



## **Economic Development Funding Application**

**City of Evanston  
Economic Development Division  
City Manager's Office  
2100 Ridge Avenue  
Evanston, IL 60201  
847/448.8100**

**[economicdevelopment@cityofevanston.org](mailto:economicdevelopment@cityofevanston.org)**

**Last Update: 2/17/2015  
City Council Adopted: 3/23/2015**

Dear Applicant,

The support and retention of existing businesses as well as the attraction of new businesses to Evanston is a critical component to ensuring the promotion and advancement of Evanston as the most livable city. The support and ongoing efforts around economic development are a City-wide goal as identified by Evanston's City Council. Supporting economic development activities through direct financial assistance for projects seeks to:

- Promote the effort to create the most livable city;
- Support business retention and expansion in Evanston;
- Increase City Revenues (sales tax, property tax, and other municipal revenue);
- Create and retain jobs for Evanston residents;
- Provide access to goods and services to Evanston residents not currently available; and
- Attract new businesses to Evanston.

The City of Evanston's Economic Development Division reviews all applications for tax increment financing (TIF), Economic Development Fund assistance, and Community Development Block Grant Funds (Economic Development-based activities). The process (from beginning of proposal review to approval and funding implementation) usually takes between four to six months, with more complex projects typically requiring additional time to review and approve. The request for financial assistance is a multi-step process:

- **Introductory meeting with City Officials**  
At the introductory meeting staff will review the application with the applicant, discuss the appropriateness of the financial request. Additional meetings may be necessary with staff and elected officials (if not present at introductory meeting).
- **Completion of Acknowledge of Economic Development Funding Process & Agreements**  
The execution of the Acknowledgement form can be completed at the introductory meeting or immediately following. This document should be submitted within 7 business days of the introductory meeting with City Officials.
- **Memorandum of Understanding Summary of Required Supplemental Information**  
Following the Introductory meeting, staff will draft a letter summarizing the understanding of the project scope and funding request, potential project milestones, and supplemental project information required for the application.
- **Review of Application**  
Staff will review submitted applications and respond to applicant within 5 business days of receipt to determine additional information required or necessary clarification.

- **Present Proposed Request to Economic Development Committee**  
Presentation to Economic Development Committee may include two meetings, one for discussion and one for consideration. The Economic Development Committee meets the fourth Wednesday of every month at 7:30p at the Lorraine Morton Civic Center (2100 Ridge). If positive recommendation from Economic Development Committee is obtained:
  - **Create Draft agreement for consideration at City Council**  
In coordination with the City's Law Department and the applicant's legal counsel, an agreement will be drafted for consideration by City Council. City Council is only body to authorize City Manager to execute Economic Development Funding Agreements. This meeting will likely occur within one month of an Economic Development Committee meeting.
  - **Execute Agreement between City and Approved Applicant**
  - **Implement Project/Payout funds based on terms**

We look forward to working with you on your application. The growth of existing and new businesses is critical to our local economy and the ongoing support of creating the most livable City.

Sincerely,

Economic Development Division Staff  
City of Evanston

## **Economic Development Funding Application Checklist & Guidelines**

This checklist should be used to ensure that all materials are compiled for a complete Economic Development Funding Application. Partially submitted applications may not be reviewed until all required components are requested.

- Signed Copy of **Understanding of Economic Development Funding**
- Completed **General Funding Application**
- Project Summary (as outlined in attached General Funding Application)
- Copy of Business Plan (organized as presented in this application)
- Copy of Project Budget (organized as presented in this application)
- Demonstration of Need (Narrative and financial analysis provided by applicant that outlines why City funding is needed)
- TIF Applicants only: Budget of TIF Eligible Expenses
- Documentation outlining Ownership Structure
- Principal Profile Information (include acknowledgement of any felony conviction)
- Additional Supplemental Information as Identified in writing by Economic Development Staff to Applicant

### Application Requirements and Formatting Guidelines:

- All submissions must be typed (no handwritten applications will be accepted);
- All attachments should be typed in font no less than 12pt. Pages should be numbered and include headings/sections that correlate to the **Economic Development Funding Application Checklist**;
- Applications must be submitted electronically to City staff via email or other electronic means (i.e. Google docs, DropBox, etc.)
- Submissions will not be considered complete unless all elements outlined above are included;
- The application for funding includes a public process; this includes two to three public meetings. All funding must be approved by the City Council;
- It is advisable to work with City staff on your application prior to starting to understand availability of funds and appropriateness of your project; and
- All information provided to City Staff is considered public information and is subject to the public process.

