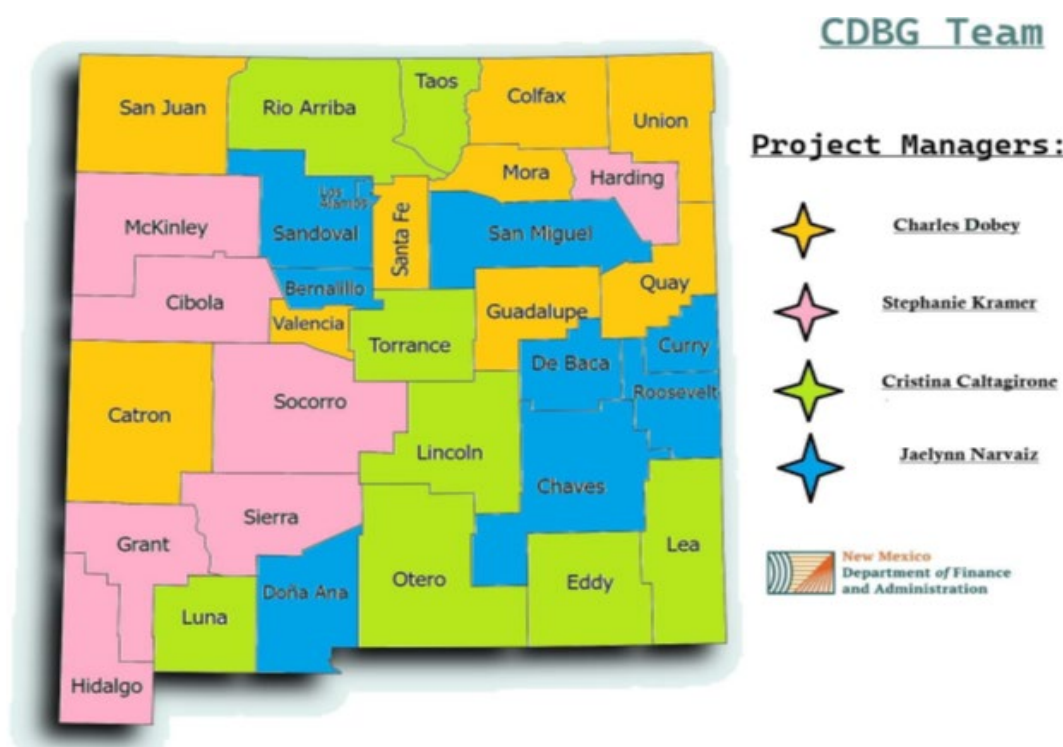


Community Development Block Grant (CDBG)

2025 Application

Infrastructure and Public Facilities Projects



**State of New Mexico
Department of Finance and Administration**

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CDBG Application Exhibit Links

Application Exhibits

- [Exhibit A: evidence of posting for public meeting](#)
- [Exhibit B: income limits by county](#)
- [Exhibit C - sample surveys in English and Spanish](#)
- [Exhibit D: surveyor certification form](#)
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- [Exhibit F: CDBG site certificate](#)
- [Exhibit G: application form](#)
- [Exhibit H: matching funds resolution](#)
- [Exhibit 1-F: HUD applicant disclosure form](#)
- [Exhibit 1-Q: public meeting notice \(English & Spanish\)](#)
- [Exhibit 1-Q-1: meeting minutes and agenda for *pre-project selection*](#)
- [Exhibit 1-Q-2: meeting minutes and agenda for *post-project selection*](#)

Environmental Review Exhibits

- [Exhibit 2-A: environmental review determination form](#)
- [Exhibit 2-A-1: certifying official designation for environmental review process](#)
- [Exhibit 2-F: consultation notice \(for floodplain manager\)](#)
- [Exhibit 2-I: consultation notice \(for all entities except floodplain and SHPO\)](#)
- [Exhibit 2-J: consultation notice \[for State Historic Preservation Office \(SHPO\)\]](#)

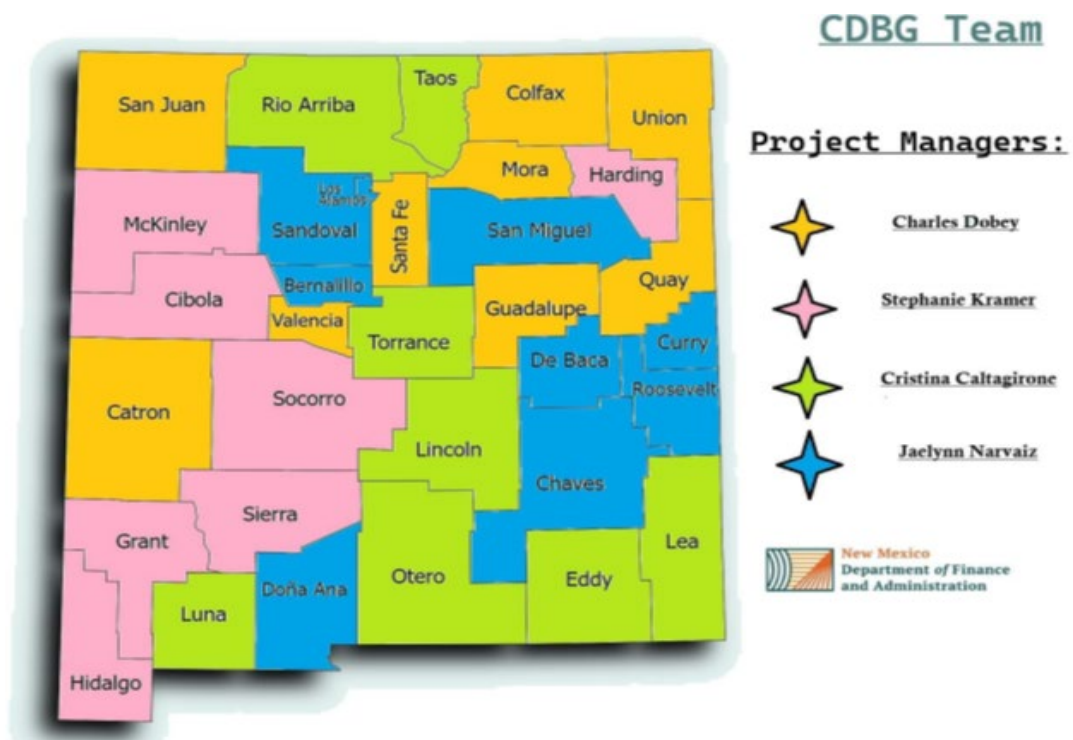
Professional Service Exhibits

- [Exhibit 3-A: request for proposals \(administrative services\)](#)
- [Exhibit 3-B: contract \(administrative services\)](#)
- [Exhibit 3-C: request for proposals \(professional services for architects and engineers\)](#)
- [Exhibit 3-D: contract \(engineering services\)](#)
- [Exhibit 3-E: contract \(architecture services\)](#)

Construction Exhibit

- [Exhibit 4-A: bidding documents and construction contract](#)

CDBG Application Requirements & Eligibility



**State of New Mexico
Department of Finance and Administration**

CDBG Application Requirements

- Eligible applicants may submit one (1) application for CDBG infrastructure funding.
- Applicants must use the electronic fillable form. (No handwritten applications will be accepted.)
- Application for CDBG funding must be limited to a project-specific activity or set of activities that addresses a particular need.
- Eligible applicants must meet the following minimum requirements:
 - All applications must include a full and phased scope of work, including corresponding budgets.
 - Application requests are limited to a maximum of \$500,000 without certified cost estimates.
 - Projects must be fully functional on a stand-alone basis once the funds awarded have been expended.
 - Projects must be completed within twenty-four (24) months of a fully executed grant agreement.
 - A previous year's unfunded CDBG application must be updated and resubmitted if the applicant, after conducting the required public hearings, determines that the project is still viable and a priority for the community.
 - Application must include a determination of non-rural status.
 - Non-Rural:
 - ❖ Municipalities: more than 3,000 residents
 - ❖ Counties: more than 25,000 residents
 - Upon receipt of an application, division staff will review for:
 - ✓ Eligibility
 - ✓ Completeness
 - ✓ Description
 - ✓ Need
 - ✓ Cost analysis
 - ✓ Risk analysis
 - ✓ Division support and approval
 - ✓ Feasibility
 - ✓ Compliance
 - Applications not meeting the criteria will be returned to the applicant and will not be considered for funding.
- Threshold requirements must be met by Friday, April 18, 2025.
- Specifically:
 - ✓ CDBG infrastructure projects must be completed and closed consistent with federal requirements, with all findings and concerns resolved and cleared.
 - ✓ Audits must be current and will be examined for fiscal capacity and capability.
 - ✓ Budgets and quarterly and monthly financial reports must be current.
 - ✓ Grantee's historical performance must be within tolerance of Uniform Grant Guidance (UGG)

CDBG Eligibility

Compliance with federal requirements

All entities associated with CDBG (State, county, municipality) must adhere to the federal rules and regulations, specifically those contained in the Code of Federal Regulations (CFR) Title 24 – Housing and Urban Development (HUD). Some of the most utilized parts of 24 CFR are:

- Environmental review (24 CFR part 58) <https://www.ecfr.gov/current/title-24/subtitle-A/part-58>
- Procurement (24 CFR part 85.36) <https://www.ecfr.gov/current/title-24/subtitle-A/part-85>
- Community Development Block Grants (24 CFR part 570)
<https://www.ecfr.gov/current/title-24/subtitle-B/chapter-V/subchapter-C/part-570/subpart-C/section-570.208>

Compliance with state requirements

All entities associated with CDBG (state, county, municipality) must adhere to the state rules and regulations, contained in the New Mexico Administrative Code:

- Small cities community development block grant (NMAC 2.110.2) <https://www.srca.nm.gov/wp-content/uploads/attachments/02.110.0002.pdf>

National Objective

The national objective for the State of New Mexico is to benefit principally low and moderate income individuals and families.

Applicant Eligibility

Eligible Applicants

- Infrastructure grants: all counties, incorporated municipalities and New Mexico Mortgage Finance Authority

Ineligible Applicants

- Indian Pueblos and Tribes may receive funding directly from the U.S. Department of Housing and Urban Development (HUD).
- Entitlement cities (Albuquerque, Farmington, Las Cruces, Rio Rancho and Santa Fe) receive funding directly from HUD.

