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**IDAPA 28
TITLE 02
CHAPTER 05**

28.02.05 - RURAL COMMUNITY BLOCK GRANT PROGRAM (RCBG)

000. LEGAL AUTHORITY.

The Department of Commerce, through these rules, is implementing the state's Rural Community Block Grant Program as authorized by Section 67-4703, Idaho Code. (3-15-02)

001. TITLE AND SCOPE.

01. Title. These Rules shall be cited as IDAPA 28.02.05, "Rural Community Block Grant Program (RCBG)." (3-15-02)

02. Scope. These rules establish the process and procedures for Application for and the awarding of Rural Community Block Grants. (3-15-02)

002. WRITTEN INTERPRETATIONS.

The Idaho Department of Commerce may have written statements that pertain to the interpretation of the rules of this chapter, or to the documentation of compliance with the rules of this chapter. If available, written statements can be inspected and copied at the Idaho Department of Commerce, 700 W. State Street, Boise, Idaho 83702. (3-15-02)

003. ADMINISTRATIVE APPEALS.

Any person who is aggrieved by a decision regarding the imposition of sanctions shall be entitled to an administrative appeal pursuant to Title 67, Chapter 52, Idaho Code, Idaho Administrative Procedures Act. (3-15-02)

004. INCORPORATION BY REFERENCE.

All state and federal requirements of the RCBG Program are included in the RCBG Application Handbook. The Grant Agreement between the Department and RCBG recipients shall contain the appropriate certifications pertaining to these state and federal regulations. These certifications shall be the basis of project compliance in the administration and management of the RCBG project. (3-15-02)

005. OFFICE -- OFFICE HOURS -- MAILING ADDRESS AND STREET ADDRESS.

The mailing address of the Idaho Department of Commerce is Division of Rural and Community Development, 700 West State Street, P.O. Box 83720, Boise, Idaho 83720-0093; the telephone number is (208) 334-2470; and the facsimile machine number is (208) 334-2631. Documents may be filed at the state office during regular business hours of 8 a.m. to 5 p.m. Monday through Friday. (3-15-02)

006. PUBLIC RECORDS ACT COMPLIANCE.

All rules adopted by this chapter are public records. (3-15-02)

007. -- 009. (RESERVED)

010. DEFINITIONS.

All definitions pertaining to the RCBG Program shall be incorporated in the RCBG Application Handbook. (3-15-02)

011. ELIGIBLE APPLICANTS.

Applicants for the Idaho Rural Community Block Grants are as follows: (3-15-02)

01. City Applicants. Rural cities are those generally less than twenty-five thousand (25,000) in population. Cities contiguous to large cities are not eligible to apply. (4-4-13)

02. County Applicants. Counties may apply for county wide projects or on behalf of unincorporated communities. Counties cannot apply for projects that benefit larger cities. (3-15-02)

03. Special Purpose Districts. Special purpose districts are not eligible, although they may be

involved in the execution of a project by mutual agreement. (3-15-02)

04. Indian Tribes. Indian tribes may be considered as an applicant or may be a partner in a project by mutual agreement. (3-15-02)

012. GRANT PROGRAM.

01. Eligible Activities. (3-15-02)

a. Projects to provide or expand the capacity of infrastructure, usually water, sewer or streets, or other infrastructure utilities to a specific business expansion or new location, that will result in job creation; (3-15-02)

b. Acquisition and/or rehabilitation of real property to lease/purchase to a company for construction of a new plant building; (3-15-02)

c. Construction of a commercial building for a company to lease/purchase; (3-15-02)

d. Provision of publicly regulated utilities such as telecommunications, power, gas and rail upgrades needed for business expansions; (3-15-02)

e. Match for other state and federal funding programs, including, but not limited to the Community Development Block Grant Program and Economic Development Administration grants; (3-15-02)

f. Consulting, engineering and planning studies needed for a potential grant project; (3-15-02)

g. Elimination of substandard physical conditions which impairs sound growth or presents an economic liability on an area or spot basis. (3-15-02)

h. Funds may be used to finance the substantial rehabilitation of privately owned existing buildings or structures used for business, commercial, or industrial purposes. (3-15-02)