## **Acknowledgement of Economic Development Funding Process & Agreements**

In order to be eligible for economic development funding from the City of Evanston, an existing business must comply with certain eligibility requirements. New businesses must agree to the following general requirements if funded by the City of Evanston. The managing partner or owner of the firm must execute the agreement prior to initiating application for assistance with the City of Evanston.

Submitting this application confirms the applicant agrees to comply with the following:

- Be a licensed business entity operating within the city limits of Evanston, Illinois (or in the instance of a new establishment entering Evanston, the corporate entity must be registered with the Illinois Secretary of State and in good standing at time of formal request for funds);
- Be current on all fees and taxes owed to the City of Evanston;
- Agree to provide all appropriate corporate documents to City of Evanston staff (as requested) to verify compliance with the funding request requirements;
- Maintain a business presence in Evanston for a minimum of five years from the receipt of funding (terms beyond five years will be negotiated and applicant acknowledges that it may be appropriate depending on level of funding provided by the City of Evanston). If the business moves out of Evanston within that restriction period, the applicant acknowledges that penalties will be assessed and a pro-rated share of the funding provided will be reimbursed to the City;
- If the funding is provided, in whole or in part, through tax increment financing (TIF), the City may require a condition of funding to be the inability to appeal Cook County property taxes once project is complete and funding is provided;
- If CDBG funding is made available for this project in whole or in part, applicant must meet a National Objective for low- and moderate-income persons through job creation, either providing a direct benefit to or creation and/or retention or access to needed goods and services; or eliminate blighting conditions (Refer to Attachment A for more information);
- Funding requirements may include, but are not limited to, ongoing proof of new jobs created, creation of a job training program, utilization of Evanston-owned, women-owned, minority-owned contractors, and other requirements established in the redevelopment agreement;
- Agrees to comply with the sustainability guidelines for a period no less than five years (or other term negotiated with the City of Evanston). Compliance may be demonstrated with an existing business policy or program. If the business fails to

meet the sustainability guidelines during this time period, the applicant agrees to reimburse the city for the total amount of the incentive received;

- Agrees to participate in the City’s Mayor’s Summer Youth Employment Program as determined to be mutually acceptable by the City and applicant (range of participation can include marketing and promotion of the program to offering and paying for summer youth employees); and
- Agree to cooperate with the City on certain completion of due diligence efforts that may include (but not limited to): background checks , credit reports relative to personal finances of all principals associated with the business; Dun & Bradstreet Comprehensive Insight Plus Reports relative to any corporate entity principals are associated with; identification of all Illinois Secretary of State Cyberdrive corporate filings for any and all LLCs and corporations principals are associated with, etc.

As the authorized representative of \_\_\_\_\_(insert name of the applicant/business entity), I certify that to the best of my knowledge and belief, data in this application is true and correct, the document has been duly authorized by the governing body of the applicant and the applicant will comply with the attached certifications and assurances, if assistance is provided.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name and Title

\_\_\_\_\_  
Date Signed



Address	City	State	Zip Code
Contact Person	Title	Phone Number	
Email Address	Website		

**Company Information**

Business Industry: \_\_\_\_\_

Current number of employees: \_\_\_\_\_

Full time: \_\_\_\_\_ Part time: \_\_\_\_\_

Projected number of employees after funding: \_\_\_\_\_

Full time: \_\_\_\_\_ Part time: \_\_\_\_\_

Average Annual Compensation (Full-Time Employees)

2014: \_\_\_\_\_

2015 (projected): \_\_\_\_\_

2016 (projected): \_\_\_\_\_

Estimated taxes and fees paid to Evanston 2014-2016:

Type of Tax or Fee: (e.g. building permit fee, construction use tax, etc.)	Estimated Amount	Date Paid or Expected
(1)	(1)	(1)
(2)	(2)	(2)
(3)	(3)	(3)
(4)	(4)	(4)

Have you previously requested funds from the City of Evanston?                      Yes    No

If yes, how much: \_\_\_\_\_

If yes, when: \_\_\_\_\_

Portions below must be completed and provided as separate attachments to general application

### **1. Project Summary and Funding Request**

To the best of your ability at this time, provide in an attachment (formatting guidelines outlined in the overview document) the following information:

- Project Narrative (250 words or less); Be sure to include:
  - Product or service offered by business;
  - Proposed Location;
  - Areas of Economic Development Plan addressed; and
  - The population or area to be served.
  