Project Eligibility

Eligible Project Activities

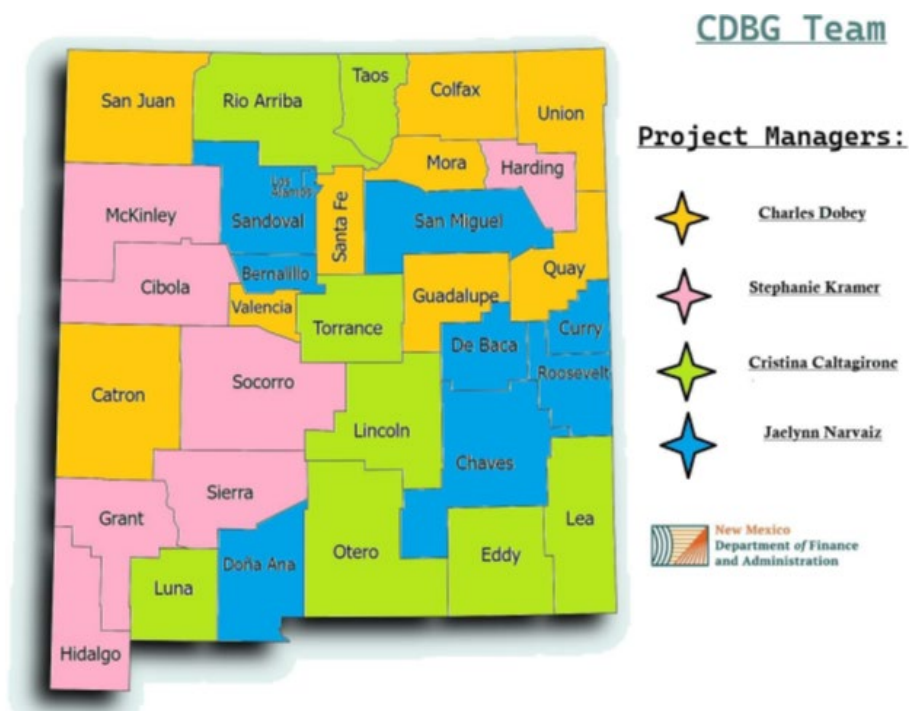
- Community Infrastructure: water; sewer systems (including storm sewers); solid waste disposal systems; street improvements (roads, streets, curbs, gutters, sidewalks, traffic control devices, street lighting, parking facilities, municipal utilities).

- Public Facility: real property acquisition; construction or improvement of structures (community centers, senior citizen centers, homeless shelters, domestic violence shelters, substance abuse facilities, nonresidential centers for the handicapped such as sheltered workshops); other community facilities designed to provide health, social, recreational or similar community services for residents.
- Colonias: the State of New Mexico is obligated to allocate 10% of the total CDBG funding each year to eligible projects in designated Colonias.
 - Applicant must be:
 - Designated Colonia prior to November 1990; and
 - Located within 150 miles of the U.S./Mexico border
 - Project must address:
 - Lack of potable water supply; or
 - Inadequate sewage system.

Ineligible Project Activities

- Construction or rehabilitation of buildings used for the general conduct of government such as city halls or courthouses. The only exception is to make a public or government operating facility ADA-compliant.
- General operation and maintenance expenses of public facilities.
- Income maintenance programs.
- Housing allowance payments and mortgage subsidies, including but not limited to expenditures for the use of equipment or premises for any political activities.
- Costs involved in preparing applications and securing funding.

Public Participation



**State of New Mexico
Department of Finance and Administration**

CDBG Public Participation Overview

Providing local citizens with the opportunity to be heard is not only a great way to generate project ideas, but also a CDBG requirement. All CDBG applicants must hold a minimum of 2 public participation meetings to submit a CDBG infrastructure application. The first meeting should take place prior to deciding which project to pursue to gather project ideas from your constituents. The second meeting should take place after a project has been decided to receive project-specific feedback from the community. Applicants that conduct 4 (or more) meetings will receive maximum points for this portion of the application.

Public Notification Requirements

- Applicants must notify the public of each meeting a minimum of ten (10) days prior to the meeting in accordance with the New Mexico Open Meetings Act.
- Use [Exhibit 1-Q \(CDBG public hearing notice with required elements\)](#) to notify the public.
- Notifications must be made in English and Spanish ([Exhibit 1-Q](#) contains both languages).
- Notifications must be:
 - Published in a general circulation newspaper; or
 - Posted in a prominent and visible location

Conducting the Meetings

- CDBG hearings must be stand-alone meetings, meaning they cannot be a part of a regularly scheduled meeting (meetings can take place before or after regularly scheduled Council/Commission meetings, however, each meeting must be closed separately prior to the commencement of the next meeting).
- Meeting types
 - “Pre-Project Selection” public meetings using [Exhibit 1-Q-1](#)
 - This meeting will cover the Community Development Block Grant (CDBG) Program. This meeting is designed to generate ideas about potential projects eligible for CDBG funding. At this time, the applicant has ***not*** determined a project to pursue (so as to avoid the element of pre-determination). This meeting serves to provide local citizens with the opportunity to propose project ideas.
 - “Post-Project Selection” public meetings using [Exhibit 1-Q-2](#)
 - This meeting will cover the Community Development Block Grant (CDBG) Program. This meeting is designed to inform the public about the applicant’s proposed project. Citizens directly impacted by the project will have the opportunity to voice opinions, suggestions and/or concerns.

CDBG Public Participation Checklist

☐ Public meeting notices in English and Spanish (Exhibit 1-Q)

If published:

affidavit of publication ☐

If posted:

proof (pictures) that posting were made in prominent and visible locations posted at least 10 days prior to meeting(s) (Exhibit A) ☐

☐ Copy of meeting minutes

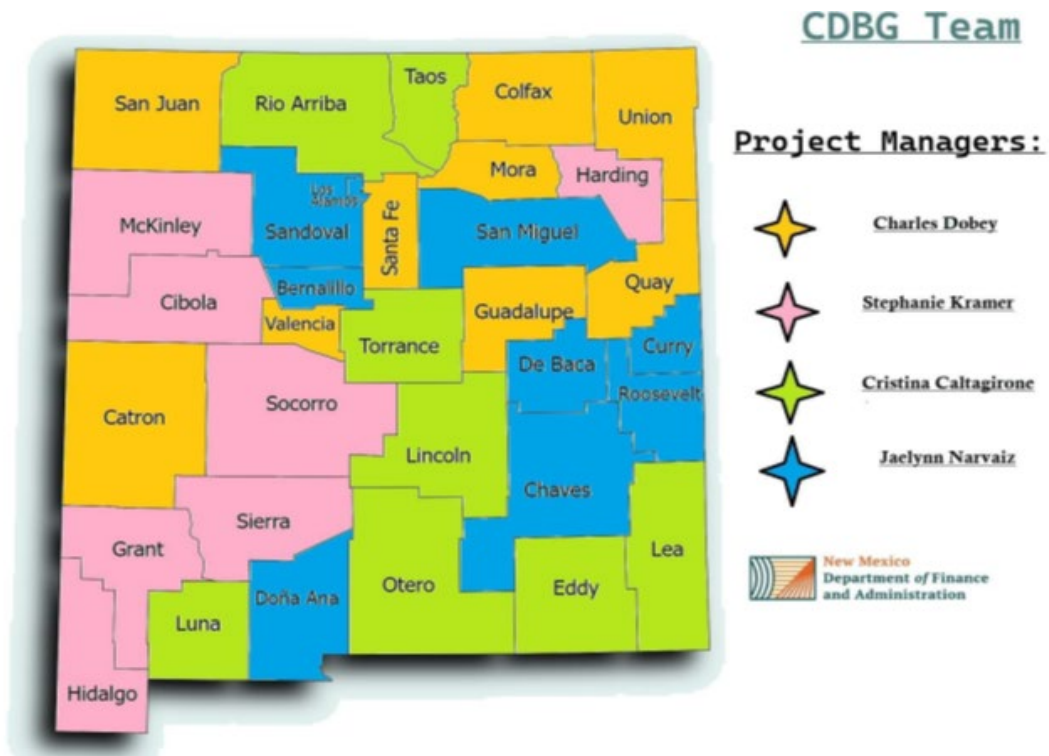
☐ "Pre-Project Selection" (Exhibit 1-Q-1); total number of "Pre-Selection" meetings ☐

☐ "Post-Project Selection" (Exhibit 1-Q-2); total number of "Post-Selection" meetings ☐

☐ Sign-in sheets (1 sign-in sheet for each meeting conducted)

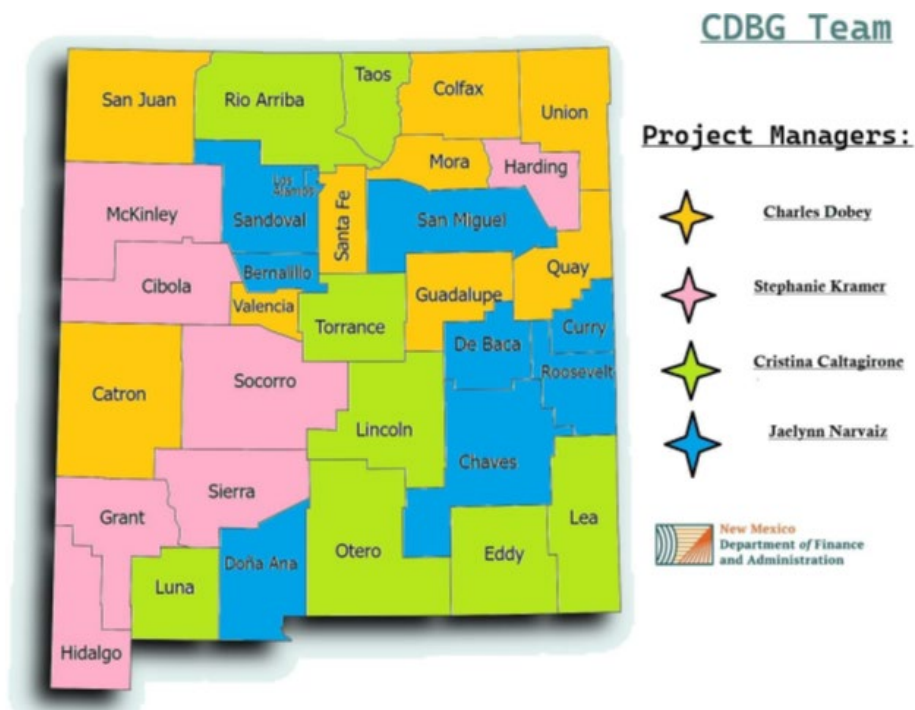
[CDBG Citizen Participation Criteria](#)

CDBG Project Beneficiaries



**State of New Mexico
Department of Finance and Administration**

American Community Survey



State of New Mexico
Department of Finance and Administration

AMERICAN COMMUNITY SURVEY (ACS) METHODOLOGY OVERVIEW

The American Community Survey (ACS) methodology is used to calculate LMI for **community-wide** and **targeted section** projects. Please contact your CDBG Project Manager to discuss your proposed project and the applicability of ACS methodology prior to proceeding to ensure that DFA initially concurs, as this could save valuable time in the application qualification process. DFA approval is required regardless of LMI source of information and methodology.

ACS is a nationwide survey conducted by the U.S. Census Bureau that collects and produces information on demographic, social, economic, and housing characteristics every year. In contrast, the Census is conducted every ten years.

ACS data can be utilized based on the Low Moderate Income Summary Data (LMISD) to qualify an application either by community-wide benefit or a targeted section of the community. Regardless of whether an applicant uses a community-wide benefit or a targeted section approach, the beneficiaries must meet the HUD National Objective of serving at least 51% low to moderate income constituents.

Community-wide CDBG projects must benefit all residents of the entire community. If an applicant has determined to pursue a project that will be a community-wide benefit, they must contact the CDBG Program to determine eligibility.

Survey

CDBG Team

Project Managers:



Charles Dobey



Stephanie Kramer



Cristina Caltagirone



Jaelynn Narvaiz



**State of New Mexico
Department of Finance and Administration**

CDBG SURVEY METHODOLOGY OVERVIEW

Community Infrastructure and Public Facilities projects in the CDBG program must meet the U.S. Department of Housing and Urban Development (HUD) national objective benefiting at least 51% (or more) low and moderate income (LMI) persons. The following Survey Methodology is designed to assist local governments in determining whether most of the individuals in the proposed target area are of low and moderate income.