02. Other Eligible Activities. (3-15-02)

a. Code Enforcement. Code enforcement involves the payment of salaries and overhead cost directly related to the enforcement of local codes. RCBG funds may be used only in deteriorated or deteriorating areas where enforcement, together with public or private improvements or services, may be expected to arrest the decline of the area. (3-15-02)

b. Environmental Review. Environmental review of the environmental conditions or impact of a project. (3-15-02)

c. Mixing Eligible and Ineligible Activities. A public facility eligible for RCBG assistance may be funded even if it is part of a multiple-use building containing ineligible uses if: (3-15-02)

i. The eligible portion of the building is a designated and discreet area of the building; (3-15-02)

ii. The applicant can determine the costs attributable to the eligible use or eligible portion of the facility as distinct from the overall costs of the facility. (3-15-02)

d. Clearance of Buildings. Clearance, demolition, removal of buildings and facilities, and movement of structures to other sites. (3-15-02)

e. Disposition of Property. Costs associated with the disposition (through sale, lease, donation, or otherwise) of any real property acquired with RCBG funds, or with the retention of real property for public purposes. Reasonable costs of temporarily managing such property (or property acquired under urban renewal) until final disposition of the property is made. Disposition costs include fees paid for: appraisals, surveys, marketing, legal services, financial services, transfer taxes and other costs involved in the transfer of ownership of property. Any

proceeds from the disposition of such property shall be considered program income. (3-15-02)

f. Relocation Payment. Relocation payments and assistance for displaced individuals, families, business organizations, and farm operations when determined by the grantee to be appropriate. (3-15-02)

g. Administrative Activities. Payment of reasonable administrative costs and carrying charges related to the planning and implementation, including the management, coordination and monitoring of activities necessary for the completion of successful grant projects. These cost shall not exceed five percent (5%) of the RCBG. (3-15-02)

h. Technical Assistance. RCBG funds may be used by the grantee (or provided by a grantee to a sub-grantee) to increase their capacity to carry out eligible economic development activities. Such costs are not included in the five percent (5%) limitation on administrative and planning costs. (3-15-02)

i. Allowable Costs in Application. An applicant may be reimbursed for some of the administrative or engineering costs incurred during the preparation of the Application. No such expenses incurred will be reimbursed unless a grant is awarded. Such expenses are the responsibility of the applicant if a grant is not awarded. Any such administrative costs become part of and cannot exceed the five percent (5%) limitation on administrative costs of the grant. (3-15-02)

013. INELIGIBLE ACTIVITIES.

As a general rule, any activity not authorized in these rules is ineligible to receive RCBG funds. This section identifies two (2) areas that are ineligible and provides guidance in determining eligibility of other activities frequently associated with economic development. The following activities may not be carried out using RCBG funds: (3-15-02)

01. General Conduct of Government. Assistance to buildings, or portions thereof, used predominantly for the general conduct of government. However, the removal of architectural barriers and historic preservation of such building is eligible. Such buildings include, but are not limited to, city halls and other headquarters of government where the governing body or the recipient meets regularly, courthouses, jails, police stations, and other state or local government office buildings. Also ineligible are school buildings, school offices, and university and college vocational-technology facilities. Where acquisition of real property includes an existing building and improvements, part of which is to be utilized for the general conduct of government, the acquisition cost attributable to the land is eligible, provided a national objective is met with the other eligible use of the property and building. Only the portion of the building required for the eligible activity is an eligible grant expense. (3-15-02)

02. Local Government Expenses. Expenses required to carry out the regular responsibilities of the unit of general local government are not eligible for assistance with RCBG funds. (3-15-02)

03. Political Purposes. (3-15-02)

04. Churches. (3-15-02)

05. Equipment. The purchase of equipment, fixtures, motor vehicles, furnishings or other personal property, which is not an integral structural fixture, is generally ineligible. RCBG funds may be used; however, to purchase such items when necessary for use by a recipient or its sub-recipients in the administration of activities assisted with RCBG funds. (3-15-02)

06. Operating and Maintenance Expenses. (3-15-02)

014. -- 018. (RESERVED)

019. GRANT APPLICATION PROCESS.

The required RCBG Application process is described in the RCBG Application Handbook. (3-15-02)

020. SUBMITTAL OF APPLICATIONS.

Applications must be mailed or hand-delivered to the Department's mailing address. (3-15-02)

021. APPLICATION REVIEW.

Any applicant or project not meeting the threshold criteria shall be disqualified and the Application shall not be reviewed further. (3-15-02)