- Summary of Key Project Milestones including estimated dates of project completion and occupancy/business operations commencement.
  
- Total funding requested from the City. Statement should include:
  - An outline of all project funding sources (debt, equity, grants, etc.);
  - Describe why these funding source(s) were not appropriate or fell short of total project cost; (please include denial or loan approval letters from traditional lending sources, etc.); and
  - A description detailing how City funds would be used (e.g. rehab of building, purchase of property, etc.).

### **2. Project Budget**

- An initial project budget must be provided when seeking funds. Budget should be submitted in pdf or hard copy form as well as provided in excel format. Project budgets must include the following information (as applicable):
  - Total Uses of Funds (Total Project Costs/Total Construction)
  - Total Sources of Funds (debt, equity, gap, other funding sources)
  - Operating Pro Forma demonstrating ability to repay loan funding (if provided)
  - Use of volunteer and donated goods and services
  - Explanation of any unusual budget expenditures in the line item budget form
  - Explanation of why project costs are reasonable
  - Cost estimates from at least three different contractors

Budget information should be broken out in categories as appropriate with enough detail to clearly understand how each line item would be spent. Budgets should represent the full project costs, not only the portion requested from the City.

### **3. Livability Public Benefits**

In efforts to promote Evanston as the most livable City, applicants must achieve at least 5 of the total 12 possible points from this section. The City's Office of Sustainability is available for consultation on meeting livability compliance. Satisfaction of these benefits

does not guarantee funding; applicants are also subject to all additional underwriting standards adopted by the City of Evanston.

1. **Average Wage Requirement (1 point):** The company will pay an average annual wage that is equal to or exceeds the Cook County per capita income. The most recent per capita income reported by the Cook County is \$30,048. {INSERT REQUIREMENT OF LOW-MOD for CDBG}
2. **Health Insurance (1 point):** The company will offer and pay for at least 50 percent of the cost of health insurance premiums for all full-time employees. This coverage must, at a minimum, include major medical coverage for full-time employees and their dependents.
3. **Diversity Support (1 point):** The company will encourage diversity in the workforce through proactive hiring practices or through diversity training programs. These programs can include certified diversity programs, English as a Second Language (ESL) classes, and Spanish classes. (Note: Being an equal opportunity employer alone does not qualify a company for this guideline.)
4. **Non-profit Support (1 point):** The company will actively support the arts, cultural, or service non-profit sector in Evanston by:
  - a. A commitment to donating \$25 or more per year on average for each full-time employee. For example, a firm with 100 employees can document at least \$2,500 donated (or to be donated) to an Evanston-based arts, cultural, or service non-profit entities over a 12-month period; and/or
  - b. Encouraging volunteerism by granting the equivalent of at least one paid day off per year to each employee who utilizes the time to provide support to an Evanston based non-profit entity.
5. **Dependent Care (1 point):** The company will offer at least \$50 per month in dependent care assistance to employees who utilize daycare or eldercare for a dependent child or other immediate family member. This may be offered as an option in a flexible benefit cafeteria plan. (Note: a pre-tax dependent care flexible spending program does not qualify.)
6. **Housing Assistance (3 points):** The company will offer assistance to employees on the purchase or rental of housing located within the City of Evanston. This assistance must have a minimum value of \$1,000, per employee assisted. It may be a cash benefit for down payment towards purchase or rental housing assistance to recruit new employees or retain current employees.
7. **Wellness and Health (1 points):** The company or business will pay at least 50% of the cost towards a fitness membership or fitness classes offered through an Evanston-based business that will provide access to fitness and recreational opportunities.
8. **Energy Efficiency Assessment (1 point):** The company will conduct an energy efficiency assessment of the facility to better understand energy usage and identify ways to reduce energy usage. The assessment can be conducted by an energy efficiency company secured privately or through the participation in a Nicor or ComEd utility run energy assessment program.
9. **Energy Efficiency Improvements (1 point):** The company will implement energy efficiency projects to reduce the energy use of the work space. Projects

can be identified through a recent energy efficiency assessment or demonstrated to be energy saving projects through an in-house energy savings calculation.