The New Mexico Department of Finance and Administration, Infrastructure Division recommends that the Survey Methodology be used when the community does not meet the 51% threshold under the American Community Survey (ACS) or if the project will only benefit a targeted area within a community. Please contact your CDBG Project Manager to discuss your proposed project and the applicability of survey methodology prior to proceeding to ensure that DFA initially concurs, as this could save valuable time in the application qualification process. DFA approval is required regardless of LMI source of information and methodology.

The purpose of a sample survey is to determine whether or not the 51% of persons living in the targeted area have low-to-moderate incomes. A sample survey, proportionate to the size of the survey universe, will be extrapolated to represent the entire population.

Properly following the steps below will help to ensure the accuracy of the results and avoid unnecessary delays in determining project eligibility.

STEP 1: SELECT THE TYPE OF SURVEY

Any type of survey that fulfills the criteria discussed below can be used to determine whether an area qualifies as low and moderate income. Preferences for conducting surveys may vary for CDBG applicants based on costs or budget limitation, the availability of staff effort, sample size, available technology and/or time dedicated to conducting surveys. Each of the options described below offer various methods in which surveys may be conducted for the purposes of collecting income information.

It is important to be knowledgeable about [HUD definitions](#) of household and distinct family units:

- Household: all the people who occupy a housing unit. A household includes the related family members and all the unrelated people, if any, such as lodgers, foster children, wards or employees who share a housing unit. A person living alone in a housing unit, or a group of unrelated people sharing a housing unit such as partners or roomers, is also counted as a household.
- Distinct family units: count one family per survey. A *family* is a group of people who are related by blood, marriage, or adoption. A *household* can contain multiple families and encompasses all of the people living in a dwelling unit. Unrelated individuals are considered one-person families for the purpose of the income survey ([24 CFR 5.403](#), [24 CFR 570.3](#)).

To maximize response rates, applicants are encouraged to provide outreach materials to notify residents of the purpose of the survey prior to conducting them and/or use a combined survey method (multimodal) approach to data collection. Additionally, it is important to ensure that a survey is completed for unrelated individuals or one-person families within each dwelling unit.

Outreach materials are available from HUD, but should be customized with local seals, letterhead and survey type, as appropriate:

- [Income Survey Flyer](#)
- [Income Survey Letter \(City\)](#)
- [Reminder Post Card](#)
- [Sorry We Missed You Card](#)

Recommended survey types:

Survey applications – Electronic surveys typically yield the highest response rates but have costs associated with them such as purchasing application subscriptions and/or tablets. All the survey instruments and the income card must be updated with current income limits for local areas. You may find the most recent income limits on the [CDBG Income Limits page](#) on the HUD Exchange (note: Survey123 and Microsoft Forms surveys include Spanish translations).

Qualtrics	Survey123	Fulcrum	Microsoft Forms
User Guide	User Guide	User Guide	User Guide
Excel Tool	Excel Tool	Excel Tool	Excel Tool

(a) Door-to-door surveys - A survey where the interviews are conducted in preselected areas involving knocking on the doors of homes to find qualified respondents. Paper surveys are the most flexible and lowest cost option. The main challenges of paper surveys are that completed surveys must be kept secure to protect respondent confidentiality and results must be entered into a spreadsheet manually which requires additional time and is subject to human error.

(b) Mail surveys - Respondents are sent the questionnaire by mail and asked to complete it independently and then return the questionnaire to the entity. Provisions must be made to provide non-English speaking residents with a questionnaire in their own language. Include a self-addressed stamped envelope in the mailing for best results. Paper surveys are the most flexible and lowest cost option. The main challenges of paper surveys are that completed surveys must be kept secure to protect respondent confidentiality and results must be entered into a spreadsheet manually which requires additional time and is subject to human error.

(c) Telephone surveys – The interviewer must call and identify themselves, and request to speak to someone competent and knowledgeable enough to answer and respond to the survey questions. In a telephone survey, you must acquire numbers of all the households in your target area and devise a method of contacting households without telephones or those with unlisted numbers. Paper surveys are the most flexible and lowest cost option. The main challenges of paper surveys are that completed surveys must be kept secure to protect respondent confidentiality and results must be entered into a spreadsheet manually which requires additional time and is subject to human error.

STEP 2: USE OF QUESTIONNAIRE

All entities must use the survey form provided in this section. Note: Income levels must be updated using [HUD income limits](#) by County in the most current year available. If applicable, you may also use the HUD Metropolitan Fair Market Rent/Income Limits (HMFA) by Metropolitan Service Area (MSA). If you are unsure about whether to use your County or MSA, please contact your CDB project manager.

STEP 3: SELECT THE SAMPLE

- A. Define the Sample Universe. Depending on the project, the universe may be as large as a municipality or county, or as small as the project impacted area.
- B. Identify Individual Households. Include a list of every household, vacant lot, and business in the target area and their telephone number, if available. Samples of identifying household sources include telephone directories, tax rolls, and utility company listing.
- C. Determine Sample Size: Many sample size calculators are available online, HUD and DFA recommend using SurveyMonkey: [Sample Size Calculator | SurveyMonkey](#). The “population size” is the estimated number of housing units in the area. The confidence level must be set at a minimum of 90%, and the margin of error (MOE) must be no higher than 10%. Please refer to Table 1 below:

Table 1. Example of a Sample Size Calculator

Population Size ⓘ	Confidence Level (%) ⓘ	Margin of Error (%) ⓘ
1800	90	10
Sample size		
66		

- D. Determine the Sample: Devise a procedure to randomly select the households to be interviewed. For example, using the site [Research Randomizer](#) can be used to create a [sample size calculator](#) which will produce a randomized selection for any sample size from any population size.
- E. Unreachable: Document how you will account for any unreachable families in your sample. A household that cannot be reached must be replaced randomly with the next household that appears on the randomized number table. If a sampled household cannot be reached after two or more tries, or an outright refusal, they should be replaced in the sample.

STEP 4: REQUEST APPROVAL FROM DFA

The applicant must request approval from CDBG to conduct a survey by providing the type of survey (step 1), a sample questionnaire form with correct income limits (step 2) and the sample selection (step 3). Steps 1, 2, and 3 MUST be approved by DFA *prior to completing steps 5-7*. Failure to receive DFA approval prior to step 5 may result in reconducting the survey or disqualification of the application.

STEP 5: CONDUCT SURVEY

- A. Recruit and train interviewers. The 3 most critical elements to these surveys are confidentiality, using the correct income limits and distinguishing between distinct family units. Confidentiality is critical for both respondents and facilitators; it is best to have a confidentiality policy in place and to use a unique “Family ID” with de-identified data so that names and addresses are not included in the final dataset. HUD published low to moderate income limit data regularly, so it is important to use the most recent income limit data in the survey. Count one family per survey. A *family* is a group of people who are related by blood, marriage, or adoption. A *household* can contain multiple families and encompasses all the people living in a dwelling unit (note: unrelated individuals are considered one-person families).
- B. Develop an interview schedule. HUD estimates that completing the entire income survey process requires approximately 7 weeks to complete, so it is important to start early. While some tasks can occur simultaneously, others should happen in a specific order, see Table 2 on the next page:

Table 2. Example of a Sample Size Calculator

TASK	WEEK 1	WEEK 2	WEEK 3	WEEK 4	WEEK 5	WEEK 6	WEEK 7
Public Outreach							
■ Prepare news release/newsletter items.							
■ Present at public meetings.							
■ Send notices to local papers, newsletters, and Listservs.							
Survey Design and Programming							
■ Decide which survey method(s) to use.							
■ Obtain a list of residential addresses in service area.							
■ Establish toll-free or local line. Assign staff to take calls.							
■ Draw sample.							
■ Update and program survey.							
■ Prepare case management log.							
Materials Design							
■ Prepare flyer/update flyers.							
■ Compose letters with reply options, such as mail, phone, or online.							
■ Design postcards.							
Mailing							
■ Perform mail merge, print letters, and print envelopes/labels.							
■ Send letters.							
■ Prepare and send follow-up postcards—remove addresses of households that have already responded.							
■ Send last reminder (either letter with paper survey or additional postcard).							
Field Work Preparation							
■ Conduct training for surveyors.							
■ Send field teams for door-to-door surveying.							

- C. Conduct interview and review responses. In general, having the proper materials to conduct in-person surveys such as name badges, informational flyers and/or a letter of support from the Chief Elected Official can be used to demonstrate the legitimacy of the study. Interviewers should be trained and follow the same protocols to gain cooperation. When administering the survey, it is recommended to reach an introductory text, confirm that the address is correct, ask how many residents are related to the respondent within the household and how many non-family members live in the household as well as ask for the exact income for the family in addition to the household, if applicable.

STEP 6: DETERMINE ELIGIBILITY

Once surveys are complete, enter data into Exhibit E - *Low and Moderate Income (LMI) Worksheet*. If the results of the worksheet are greater than 51% LMI, the project is eligible.

STEP 7: SURVEY CHECKLIST

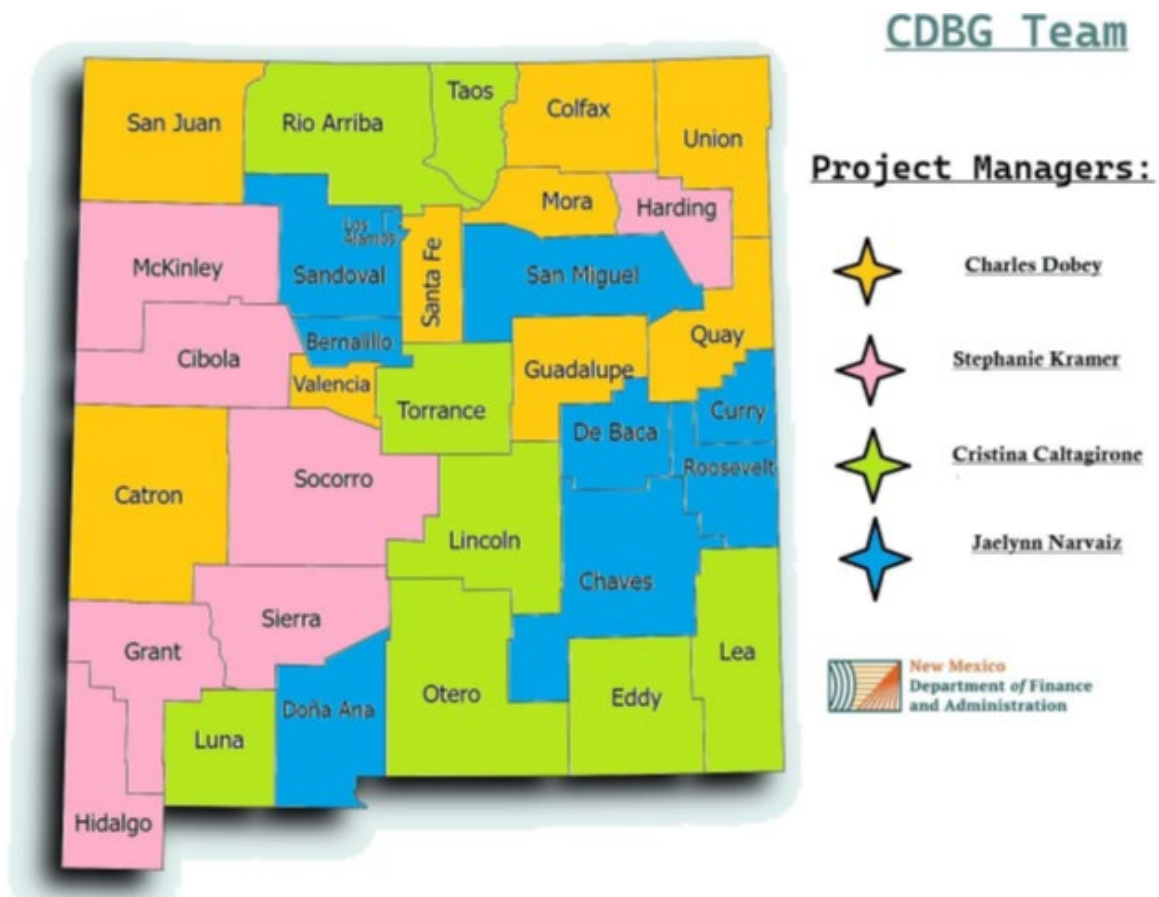
If conducting a survey, the following items must be included in the application:

1. Request for survey methodology approval
2. CDBG staff approval of survey methodology
3. Data supporting the sample universe
4. Completed survey interview sheets
5. Income survey certification
6. LMI worksheet (Exhibit E)

SURVEY RESOURCES

- Exhibit B: income limits by county (2024)
- Exhibit C: sample surveys in English and Spanish
- Exhibit D: surveyor certification form
- Exhibit E: LMI income worksheet

Limited Clientele

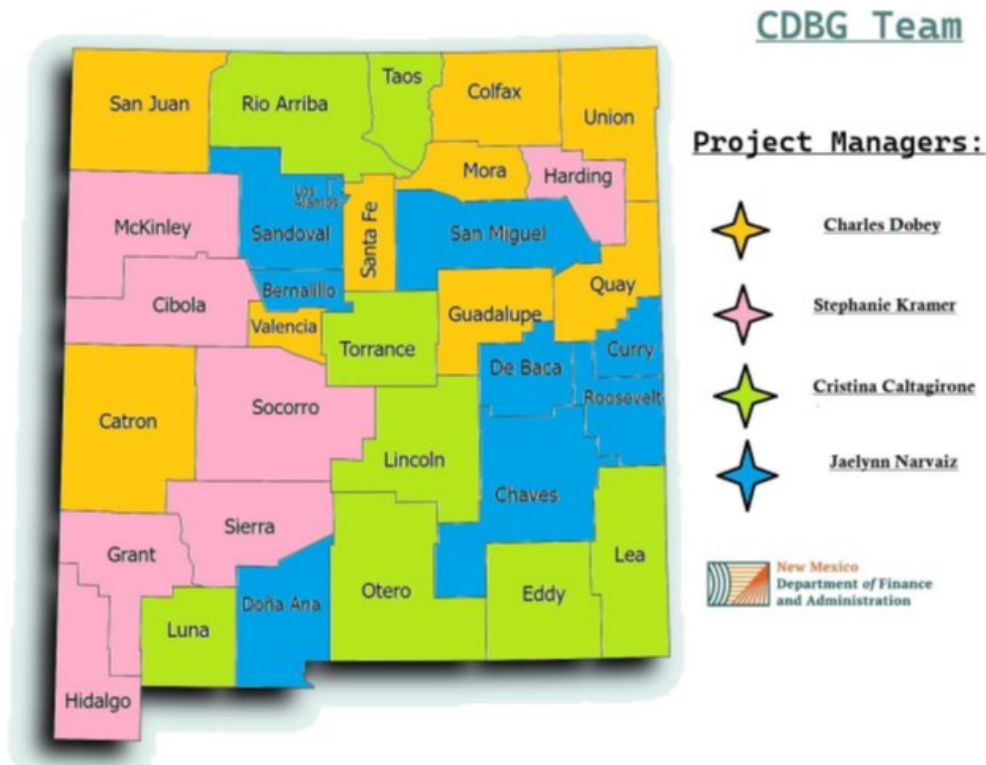


**State of New Mexico
Department of Finance and Administration**

CDBG Limited Clientele Overview

- [2 CFR 570.208](#) (a) (2) Limited clientele activities. (i) An activity which benefits a limited clientele, at least 51 percent of whom are low and moderate-income persons. (The following kinds of activities may not qualify under this paragraph: activities, the benefits of which are available to all the residents of an area; activities involving the acquisition, construction or rehabilitation of property for housing; or activities where the benefit to low and moderate income persons to be considered is the creation or retention of jobs.) Please contact your CDBG Project Manager to discuss your proposed project and the applicability of limited clientele methodology prior to proceeding to ensure that DFA initially concurs, as this could save valuable time in the application qualification process. DFA approval is required regardless of LMI source of information and methodology.
- To qualify under this paragraph, the activity must meet one of the following tests:
 - (A) It must benefit a clientele who are generally presumed to be principally low and moderate-income persons. The following groups are presumed by HUD to meet this criterion: abused children, battered spouses, elderly persons, adults meeting the Bureau of the Census' Population Reports definition of "Severely disabled", homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers; or
 - (B) It must require information on family size and income so that it is evident that at least 51 percent of the clientele are persons whose family income does not exceed the low and moderate-income limit; or
 - (C) It must have income eligibility requirements which limit the activity exclusively to low and moderate income persons; or
 - (D) It must be of such a nature, and be in such a location, that it may be concluded that the activity's clientele will primarily be low and moderate-income persons.

Cash Match & Leveraging



**State of New Mexico
Department of Finance and Administration**

CDBG Cash Match & Leveraging Funds Overview

Matching funds and leveraged funds are an important aspect of the application and are reflective of the applicant's commitment to the project and are required for non-rural communities.

Cash Match

- Rural communities **are not** required to contribute a match.
- Each non-rural CDBG applicant is required to contribute at least 10% of the CDBG request amount in the application.
 - Cash match requirement for non-rural communities
 - ❖ Municipalities: more than 3,000 residents
 - ❖ Counties: more than 25,000 residents

Leverage Funds

- Rural communities may contribute leverage funds.
- Non-rural communities may contribute additional funds to supplement the 10% cash match requirement. Any percentage over 10% is considered leveraging dollars.

Sources of Cash Match & Leverage Funds

- Cash match and/or leverage funds should be reflected within the budget portion of the application (Exhibit G).
- Funds from the operating budget may be used as cash match and/or leveraged funds and must be adopted by the applicant's governing body using the CDBG Resolution (Exhibit H). A copy of the approved resolution will need to be included in the application detailing the contribution amount, resolution number(s) and resolution date(s).
- Capital outlay and other grants may also be used as cash match and/or leverage funds. Below are some very important items to remember when using other grants as cash match:
 - Grant appropriation language is critical when deciding how to budget for the CDBG project. Carefully read the "authorizing language" of the grant agreement to ensure that those funds can be used for their budgeted activities.

Example - authorizing language is "to plan, design and construct a senior center". It would be inappropriate to budget a portion of this grant to "furnishing" the senior center.

- Grant types
 - Grants appropriated but not yet executed – these grants are not yet considered

“secured.” Executing these agreements may take time beyond the applicant’s control. Recently received Capital Outlay grants that have been budget in the State’s SHARE system are considered secure. Budgeting in SHARE requires that the appropriation is made in the Capital Bill, the questionnaire was completed, the most recent year’s audit has been released by the Office of the State Auditor, the administering State agency has completed its Uniform Funding Criteria and there are no anti-donation concerns with the appropriation. For these reasons unbudgeted appropriations may receive a lower rating.

- Executed grant agreements – these grants will receive full points so long as the authorizing language of the grant agreement is consistent with scope of work in the CDBG application and budgeted accordingly and the grant will not expire soon. It is important to consider where the grant should be budgeted based on the expiration date.

Example - authorizing language is “to plan, design and construct a senior center” with an expiration date in 10 months. It would be inappropriate to budget the entire grant into construction of the senior center given the relatively close expiration date. That grant would likely be more useful for planning and designing given the project timeline.

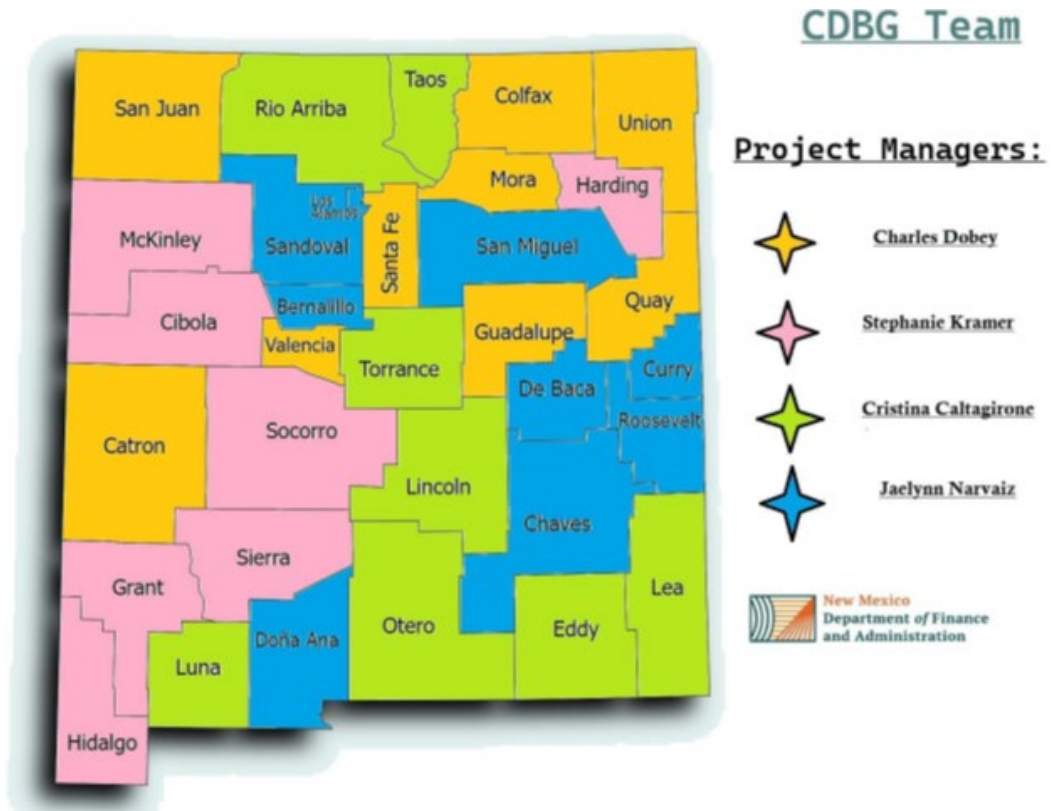
- Copies of applicable grant agreements with grant number(s), amount(s), date(s) secured, and expiration date(s) must be submitted in the application.

