Capital Project Application Guidelines and Instructions

Each year, federal funding is made available, either through loans or, in rare cases, grants, to support capital projects (typically predevelopment, construction and rehabilitation of facilities) serving low and moderate income communities in Anne Arundel County. Past projects have included construction of a day and vocational facility for individuals with developmental disabilities, rehabilitation of a historic Rosenwald school to house Head Start and other community services, and the adaptive re-use of a historic school building into a regional Boys & Girls Club facility.

Please note, there is a separate application process for applicants interested in applying for financing for affordable rental housing projects. For more information, please see Financing for Affordable Rental Housing (acdsinc.org) or contact Elisha Harig-Blaine at eharig-blaine@acdsinc.org or (410) 222-3236.

Projects must meet federal funding guidelines. All program rules and goals are identified in the Capital Projects Activity Recommendation Form, which can be downloaded below.

ACTIVITY SELECTION GUIDELINES

- The proposed program or project must be an eligible activity based on Federal Guidelines.
- The proposed program or project must meet one of the goals and strategies described in the County's Consolidated Plan, as further detailed below beginning on page 8.
- Priority will be given to projects and programs which address the **priorities and guiding principles outlined in the County's Consolidated Plan:**

Affordable Housing

The County will make the creation and stabilization/preservation of affordable housing, as well as related services, its top housing and community development priority. Affordable housing that meets the specific needs of homeowners, renters, homeless and special needs populations will be given preference for funding.

Communities of Opportunity

To the extent possible, priority will be given to projects and programs creating new affordable housing units and building low-income households ability to secure affordable housing in Communities of Opportunity (COOs). COOs are areas that have no or low concentrations of low- and moderate-income households, and that rank high on indices of quality of life. Generally, these are areas where there is a lack of both

affordable rental and affordable homeownership units and a relatively lower number of Non-White and Hispanic residents.

Neighborhood Revitalization Areas

Revitalization efforts and public service dollars (operating funds) will be prioritized to three main neighborhood revitalization areas, which are the **Severn, Brooklyn Park and Glen Burnie** communities, or the Priority Area (i.e. Maryland City). These areas have their own unique assets and are targeted by the County for place-based community development initiatives across a range of disciplines. At the same time, these areas contain a higher concentration of low and moderate income households, older – yet affordable – housing stock in need of updates, repairs, and other needs compared to the County as a whole. These communities have approved Sustainable Community Initiative (SCI) designations from the State of Maryland and are targeted for revitalization programs. The County's SCI planning process involved thorough stakeholder engagement processes and needs assessments that resulted in an SCI Action Plan for each area.

- The recommended activities must provide maximum public benefits relative to cost.
- The recommendation should define the outcomes the activity will produce and how those outcomes will be measured.
- The recommended activity must not duplicate services available from the County or services being provided by another organization serving the same service area/population as the proposed activity.
- All activities should leverage other funding sources to the greatest extent possible, demonstrating cost sharing opportunities and in-kind contributions.

OVERVIEW OF FEDERAL GUIDELINES

CDBG PROGRAM

In order to qualify for federal CDBG funds, public service activities must meet the *Low and Moderate Income Benefit* National Objective, as described below.

Low and Moderate Income (LMI) Benefit – In order to qualify as meeting this objective an activity must benefit Low and Moderate Income persons (LMI persons). This is accomplished by serving persons whose households earn 80 percent of area median income (AMI) and below (see chart below as an example, but please note these income limits will be updated in the next year), or by serving persons presumed to be Low and Moderate Income such as those with special needs, persons with disabilities, homeless persons and the elderly. Additionally, in order to meet the criteria of LMI benefit, a project must serve a minimum of 51 percent low and moderate income persons OR the project must be located in an area predominantly inhabited by LMI residents. However, activities which serve more than the required LMI persons are reviewed more favorably since they are serving more persons with limited incomes than what is required by the federal regulations.

Household Size	Income Limit 80% of Area Median Income
1	$74,800
2	$84,450
3	$96,150
4	$106,800
5	$115,350
6	$123,900
7	$132,450
8	$141,000

*** Issued by HUD for the Baltimore Metropolitan Area and adopted by ACDS and its Subrecipients; effective May 1, 2026.**

Slums and Blight
For an activity to meet this objective, it must be designed to prevent or eliminate slum and blight conditions. If proposing an activity which your organization believes to meet this objective, contact the ACDS staff to provide technical assistance to determine if the activity meets the federal definition of slums and blight.

Eligible Capital Activities

In addition to meeting a national objective, the proposed project must be an eligible CDBG activity. These activities include, but are not limited to:

- Acquisition and/or rehabilitation of real property, which is:

  (1) blighted or deteriorated;

(2) appropriate for rehabilitation or conservation;

(3) appropriate for historic preservation, urban beautification, open spaces and the provision of recreational opportunities;

(4) needed for the provision of eligible public works, facilities and improvements;

(5) appropriate for the development of housing; or

(6) needed for other public purposes.

- Acquisition, construction, reconstruction, or installation of public improvements or facilities, such as:

  (1) shelters for the homeless;

  (2) water and sewer facilities;

  (3) flood and drainage improvements;

  (4) community, senior and health centers; or

  (5) parking, streets, curbs, gutters and sidewalks, parks, and playgrounds.

- Clearances, demolition, and removal of buildings.
- Removal of architectural barriers to the handicapped or elderly.
- Acquisition, construction and reconstruction of privately owned utilities necessary for neighborhood revitalization and to prepare sites for the construction of sale or rental housing.
- Rehabilitation of public housing and improvements of other publicly owned residential buildings.
- Rehabilitation of historic properties.
- Homeownership assistance to income eligible homebuyers.