10. **Multi-Modal Transportation (1 point):** The company or business will provide an incentive for employees to commute to work using public transit, walking or bicycle. Incentives can include contribution to employees for transit fare, indoor bike parking space for employees, or facilities with a shower and changing room.
11. **Recycling and Waste Reduction (1 points):** The company or business will increase waste reduction and recycling efforts for both operational waste and customer generated waste, as appropriate. This will include the evaluation of current internal and external waste and recycling containers and optimizing container size to maximize recycling opportunities.
12. **Water Efficiency (1 point):** Implementation of water efficiency measures to include more efficient appliances, water-using fixtures, landscaping that requires little water use or helps absorb water that would otherwise go to storm drains.

AUDIT DOCUMENTS for Livability Public Benefits; timeline for audit (i.e. non-profit support; religious affiliation, non-discriminatory practice to Non-profits

#### **4. Business Plan/Profile**

Provide a copy of your business plan. Include in the Business Plan the information summarized below in a similar format.

- I. Cover Sheet (Include business name, address, and all contact info)
- II. History and Description of Business
- III. Products Created/Services Provided
- IV. Marketing Information
- V. Major Customers
- VI. Competitive Position in the Industry
- VII. Size of the Market
- VIII. Primary Competitors
- IX. Seasonality of the Market
- X. Major Distribution Channels
- XI. Profiles of Management Team/Principals
- XII. Description of Jobs Created/Added
- XIII. Overall Schedule
- XIV. Community Benefits (link to City of Evanston ED Plan)

## **List of additional Supplemental Project Information**

The following additional information may be requested for staff review of project and City due diligence.

### **I. STANDARD DOCUMENTATIONS**

- a. Audited Financial Statement and/or Tax Returns (Past 3 years)
- b. Articles of Incorporation/Bylaws
- c. Non-Profit Determination (if applicable)
- d. List of the Board of Directors (If applicable)
- e. Authorization to Request Funds
- f. Designation of Authorized Official
- g. Organizational Chart
- h. List of Available Collateral (to secure potential debt with City of Evanston)
- i. Personal Financial Statement of the Owner or Stockholders owning more than 20% of the voting stock of the company
- j. Loan Application History (explain more what this is – past 4 years)
- k. Business Lease
- l. Copies of any pending litigation cases involving the corporation or its principals and a summary of the case(s).
- m. Copies of any judgments against the corporation or its principals Copies of any past or present bankruptcy filings for the corporation or its principals, within the past 5 years.
- n. Credit Report(s) issued within one month of application date for all Principals Associated with Application
- o. Copies of Purchase Orders or Invoice for business equipment to be purchased (include any serial numbers of new equipment or equipment that will be utilized as collateral)
- p. Real Estate Related Documents:
  - i. Purchase Contract Agreement
  - ii. Appraisal of real estate to be financed
  - iii. Copy of Construction Contract (if new construction or significant rehabilitation)

## ATTACHMENT A: CDBG/Section 108 Attachment

### National Objectives

All applicants for CDBG or Section 108 funding must demonstrate how the project will meet CDBG national objectives as outlined in 24 CFR 570.208. A project must provide benefit to low- to moderate-income persons through job creation, housing rehabilitation, limited clientele assistance or general area benefit.

#### Definition of Low and Moderate Income Persons (LMI):

- Moderate Income Person: A person with income at or below 80% of the median income.
- Low Income Person: A person with income at or below 50% of the median income.