CASH MATCH & LEVERAGING RESOURCES

- Exhibit G: application form

[CDBG Cash Match and Leveraging Criteria](#)

Cost Estimates



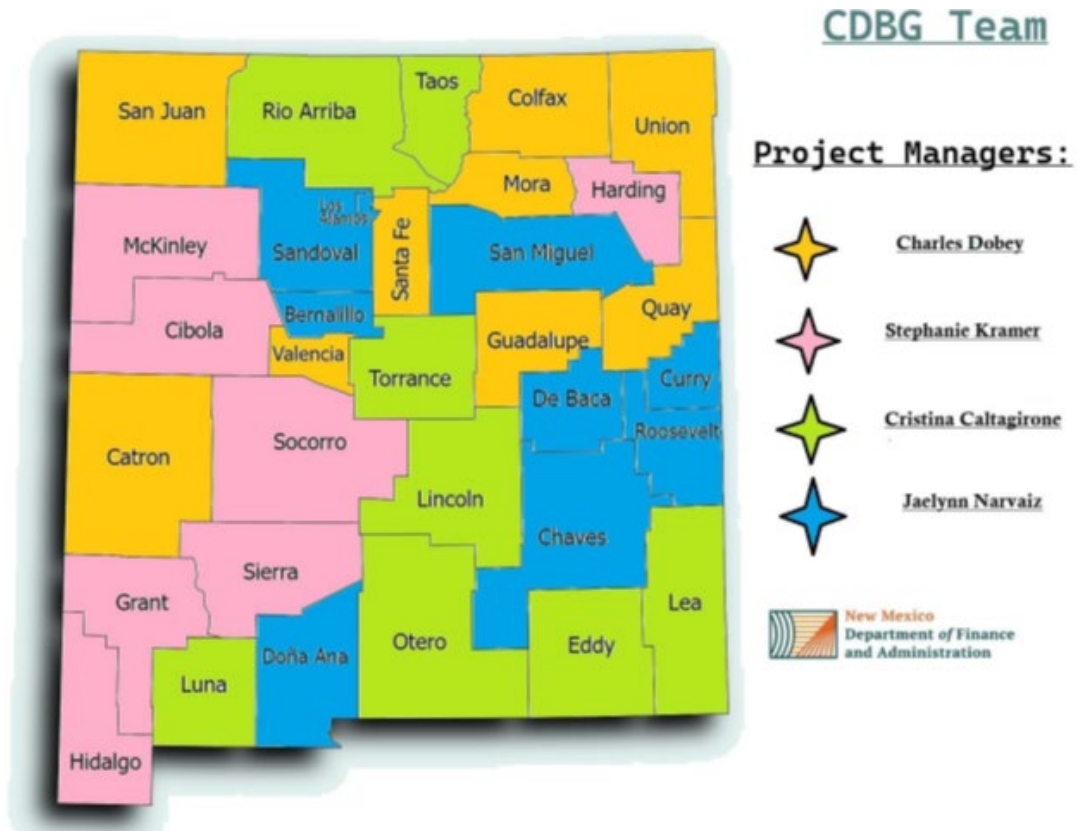
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CDBG Cost Estimates Overview

General Requirements

- **Project cost estimates**
 - Cost estimates must reflect stand-alone projects, meaning that the project will be fully functional upon completion, if awarded. Applications for incomplete projects (construct a building with no roof, tear up the road and only pave half or install waterlines that do not connect to existing infrastructure) will not be considered for funding.
 - Construction contractors and subcontractors will be required to pay the prevailing wage rate as required by the Davis-Bacon Act. Simply put, each job classification (carpenter, stone mason, etc.) has a state minimum wage and a federal minimum wage. Contractors and subcontractors will be required to pay the higher of the two wages, which can, in some cases, increase bid amounts and overall project costs.
 - CDBG infrastructure projects are subject to the Build America, Buy America Act (BABA) which will likely increase the cost of construction and should be accounted for when developing cost estimates. BABA provides domestic preference for construction material produced and manufactured in the United States.
 - Cost estimates should match the project scope of work and budget. The scope of work should be written once cost estimates have been completed, and the applicant has ensured that the cost estimates fall within the construction budget. The cost estimate, budget and scope of work should all be consistent throughout the application.
- **Certified vs. non-certified estimates**
 - **Certified** cost estimates are anticipated or projected costs of the project by an engineer, architect or landscape architect licensed to do business in the State of New Mexico. These estimates are to be stamped and/or certified by the engineer or architect.
 - **Non-certified** cost estimates allow CDBG applicants to apply for up to \$500,000 for their infrastructure CDBG project. Non-certified cost estimates are anticipated or projected costs of the project by an individual or team not licensed to do architectural or engineering work. It is **highly recommended** that a licensed architect or engineer make cost estimates (regardless of the CDBG request amount in the application) to ensure that cost estimates are as precise as possible.
 - **ALL** Cost estimates should list all the required construction activities to complete the project as well as their respective units of measurement, quantities, unit price and overall activity cost. It is important to incorporate local gross receipt tax into all cost estimates. It is reasonable to project and incorporate costs relating to inflation, fluctuations in cost of materials and/or fluctuations in labor costs (so long as they are objective and made in good faith) based on current market conditions. The sum of all activity costs will total the “construction” budget line item included in the “Application” form (Exhibit G).

Asset Management



State of New Mexico
Department of Finance and Administration

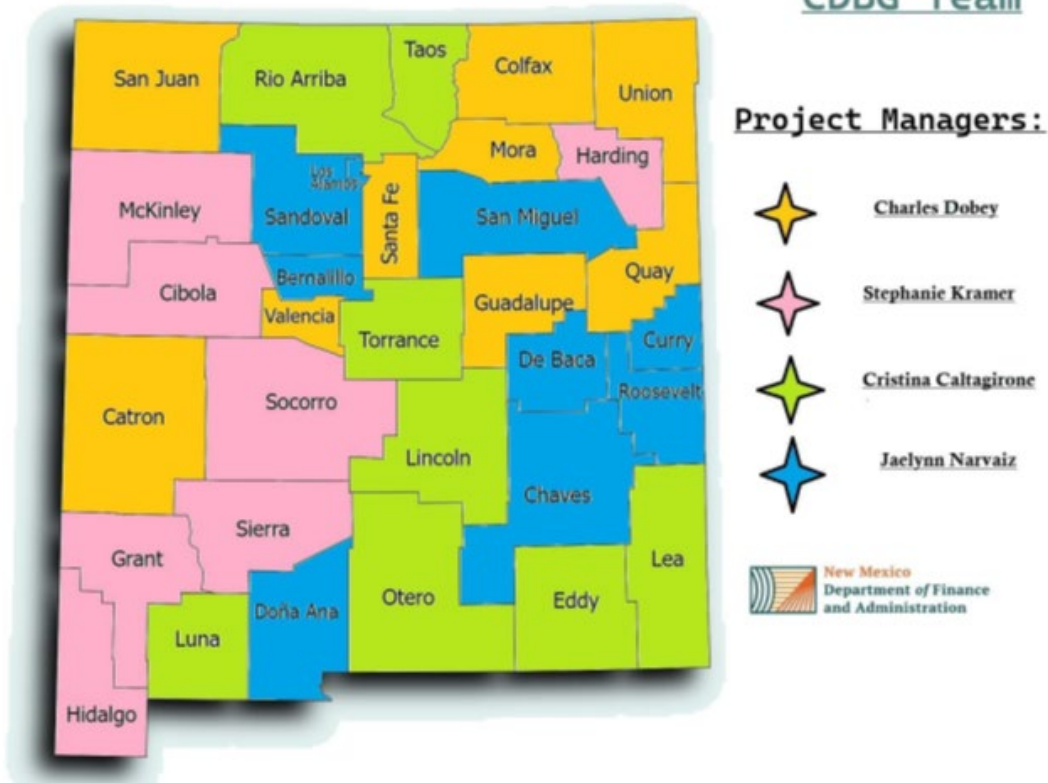
CDBG Asset Management Overview

CDBG funded projects are considered investments in the local community. Sound asset management at the local level is representative of communities that can maintain these "investments" to the greatest extent possible. Communities that implement and maintain an asset management program will be credited in the application process for their achievement. To support the long-term operation, maintenance, repair and replacement of system facilities, infrastructure, public facilities, or other eligible activities the following will be required to be submitted at the time of application. The model for the asset management program is the international infrastructure asset management model. This approach includes five core components:

- (1)** Current state of the assets: an asset inventory that includes at a minimum: asset name, asset location, asset condition, useful life, and an estimate of replacement value;
- (2)** Level of service: a description of the type and level of service provided;
- (3)** Criticality: an evaluation of which assets are critical to sustaining the operation;
- (4)** Life cycle costing: at a minimum, a capital improvement plan that describes the replacement of assets and some consideration of operation and maintenance of the assets;
- (5)** Financing plan: a description of the funding sources that will be used to pay for capital and operational needs.

[CDBG Asset Management Ranking Criteria](#)

Planning



State of New Mexico

Department of Finance and Administration

CDBG Planning Overview

Communities that are successful in CDBG typically have projects planned well in advance, as it not only demonstrates commitment to the project, but it also puts the project in a better position to be successful.

Infrastructure Capital Improvement Plan (ICIP)

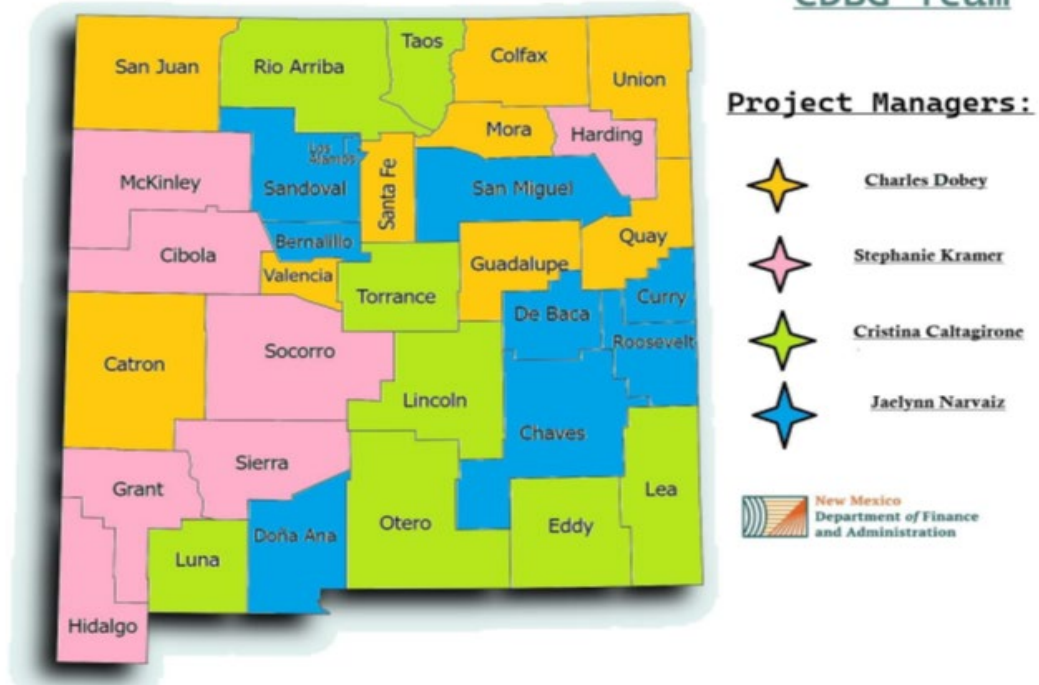
- An ICIP is a planning document developed by a unit of local government, water association, or land grant/merced that includes capital improvement priorities over a five-year period and is developed and updated annually. An ICIP includes policy direction, funding time frames, estimated costs, justifications, and details of each specific infrastructure capital improvement project proposed, by year, over the five-year period.