022. PRESENTATION TO ECONOMIC ADVISORY COUNCIL.

01. Presentations. Presentations shall be made by key elected officials of the applicant. These elected officials include mayors, council members or county commissioners or other project partners. The presentation should include: (3-15-02)

- a. The need for the project; (3-15-02)
- b. The local commitment to the project; (3-15-02)
- c. The economic impact of the project on the community; and (3-15-02)
- d. Any additional information that should be given special consideration. (3-15-02)

023. REVIEW AND RANKING CRITERIA FOR RURAL COMMUNITY APPLICATIONS. (One Thousand (1,000) Points Possible). (3-15-02)

01. Community Distress Factors -- Two Hundred (200) Points. (3-15-02)

- a. High unemployment. (3-15-02)
- b. Low per capita income. (3-15-02)
- c. Sudden distress. (3-15-02)
- d. Other long term distress factors. (3-15-02)
- e. Lack of developed business sites/infrastructure. (3-15-02)
- f. Lack of resources to impact distress factors. (3-15-02)

02. Project Benefits -- Two Hundred (200) Points. (3-15-02)

- a. Impact on distress factors. (3-15-02)
- b. Direct job creation or retention. (3-15-02)
- c. Job quality and fringe benefits. (3-15-02)
- d. Indirect secondary jobs. (3-15-02)
- e. Project and business management capacity. (3-15-02)
- f. Long-term program. (3-15-02)
- g. Indirect investment potential. (3-15-02)
- h. Direct investment in community asset. (3-15-02)
- i. Minority benefit. (3-15-02)

03. Community Project Support -- Two Hundred (200) Points. (3-15-02)

- a. Project support and involvement. (3-15-02)
- b. Local investment. (3-15-02)
- c. Other match. (3-15-02)
- 04. Project Feasibility -- Two Hundred (200) Points.** (3-15-02)
 - a. Planning, costs and schedule. (3-15-02)
 - b. Cost estimates. (3-15-02)
 - c. Business Commitment. (3-15-02)
 - d. Creation of marketable asset. (3-15-02)
- 05. Economic Advisory Council -- Two Hundred (200) Points.** (3-15-02)

024. -- 030. (RESERVED)

031. STANDBY APPLICATIONS.

At its quarterly meeting, the Economic Advisory Council may recommend Applications for funding even though not enough funds are available to fund the project(s). These Applications become standby projects. Standby projects shall be eligible for funding should additional funds become available or surplus funds exist. At any subsequent quarterly meeting, the Advisory Council may review and recommend a standby project to the Governor for funding. Standby status shall continue through the fourth quarterly meeting. The Application must remain eligible and must continue to meet all requirements of the program rules. (3-15-02)

032. LOSS OF VIABILITY.

- 01. Loss of Viability Criteria.** (3-15-02)
 - a. The inability to secure the other project financing; (3-15-02)
 - b. The lack of due diligence to pursue the implementation of project requirements; (3-15-02)
 - c. The lack of local coordination with all funding and regulatory agencies; (3-15-02)
 - d. The inability to develop agreements necessary to manage the cash flow and ownership of the project where several different entities are involved in the project; or (3-15-02)
 - e. The inability to complete a project of the same general size and benefits as presented in the Application. (3-15-02)
- 02. Process.** (3-15-02)
 - a. If, during the period between the award of a grant and signing of a grant contract, a project loses its viability, the Department may terminate its award status. The Department shall, by letter, notify the applicant that in the judgment of the Department, the applicant's project is no longer viable. The applicant shall have a clearly stated period of time no less than fourteen (14) days to demonstrate the project's viability. If viability cannot be demonstrated within the stated period of time the applicant's award status shall be terminated and the funds may be available for the next standby project. (3-15-02)
 - b. After a grant contract has been executed, the Department shall periodically evaluate the progress of the project. If, at any time, the project loses viability or cannot be completed as described in the Application and contract, the Department shall, by letter, notify the grantee that the grant contract shall be terminated within a clearly

stated period of time of no less than fourteen (14) days from the date of the letter. The grantee may, within the stated period, demonstrate substantial progress on the project and request the Department revoke the termination. If viability cannot be demonstrated within the specified amount of time, the grant shall be terminated. (3-15-02)

033. -- 999. (RESERVED)

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