#### CSBG Low/Moderate Income Benefit may be achieved by:

- Job Creation: Activities designed to create or retain full- or part-time permanent jobs, at least 51 percent of full-time equivalent (FTEs) must be made available to or held by LMI persons.
- Direct Assistance to Low/Mod Income Microenterprises: For businesses with 5 or fewer total employees, including the owners, (owners' income must not exceed 80% of the median income).
- Area Benefit: Activity funded provides needed goods or services to a residential service area, in which at least 51 percent of the residents are LMI persons.
- Housing Rehabilitation and Related Infrastructure/Acquisition Costs: Activities that are undertaken for the purpose of providing or improving permanent residential structures which, upon completion, will be occupied by LMI households.

#### Which CDBG National Objective will your project meet?

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#### Eligible Activities:

In addition to meeting a national objective, CDBG/Section 108 funds must be used for eligible activities as established in 24 CFR 570.703(a-m):

- Economic development activities eligible under §570.203, Community development activities eligible under §570.204, and planning and environmental urban design activities eligible under §570.205 (See Attachment B for more information);
- Acquisition of improved or unimproved real property;
- Rehabilitation of property owned or acquired by the City of Evanston or its designated public entity;
- Relocation payments for individuals, families, businesses, and other organizations that must relocate temporarily or permanently as a result of activity financed by Section 108 funds;

- Clearance, demolition, and removal on real property acquired or rehabilitated with Section 108 funds;
- Site preparation, construction<sup>1</sup>, installation of public and other site improvements, utilities, or remediation of properties that are related to the economic development of property acquired or rehabilitated with Section 108 funds;
- Payment of private sector costs associated with debt financing; and
- Debt service reserve.

Please explain how your project qualifies as one of the above eligible activities:

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**Public Benefit Standards:**

In addition to meeting a minimum of one national objective and being used for eligible activities already outlined in this proposal, any economic development projects receiving CDBG Section 108 funding must also meet the public benefit standards as outlined in 24 CFR 570.209(b). By signing and submitting this application, you agree to comply with these standards:

1. A minimum of one job (FTE) created per \$50,000 of funding, with 51% of total jobs filled by low/moderate income persons OR;
2. One Low/Moderate Income individual benefitted per \$1,000 of funding.

An individual project must satisfy one of the requirements in its entirety. For example, a Section 108 loan of \$105,000 must either create three jobs, at least two of which are filled by LMI persons or serve a geographic area that is primarily LMI and includes at least 105 Low/Moderate Income people. Creating 2 jobs and benefiting 100 people *will not* satisfy the minimum standards for evaluating public benefit, as it is a combination of the two requirements.

All jobs retained by CDBG Section 108 funding will be considered “jobs created” (570.209(b)) and are subject to the same requirements listed above.

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<sup>1</sup> All wages of construction workers are subject to Davis-Bacon prevailing wages.

ATTACHMENT B: Eligible Activities for CDBG Section 108 (§570.203, §570.2034, §570.205)

**§570.203 Special economic development activities.**

A recipient may use CDBG funds for special economic development activities in addition to other activities authorized in this subpart that may be carried out as part of an economic development project. Guidelines for selecting activities to assist under this paragraph are provided at §570.209. The recipient must ensure that the appropriate level of public benefit will be derived pursuant to those guidelines before obligating funds under this authority. Special activities authorized under this section do not include assistance for the construction of new housing. Activities eligible under this section may include costs associated with project-specific assessment or remediation of known or suspected environmental contamination. Special economic development activities include:

(a) The acquisition, construction, reconstruction, rehabilitation or installation of commercial or industrial buildings, structures, and other real property equipment and improvements, including railroad spurs or similar extensions. Such activities may be carried out by the recipient or public or private nonprofit subrecipients.

(b) The provision of assistance to a private for-profit business, including, but not limited to, grants, loans, loan guarantees, interest supplements, technical assistance, and other forms of support, for any activity where the assistance is appropriate to carry out an economic development project, excluding those described as ineligible in §570.207(a). In selecting businesses to assist under this authority, the recipient shall minimize, to the extent practicable, displacement of existing businesses and jobs in neighborhoods.

(c) Economic development services in connection with activities eligible under this section, including, but not limited to, outreach efforts to market available forms of assistance; screening of applicants; reviewing and underwriting applications for assistance; preparation of all necessary agreements; management of assisted activities; and the screening, referral, and placement of applicants for employment opportunities generated by CDBG-eligible economic development activities, including the costs of providing necessary training for persons filling those positions.