Applicants receive "planning" points for selecting projects listed on their ICIP, which indicates the priority of each project at the local level, particularly for listing "CDBG" as a potential funding source. Applicants are encouraged to review their ICIP, determine which projects are eligible for CDBG funding and list "CDBG" as a potential funding source. Because water conservation is an important component of life in New Mexico, communities receive points for drought contingency plans and water conservation ordinances (or equivalent) to preserve potable water.

[CDBG Planning Criteria](#)

Professional Services

CDBG Team



State of New Mexico

Department of Finance and Administration

CDBG Professional Services Overview

Professional service providers are a very important component of the implementation of a CDBG project and can impact the feasibility and readiness of a prospective application. Having professional services provided at the time of application greatly enhances the feasibility and readiness of the project.

Architect/Engineering Services

- Procurement
 - Project-specific: the request for proposals (RFP) in Exhibit 3-C must be used and submitted by prospective service providers during the procurement process. This ensures that all CDBG rules and regulations are incorporated into the procurement process and protects the Owner (applicant) as well as the funding source (DFA and HUD).
 - Note: although that State's boilerplate RFP and CDBG's RFP (Exhibit 3-C) are nearly identical in most respects, they differ in geographical and veterans' preference. Whereas the State prefers to reward local resident and resident veteran businesses, the federal government does not allow this preferential point structure. That is why Exhibit 3-C must be used if CDBG dollars will be paying toward any portion of the contract.
 - On-call: if an applicant is funding the architect/engineering service provider and CDBG funds are not budgeted toward the contract, a state-compliant procurement may be acceptable if documentation of the below requirements can be provided. Applicants must contact project manager prior to applying for verification that the following requirements have been met. The award of an application does not constitute an approval of any procurement contained therein – DFA may require the procurement to be redone if it cannot be proven to be federally compliant:
 1. The contract term must not exceed 4 years including all extensions and renewals
 2. The Request for Proposal (RFP) included that the proposed project was identified in the Project Description
 3. The Applicant submits the General Services Agreement to the Project Manager for concurrence
 4. The RFP did not contain geographical preferences in the evaluation process (i.e. work to be done in New Mexico, New Mexico resident business preference, New Mexico resident-veteran preference, etc.)

- **Executed agreement:**

- Project specific: all engineering and architect contracts (to include on-call agreements) must be completed and executed using Exhibit 3-D and Exhibit 3-E, respectively. For on-call agreements, this entails adding the Exhibit 3-D or Exhibit 3-E as an addenda to the existing contract. These contracts (Exhibit 3-D and Exhibit 3-E) incorporate the rules and regulations of the CDBG program as well as protect the interests of the local government.

Note: architects, engineers or local governments can make modifications to these documents so long as they are done explicitly and transparently by including a “modifications” section to the agreement detailing with specificity the proposed modifications. It is considered unacceptable to modify boilerplate language.

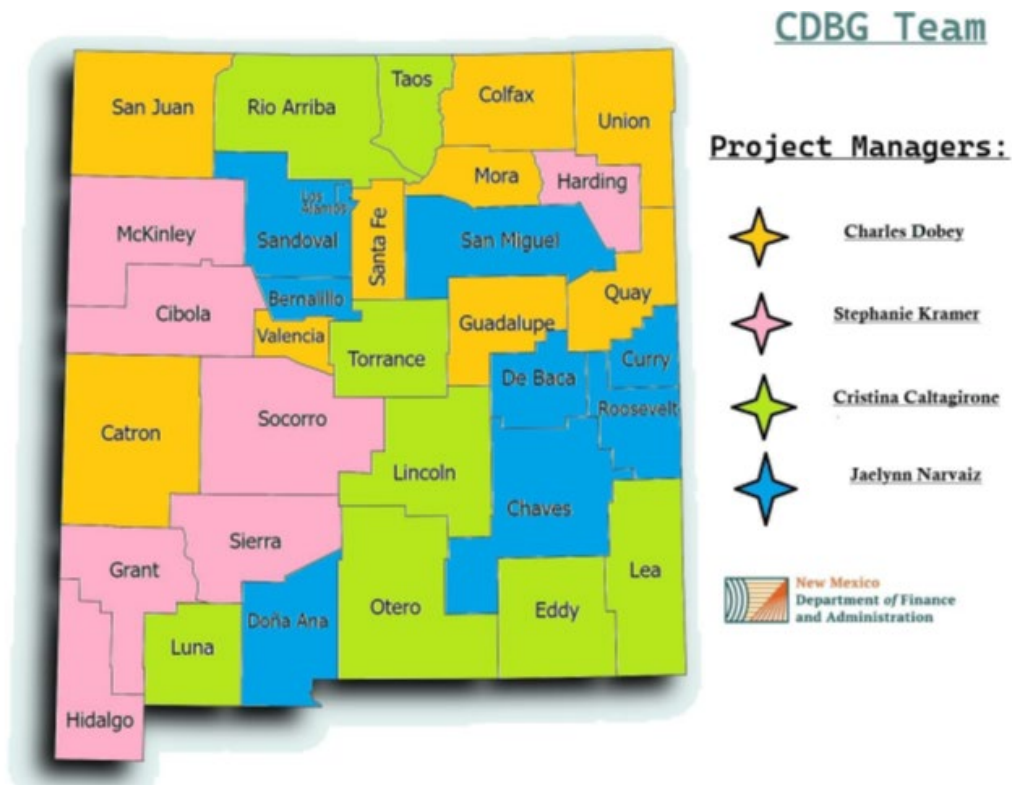
- On-call: every on-call agreement must be amended to incorporate Exhibit 3-D or Exhibit 3-E. These contracts outline the rules and regulations of the CDBG program as well as protect the interests of the local government.

Administrative Services: Applicants are required to have an external professional administrator for the project. There is typically a cost associated with these services, CDBG can pay up to 3% of the CDBG funds requested, and any remaining balance is the responsibility of the applicant. Procurement of these services is like architect/engineering using Exhibit 3-A. Councils of Government can be utilized without conducting procurement. All administrative service providers must use the CDBG approved contract (Exhibit 3-B).

Professional Services Ranking Criteria

It is important to note that “executed” agreements are defined as having been signed by the “owner” (applicant) and the architect or engineer. A contract is considered executed once both parties have signed. “Concurred” means that DFA has also signed the contract, thereby committing CDBG funds toward this contract.

Environmental Review



State of New Mexico
Department of Finance and Administration

CDBG Environmental Review Overview

The environmental review is a very important aspect of the implementation of a CDBG project and significantly impacts the feasibility and readiness of an application. By conducting an environmental review, an applicant can ensure that both the environment and the funding source are protected. For the purposes of the application, the environmental review can be broken down into 3 stages:

Certifying Official and Environmental Determination (Step 1)

- Designate Certifying Official: using Exhibit 2-A-1, the applicant will designate the individual responsible for the environmental review process
- Environmental Determination: applicants will complete the checklist in Exhibit 2-A based on the proposed project. Exhibit 2-A will be sent to DFA for an environmental review determination and returned to the applicant.

Agency Consultations (Step 2)

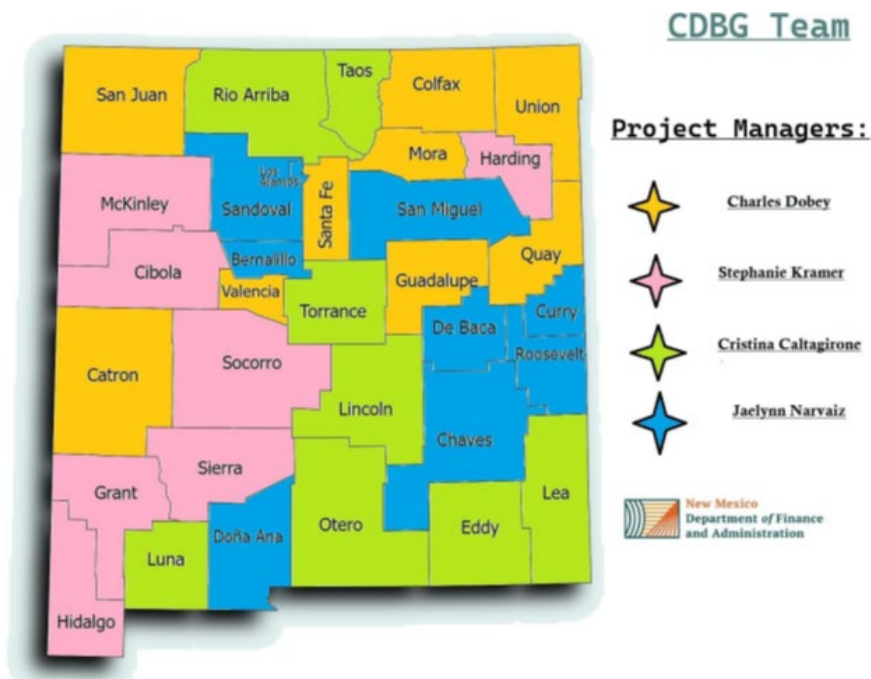
- Agency consultation notices (Exhibit 2-I) on applicant letterhead are sent to the appropriate agencies for review of the proposed project. DFA recommends contacting the Flood Plain Manager first to get a determination from their office before other consultations. Applicants with projects within a flood plain are required to notify the agencies below, in addition to the traditional consultation. If you know the project is in a flood plain, you can request a consultation and notify them that the project is in a flood plan simultaneously to avoid duplication of efforts.
 - Federal, state and local consultations as identified on Exhibit 2-E
 - Tribal consultations as identified here: [TDAT](#)
 - State Historic Preservation Office (SHPO) using Exhibit 2-J
- Agency consultations should be sent to all entities listed above
 - When describing the scope of work for the environmental review in the agency/Tribal consultations, it is best to be broad when describing the potential project area.
 - Example a) plan, design, construct, equip and furnish 2,200 square foot domestic violence shelter on the corner of 3rd St. and Edmonton Ave in Canon, NM.
 - Example b) plan, design, construct, equip and furnish 2,200 square foot domestic violence shelter in the Sunlit Hills neighborhood in Canon, NM.
 - Contrary to the scope of work in the project description and cost estimates, the scope of work in the environmental review should be broad enough to incorporate unforeseen circumstances (to a reasonable extent). In the examples above, if it was determined that the shelter needed to be moved across the street, example b) is broad enough to accommodate that change while if example a) was used, a new environmental review could be required.
 - Some agencies/Tribes will respond on the first attempt. Save those responses, those agencies/Tribes do not need to be contacted again (unless their response indicates otherwise).
 - Some agencies/Tribes will not respond to the initial consultation. Those non-responsive entities must be contacted a second time after a reasonable time has elapsed (2 weeks). If an entity does not respond after the second attempt, the entity is considered “non-responsive” and no further action is necessary.

Summarizing Agency Consultations (Step 3)

- Agency consultations should be consolidated and summarized using Exhibit 2-N and Exhibit 2-O as appropriate. These documents should address each of the criteria listed in the exhibit(s) and summarize entity responses, environmental impact, dates and respondent information.

