintenance, or other like expenses may not be counted.

### **Public Leverage from Local Funding Sources**

Leverage contributions provided by the local government must be reflected on Table L-1 and in the local government's letter of commitment.

To be claimed for points, funds:

- Must be from the applying local government.
- Must be used for CDBG eligible activities that directly enhance or expand the scope of the CDBG activities or project, are in direct support of the job creating entities, or are necessary for the completion of the proposed CDBG funded activities.
- May include funds from General Revenue, Program Income from a prior CDBG project, waiver or payment of permitting fees, funds expended which will not be reimbursed by a CDBG grant.
- Cannot be grants from any governmental or private agency, in-kind services, normal recurring governmental services or expenses, forgiven or deferred taxes, donations, or expenses that are maintenance in nature.
- Can be provided by a loan; however, the loan must be fully approved, subject only to the receipt of CDBG or other federal funding.
- Can be administrative costs for CDBG application preparation paid by the local government, which will not be reimbursed by the subgrant.

### **Public Leverage from Non-Local Government Sources**

Leverage funds provided by non-local government sources must be reflected on Table L-1 and in the Participating Party's letter of commitment.

To claim points, funds must be:

- From a source other than CDBG, the applying local government (applicant), or a political subdivision of the applicant.
- Used for CDBG eligible activities that directly enhance or expand the scope of the CDBG activities or project, are in direct support of the job creating entities, or are necessary for the completion of the proposed CDBG funded activities.
- Fully approved and ready to be sold, if provided by the sale of bonds.
- Fully approved, subject only to the receipt of CDBG or other federal funding, if provided by a loan.
- An amount that is not less than the amount reflected on Table L-1.

### **Other Funds Needed for the Project (Not Claimed for Leverage)**

Identify (by activity, amount and source) in the appropriate column of the Sources and Uses of Non-CDBG Funds spreadsheet any funds not claimed for leverage, but which are required for the project. For Neighborhood Revitalization, Commercial Revitalization and Housing Rehabilitation projects, documentation of the availability of these funds will be requested at the site visit. Funds are "available" if the local government can document (e.g., executed funding document or letter of funds award) that the funds are guaranteed. For the application to remain fundable, this documentation must be received by the Department no later than the end of the completeness period.

For Economic Development projects, documentation of the availability of all funds necessary for the completion of a project must be provided by the end of the 60-day offer to contract period.