[53 FR 34439, Sept. 6, 1988, as amended at 60 FR 1944, Jan. 5, 1995; 71 FR 30035, May 24, 2006]

**§570.204 Special activities by Community-Based Development Organizations (CBDOs).**

(a) *Eligible activities.* The recipient may provide CDBG funds as grants or loans to any CBDO qualified under this section to carry out a neighborhood revitalization, community economic development, or energy conservation project. The funded project activities may include those listed as eligible under this subpart, and, except as described in paragraph (b) of this section, activities not otherwise listed as eligible under this subpart. For purposes of qualifying as a project under paragraphs (a)(1), (a)(2), and (a)(3) of this section, the funded activity or activities may be considered either alone or in concert with other project activities either being carried out or for which funding has been committed. For purposes of this section:

(1) Neighborhood revitalization project includes activities of sufficient size and scope to have an impact on the decline of a geographic location within the jurisdiction of a unit of general local government (but not the entire jurisdiction) designated in comprehensive plans, ordinances, or other local documents as a neighborhood, village, or similar geographical designation; or the entire jurisdiction of a unit of general local government which is under 25,000 population;

(2) Community economic development project includes activities that increase economic opportunity, principally for persons of low- and moderate-income, or that stimulate or retain businesses or permanent jobs, including projects that include one or more such activities that are clearly needed to address a lack of affordable housing accessible to existing or planned jobs and those activities specified at 24 CFR 91.1(a)(1)(iii); activities under this paragraph may include costs associated with project-specific assessment or remediation of known or suspected environmental contamination;

(3) Energy conservation project includes activities that address energy conservation, principally for the benefit of the residents of the recipient's jurisdiction; and

(4) To carry out a project means that the CBDO undertakes the funded activities directly or through contract with an entity other than the grantee, or through the provision of financial assistance for activities in which it retains a direct and controlling involvement and responsibilities.

(b) *Ineligible activities.* Notwithstanding that CBDOs may carry out activities that are not otherwise eligible under this subpart, this section does not authorize:

(1) Carrying out an activity described as ineligible in §570.207(a);

(2) Carrying out public services that do not meet the requirements of §570.201(e), except that:

(i) Services carried out under this section that are specifically designed to increase economic opportunities through job training and placement and other employment support services, including, but not limited to, peer support programs, counseling, child care, transportation, and other similar services; and

(ii) Services of any type carried out under this section pursuant to a strategy approved by HUD under the provisions of 24 CFR 91.215(e) shall not be subject to the limitations in §570.201(e)(1) or (2), as applicable;

(3) Providing assistance to activities that would otherwise be eligible under §570.203 that do not meet the requirements of §570.209; or

(4) Carrying out an activity that would otherwise be eligible under §570.205 or §570.206, but that would result in the recipient's exceeding the spending limitation in §570.200(g).

(c) *Eligible CBDOs.* (1) A CBDO qualifying under this section is an organization which has the following characteristics:

(i) Is an association or corporation organized under State or local law to engage in community development activities (which may include housing and economic development activities) primarily within an identified geographic area of operation within the jurisdiction of the recipient, or in the case of an urban county, the jurisdiction of the county; and

(ii) Has as its primary purpose the improvement of the physical, economic or social environment of its geographic area of operation by addressing one or more critical

problems of the area, with particular attention to the needs of persons of low and moderate income; and

(iii) May be either non-profit or for-profit, provided any monetary profits to its shareholders or members must be only incidental to its operations; and

(iv) Maintains at least 51 percent of its governing body's membership for low- and moderate-income residents of its geographic area of operation, owners or senior officers of private establishments and other institutions located in and serving its geographic area of operation, or representatives of low- and moderate-income neighborhood organizations located in its geographic area of operation; and

(v) Is not an agency or instrumentality of the recipient and does not permit more than one-third of the membership of its governing body to be appointed by, or to consist of, elected or other public officials or employees or officials of an ineligible entity (even though such persons may be otherwise qualified under paragraph (c)(1)(iv) of this section); and

(vi) Except as otherwise authorized in paragraph (c)(1)(v) of this section, requires the members of its governing body to be nominated and approved by the general membership of the organization, or by its permanent governing body; and

(vii) Is not subject to requirements under which its assets revert to the recipient upon dissolution; and

(viii) Is free to contract for goods and services from vendors of its own choosing.