Environmental Review Criteria

Plans, Bid Docs, PER



**State of New Mexico
Department of Finance and Administration**

CDBG Plans, Bid Docs & PER Overview

Complete plans, specifications, bidding documents and preliminary engineering reports are all indicative of projects that are “shovel-ready”. They represent a high level of planning, commitment and preparation that went into this proposed project. Communities that are successful in CDBG typically have projects planned well in advance. On the surface, conducting public participation meetings to generate project ideas and planning may not appear to coincide, however an important distinction must be made about the goals of planning and public participation:

- Public participation goals: afford members of the community with the opportunity to offer project ideas, suggestions and other comments about how funding is used in the community. As a result this may cause the applicant to reevaluate or re-prioritize projects either now or in the future.
- Planning goals: continuously evaluating, reevaluating, prioritizing and re-prioritizing projects to address problems or other issues as they arise in the community.

In summary, public participation gives the community the opportunity to offer ideas and suggestions. Then it is the Council/Commission's responsibility to select the best project for the community. If a project is selected where the preliminary design work has been completed, the application will receive additional points.

Plans and Specs

Plans are drawings and diagrams that describe the proposed project and are highly technical in nature from an architect or engineering perspective. Specifications (specs) are also highly technical standards and activities that are required to complete the project. Having plans and specs are indicative of a project that has been vetted with careful consideration and greatly enhance the feasibility and readiness of the project.

Bid Docs

Bidding documents (bid docs) are documents that prospective bidders on the construction portion of the project will use to approximate the costs of completing the project. Bid docs include bidding information, instructions, rules, regulations, contractual agreements and outline the conditions of the contracts. Applicants must use Exhibit 4-A in preparing bid docs.

PERs

Preliminary engineering reports (PERs) are reports that are specific to the proposed project. They cover the project in detail in terms of addressing the problem to be solved by the project and solutions. Having plans and specs are indicative of a project that has been vetted with careful consideration and greatly enhances the feasibility and readiness of the project.

Site Control



**State of New Mexico
Department of Finance and Administration**

Site Certificate

CDBG applicants must own the property of the proposed project. To demonstrate ownership, the chief elected officer may use the CDBG Site Certificate form (Exhibit F).

Transmittal Letter

CDBG Team

Project Managers:



Charles Dobey



Stephanie Kramer



Cristina Caltagirone



Jaelynn Narvaiz



New Mexico
Department of Finance
and Administration



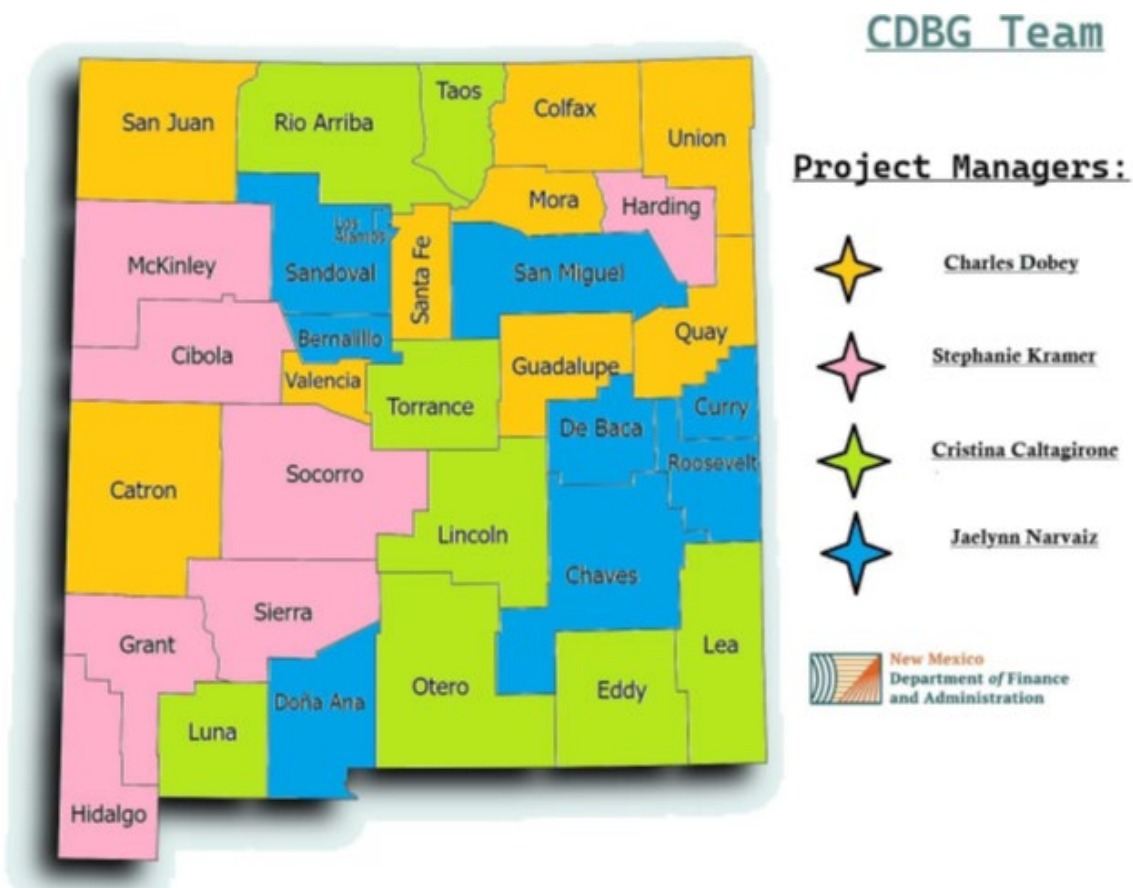
State of New Mexico
Department of Finance and Administration

CDBG Transmittal Letter

The transmittal letter is official communication between the CDBG applicant and the Infrastructure Planning and Development Division of the Department of Finance and Administration (DFA). This document is intended to be a brief and concise transfer of information. The letter should contain the following:

- Written on applicant entity letterhead (government to government)
- Addressed to the CDBG Program Manager:
 - 407 Galisteo Rd
Santa Fe, NM 87501
- Name/title of the proposed project
- 1 sentence description of the proposed project
- 1 sentence about the impact and beneficiaries of proposed project
- Funding request amount
- Printed name, date and signature of Chief Elected Official or designee

Project Description & Details



**State of New Mexico
Department of Finance and Administration**

PROJECT DETAIL

Instructions: Complete a narrative describing your Project by answering the questions posed below. All CDBG applicants must answer the questions at the beginning of each section

- Need and description
- Impact
- Readiness and reasonableness
- Asset management and rate analysis)

Each applicant must also complete questions within the respective sections that pertain to the project type (water, wastewater, public facility or street and/or drainage)

Repeat the questions and provide clear, complete answers. Provide supporting documentation, as needed or requested.

NEED AND DESCRIPTION

1. How would this project address the needs of the identified beneficiaries?
 2. What work is required to address the problem? Please be specific.
 3. What specific outcomes will result from completion of this project?
- A) *Water projects ONLY*
- a. What is the current condition and age of the water system? Provide detail with your explanation.
 - b. How many repairs have been made to the system within the last 24 months? Include documentation of repairs, pictures or any other supporting documents.
- B) *Wastewater projects ONLY*
- a. What is the current condition and age of the wastewater system? Provide detail with your explanation.
 - b. How many repairs have been made to the wastewater system within the last 24 months? Include documentation of repairs, pictures or any other supporting documents.
- C) *Public facility projects ONLY*
- a. Specify the type of clientele that will be served by this facility and the method used to make the determination?
- D) *Street and/or drainage projects ONLY*
- a. When was the last time the roads were repaired? Were they patched or resurfaced?
 - b. What is the current condition of the drainage/flood system?
 - c. How will the project increase access and/or improve the current road/street?

IMPACT

1. Identify planned efforts to encourage small, minority, and women's businesses for the project.
 2. Will the project be sufficient for any anticipated population fluctuations?
- A) *Water projects ONLY*
- a. Is this a regional system? If yes, how many communities will benefit from the system and what cooperative approaches have been initiated with other communities?
- B) *Wastewater projects ONLY*
- a. Is this a regional system? If yes, how many communities will benefit from the system and what cooperative approaches have been initiated with other communities?

C) Public facility projects ONLY

- a. Will this facility be compliant with current Americans with Disabilities Act (ADA) regulations?

D) Street and/or drainage project ONLY

- a. How will this project be compliant with Americans with Disabilities Act (ADA) regulations?

READINESS AND REASONABLENESS

1. How much planning (Preliminary Engineering Report) and/or engineering (plans, specifications, bidding documents) activities have been completed?
2. What is the status of the Environmental Review?
3. Based on the progress of planning, engineering and environmental activity, how soon can the project be underway?
4. How long is the anticipated construction cycle?
5. If this project is completed, how will operating costs be budgeted to extend the lifecycle of this investment? Include in your response what the annual operation and maintenance costs (O&M) are projected to be for the completed project and how these costs are to be managed.

A) Water projects ONLY

- a. How many acre feet are currently used annually and how many acre feet of water rights have been approved for use by the Office of the State Engineer?
- b. What is the community's capacity to operate and maintain the project?
 - i. number of residential and non-residential users
 - ii. certification level of your current water operator
 - iii. monthly charge for water use

B) Wastewater projects ONLY

- a. What is the community's capacity to operate and maintain the project? Include in your description the following details
 - i. number of residential and non-residential users
 - ii. certification level of your certified wastewater operator
 - iii. monthly charge for wastewater/sewer use.

C) Public facility projects ONLY

- a. What user fees are in place or planned?