(2) A CBDO that does not meet the criteria in paragraph (c)(1) of this section may also qualify as an eligible entity under this section if it meets one of the following requirements:

(i) Is an entity organized pursuant to section 301(d) of the Small Business Investment Act of 1958 (15 U.S.C. 681(d)), including those which are profit making; or

(ii) Is an SBA approved Section 501 State Development Company or Section 502 Local Development Company, or an SBA Certified Section 503 Company under the Small Business Investment Act of 1958, as amended; or

(iii) Is a Community Housing Development Organization (CHDO) under 24 CFR 92.2, designated as a CHDO by the HOME Investment Partnerships program participating jurisdiction, with a geographic area of operation of no more than one neighborhood, and has received HOME funds under 24 CFR 92.300 or is expected to receive HOME funds as described in and documented in accordance with 24 CFR 92.300(e).

(3) A CBDO that does not qualify under paragraph (c)(1) or (2) of this section may also be determined to qualify as an eligible entity under this section if the recipient demonstrates to the satisfaction of HUD, through the provision of information regarding the organization's charter and by-laws, that the organization is sufficiently similar in purpose, function, and scope to those entities qualifying under paragraph (c)(1) or (2) of this section.

[60 FR 1944, Jan. 5, 1995, as amended at 71 FR 30035, May 24, 2006]

**§570.205 Eligible planning, urban environmental design and policy-planning-management-capacity building activities.**

(a) Planning activities which consist of all costs of data gathering, studies, analysis, and preparation of plans and the identification of actions that will implement such plans, including, but not limited to:

- (1) Comprehensive plans;
- (2) Community development plans;
- (3) Functional plans, in areas such as:
  - (i) Housing, including the development of a consolidated plan;
  - (ii) Land use and urban environmental design;
  - (iii) Economic development;
  - (iv) Open space and recreation;
  - (v) Energy use and conservation;
  - (vi) Floodplain and wetlands management in accordance with the requirements of Executive Orders 11988 and 11990;
  - (vii) Transportation;
  - (viii) Utilities; and
  - (ix) Historic preservation.
- (4) Other plans and studies such as:
  - (i) Small area and neighborhood plans;
  - (ii) Capital improvements programs;
  - (iii) Individual project plans (but excluding engineering and design costs related to a specific activity which are eligible as part of the cost of such activity under §§570.201-570.204);
  - (iv) The reasonable costs of general environmental, urban environmental design and historic preservation studies; and general environmental assessment- and remediation-oriented planning related to properties with known or suspected environmental contamination. However, costs necessary to comply with 24 CFR part 58, including project specific environmental assessments and clearances for activities eligible for assistance under this part, are eligible as part of the cost of such activities under §§570.201-570.204. Costs for such specific assessments and clearances may also be incurred under this paragraph but would then be considered planning costs for the purposes of §570.200(g);
  - (v) Strategies and action programs to implement plans, including the development of codes, ordinances and regulations;
  - (vi) Support of clearinghouse functions, such as those specified in Executive Order 12372; and
  - (vii) Analysis of impediments to fair housing choice.
  - (viii) Developing an inventory of properties with known or suspected environmental contamination.
- (5) [Reserved]
- (6) Policy—planning—management—capacity building activities which will enable the recipient to:
  - (1) Determine its needs;
  - (2) Set long-term goals and short-term objectives, including those related to urban environmental design;
  - (3) Devise programs and activities to meet these goals and objectives;
  - (4) Evaluate the progress of such programs and activities in accomplishing these goals and objectives; and

(5) Carry out management, coordination and monitoring of activities necessary for effective planning implementation, but excluding the costs necessary to implement such plans.

[53 FR 34439, Sept. 6, 1988, as amended at 56 FR 56127, Oct. 31, 1991; 60 FR 1915, Jan. 5, 1995; 71 FR 30035, May 24, 2006]