ASSET MANAGEMENT AND RATE ANALYSIS

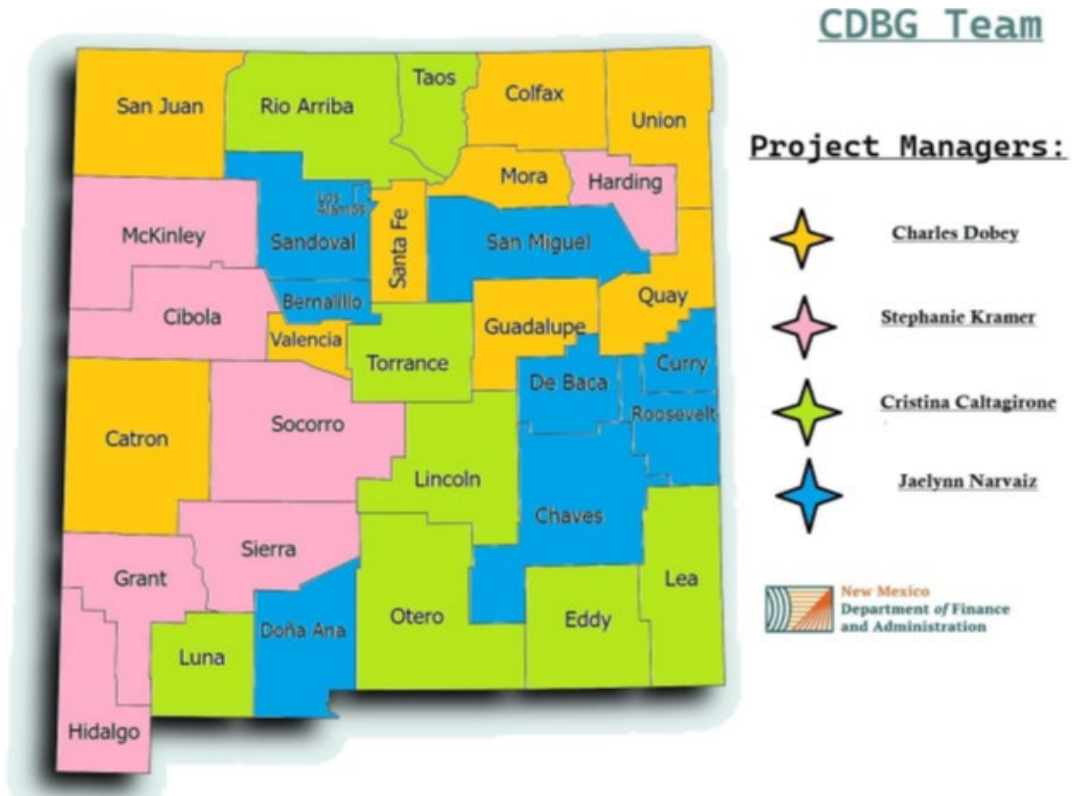
The State of New Mexico believes that an Asset Management Program is a critical piece of a community's plan to support its long-term operation, maintenance, repair and replacement of system facilities, infrastructure, and public facilities. A complete Asset Management Program not only captures data required to determine the expenses needed for ongoing repair, replacement or maintenance of assets; it also provides potential sources of revenues or funds to support ongoing use of that asset. *Even if the CDBG Project you are applying for does not allow direct user fees or revenues; in this section, please explain how Asset Management is used in your community and how it relates to any user fees and revenues charged for water, wastewater/sewer services, electricity, or other support costs.*

1. Do you have an Asset Management Plan in place? If yes, describe which of the five core components are covered by your plan. If no, what plans have been taken by your community to

begin this process?

2. Is an asset management program the basis for rate analysis in your community? If yes, provide copies of the rate schedule(s) and Level of Service agreement(s). If no, please explain the method used to determine user rates and/or fees.
3. When was the last time your rate structures were analyzed? Provide copies of all rate analysis.

Certification and Assurances



State of New Mexico

Department of Finance and Administration

Each CDBG applicant must complete an Applicant Disclosure report on the HUD-2880 form (Exhibit 1-F) and submit it with the Application.

CERTIFICATIONS AND ASSURANCES

I, the undersigned chief elected official of the applicant entity hereby certify that information contained herein is true, correct, and complete to the best of my knowledge and belief:

- The resolution adopted by the governing body of the applicant entity authorizes me to file this application for assistance from the State of New Mexico and commit a matching fund contribution toward this project (if applicable); and
 - I will comply with the Code of Federal Requirements (CFR) Title 24 – Housing and Urban Development, which govern the Community Development Block Grant (CDBG) program; and
 - I have read and will comply with the CDBG Grant Agreement; and
 - I have read and will comply with NMAC 2.110.2 and confirm that the applicant has met all threshold requirements (NMAC 2.110.2.17.E.), appropriate conducted citizen participation requirements (NMAC 2.110.2.15) and the proposed project meets the National Objective (NMAC 2.110.2.16.A); and
 - I have read, will comply with, and have signed and notarized on pages the Applicant Statement of Assurances and Certifications; and
 - I have read, completed, and signed the Applicant/Recipient Disclosure/Update Report; and
 - I have completed, signed, and notarized the CDBG Site Certificate demonstrating ownership of the property for the proposed project; and
 - I understand that, should the project be awarded, DFA is not financially responsible for any discrepancy between the cost estimates, budget and actual costs of construction. The scope of work will be completed as awarded; and
 - I understand that all CDBG grant recipients must be actively registered in the System of Award Management (SAMs) to receive funding; and
- I understand that I am required to follow the requirements and processes outlined in the CDBG Implementation Manual.

Signature, Chief Elected Official

Applicant Entity (County or Municipality)

Name (Typed or Printed)

Title

Date

APPLICANT STATEMENT OF FEDERAL ASSURANCES AND CERTIFICATIONS

The applicant hereby assures and certifies that:

Signature, Chief Elected Official

Signature, Chief Elected Official**

Name (Typed or Printed)

Name (Typed or Printed)

Title

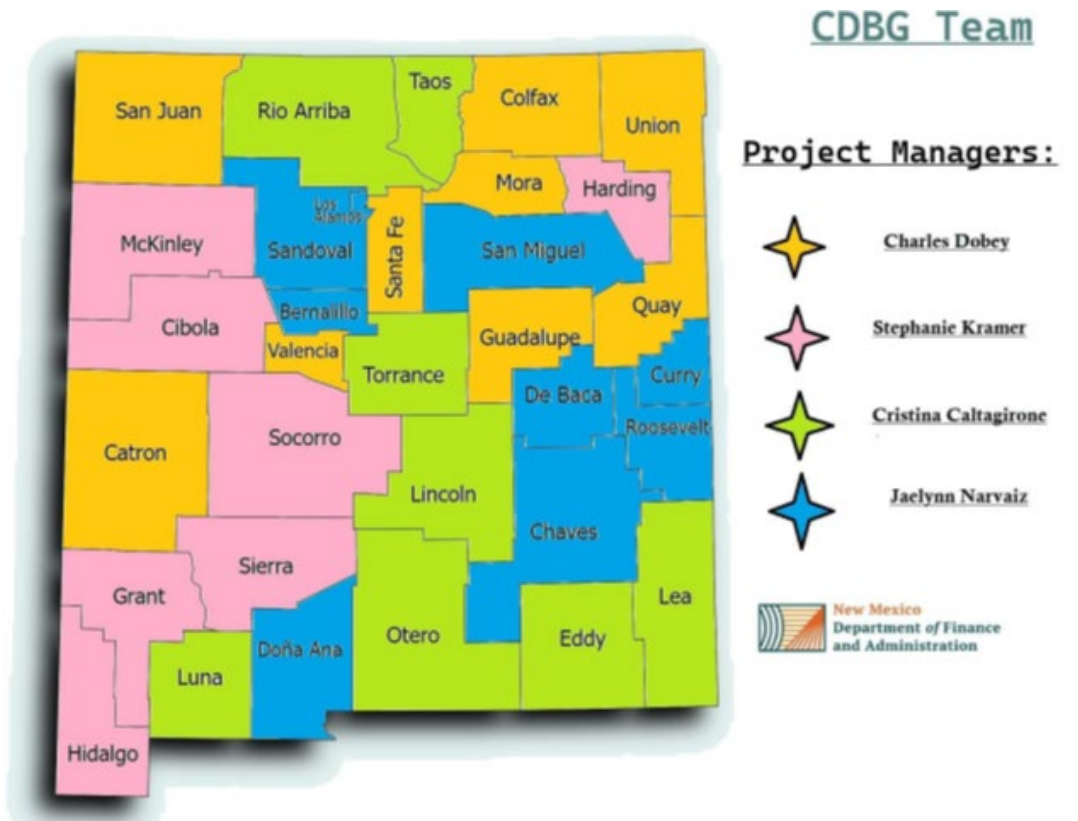
Date

Title

Date

** Additional signatures are required only in the case of "joint" applications. If this is a joint application, the Chief Elected Official of each county and/or municipality participating in the application must sign.

Application Form



**State of New Mexico
Department of Finance and Administration**

Exhibit G

CDBG Application Instructions

CDBG applicants must complete the CDBG Infrastructure application form ([Exhibit G](#)).

1. Project name/title: enter project name and title
2. Applicant entity; enter:
 - a. Name of the applicant
 - b. Unique Entity Identifier ID Number
 - c. SAM expiration date
3. Chief elected official: enter:
 - a. Name
 - b. Address
 - c. Email
 - d. Title
 - e. Phone number
4. Designated contact person for the application; enter:
 - a. Name
 - b. Address
 - c. Email
 - d. Title
 - e. Phone number
5. CDBG funding request: enter the full amount requested for infrastructure projects. Keep in mind that projects must be “stand alone” projects. For example, a project cannot be constructing half of the building, it must be fully functional upon conclusion of the project, or the project will not meet a national objective.
6. Project location: enter street address, city, zip, county, latitude and longitude. If the proposed project does not have a street address, provide an approximate vicinity of the location.
7. Project type: select the appropriate option (if your project includes multiple project types, select the option that is most appropriate)
 - a. Water
 - b. Wastewater
 - c. Street and/or drainage
 - d. Public facility
8. Rural/non-rural status: select the appropriate option
 - a. Rural municipality
 - b. Rural county
 - c. Non-rural municipality
 - d. Non-rural county
9. Performance outcome measures: select the appropriate objective and measure from the dropdown boxes

a. Objective

- Create a sustainable environment

b. Outcome

- Availability/Accessibility
- Affordability
- Sustainability

10. Community impact of proposed project: describe why this project is a priority for the community, describe the potential beneficiaries and how the project will enhance their lives.
11. Most recently received CDBG funding: enter the following information for the most recently completed CDBG project:
 - a. Year CDBG project was awarded (first 2 numbers in project #)
 - b. Grant execution date
 - c. Grant completion date (date of the final closeout letter from DFA)
12. CDBG grant administration: Beginning in 2025, all CDBG applicants will be required to obtain professional administrative services for grant administration. As such, applicants must include the cost of this service into the applicant's budget. Applicants are entitled to request a waiver to this requirement to administer the grant themselves. Waiver requests must be submitted with supporting documents identifying the name of the grant administrator, experience in successfully completing CDBG projects in New Mexico and measures the applicant will take to ensure that this person has the competency and workload capacity to administer the grant proactively.

PROJECT

1. **Beneficiaries: calculating low and moderate income (LMI)**
 - a. Enter total beneficiaries and total LMI beneficiaries (LMI percentage calculates automatically)
2. **Beneficiary race/ethnicity**
 - a. Total persons: enter the total number of persons served by race (note: "total beneficiaries" from question 13 must match "total persons" in this question).
 - b. # persons with Hispanic ethnicity: of the total persons for each race, enter in how many persons in each race group are of Hispanic origin.
 - c. Ex: Suppose the total "Black/African American" beneficiaries is 10, 5 of which identify as Hispanic. Therefore "10" would be entered for the total persons by race (Black/African American) and "5" would be entered as the number Black/African Americans with Hispanic Ethnicity.
3. **Demographic information; enter the following information:**
 - a. Number of male beneficiaries
 - b. Number of female beneficiaries
 - c. Number of female headed households
 - d. Number of disabled beneficiaries (2017 HUD Census Data must be used to determine number of Disabled persons)
4. **Source of LMI information; select from the following:**
 - a. Survey methodology
 - b. American community survey (ACS) methodology
 - c. Limited clientele
5. **Budget and cost analysis; enter the following:**
 - a. CDBG: enter project budget amounts to the appropriate project activity
 - b. Cash match: enter project budget amounts to the appropriate project activity (should equal 5% of the CDBG amount for rural applicants or 10% of the CDBG amount for non- rural applicants, regardless of funding source)
 - c. Leverage: enter project budget amounts to the appropriate project activity (if applicable, any additional funds in excess of cash match, regardless of funding source)
 - d. Note: Total amounts for CDBG, cash match and leverage will automatically calculate, as will the cost analysis