Ineligible Activities

The following activities are ineligible for assistance through the CDBG program:

- Construction of, or improvements to, general government buildings and schools.
- Routine operation, maintenance, and repair of public facilities.

HOME Program

The HOME Program was created to provide decent affordable housing to low income households. The following activities are eligible for HOME funds:

- Rehabilitation and reconstruction of owner-occupied housing.

- Acquisition, rehabilitation, or construction of affordable housing for homebuyers.
- Acquisition, rehabilitation, or construction of affordable housing for renters.
- Financial assistance for rent and security deposits for low-income tenants who have special needs, as defined in the County's Consolidated Plan.

AGENCY REQUIREMENTS

EXHIBIT III

All agencies applying for funding must meet the following requirements:

Personnel
The agency must provide adequate administration of the program to ensure completion of the project. If the project is accepted for funding, the agency may be required to provide a copy of its Personnel Policies and Drug-Free Workplace Policy.

Non-Discrimination
Each agency receiving funds from the County is required to assure that it will conduct its business in compliance with the non-discrimination requirements of the County, State and Federal governments, as applicable. Equal Opportunity in Employment policies will be required.

Accounting
Each agency shall maintain accounting records which are in accordance with general accepted accounting principles and auditing practices, such as described in 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards as applicable.

Audits and Financial Reports
An agency must provide a copy of its most recent Independent Audit and Management letters for the past three years. Non-federal entities that expend $750,000 or more in a year in federal awards shall have a single or program-specific audit conducted for that year. Non-federal entities that expend less than $750,000 a year in federal awards must submit a financial statement and other support documents to show how the CDBG funds were utilized. Local governments and nonprofit agencies are required to comply with 2 CFR Part 200, Subpart F.

Insurance

Contractor Insurance
The Grantee shall ensure that the Contractor purchases and maintains (or cause to be purchased and maintained) insurance at the following insurance coverage during construction:

(1) Worker's compensation statutory benefits as required by the laws of the State of Maryland and employee's liability coverage with limits of at least $100,000 each accident, $100,000 employee disease, and $500,000 disease policy limits;

(2) Automobile liability insurance with at least $1,000,000 combined single limit coverage to include owned, non-owned and hired automobiles; and

(3) Commercial general liability with minimum limits of coverage at $1,000,000 Each Occurrence (Bodily Injury or Property Damage), $2,000,000 General Aggregate that applies on a per project basis, $2,000,000 Products/Completed Operations Aggregate and $1,000,000 Per Person or Organization (Personal and Advertising Injury).

Grantee Insurance
The Grantee shall carry sufficient insurance coverage to protect grant asset from loss due to theft, fraud, and/or undue physical damage at the following insurance coverage:

(1) Commercial general liability with minimum limits of coverage at $1,000,000 Each Occurrence (Bodily Injury or Property Damage), $2,000,000 General Aggregate that applies on a per project basis, $2,000,000 Products/Completed Operations Aggregate and $1,000,000 Per Person or Organization (Personal and Advertising Injury);

(2) Automobile liability insurance with at least $1,000,000 combined single limit coverage to include owned, non-owned and hired automobiles;

(3) Worker's compensation statutory benefits as required by the laws of the State of Maryland and employee's liability coverage with limits of at least $100,000 each accident, $100,000 employee disease, and $500,000 disease policy limits;

(4) Property/fire insurance on any building or structure that is to be improved utilizing VLT funds in an amount not less than the value of the improvements.

Prior to signing the agreement, the Grantee must furnish the Corporation with certificates evidencing the type, amount, class of operations and effective dates and dates of expiration of the insurance policies required. The insurance coverage certification shall include substantially the following statement, "The insurance covered by this certification shall not be canceled or materially altered, except after thirty (30) consecutive calendar days from when a written notice has been delivered to the Corporation whom shall be named as an additional insured in all insurance policies on a primary basis. In addition, the Corporation must be provided with an additional insured form number CG 20 10 11 85 or a relative equivalency for all liability policies, except for worker's compensation and automobile liability policies. Additional insured status to remain in effect for the term of the contract, including the warranty period.

Indemnification
All agreements will include an indemnification clause stating that the Grantee agrees to indemnify, defend, save and hold ACDS, its successors and/or assigns, harmless from any and all loss, liability, damage or claims of any nature whatsoever arising out of this Agreement.

Other Federal Requirements
An Agency may be responsible for complying with other Federal Requirements, depending on the size and scope of the proposed project. These requirements may include: Fair Housing and Equal Opportunity rules, Affirmative Marketing requirements, Handicapped Accessibility, Equal Opportunity Employment, Section 3 Economic Opportunities, Minority and Women Owned Business outreach, Labor requirements, Conflict of Interest, Debarred Contractors, Flood Insurance, Site and Neighborhood Standards, Lead Based Paint, Uniform Relocation Act, and Environmental Review

ANNE ARUNDEL COUNTY
CONSOLIDATED PLAN GOALS: FY 2026 – FY 2030

EXHIBIT IV

GOAL 1: AFFORDABLE HOUSING

Strategy 1A:	**Description**	**Geographic Area**
	• Prepare potential homebuyers for the financial responsibilities of purchasing a home, providing intensive individual budget and credit counseling, and group seminars on the home buying process. • Increase housing affordability for low to moderate income first time homebuyers through mortgage write-down, closing cost and down payment assistance. *Planned activities may include homeownership counseling and mortgage assistance. Programs will be affirmatively marketed to the County's protected classes through active outreach.*	Countywide
Strategy 1B:	• Increase the supply of quality affordable housing units through the acquisition and rehabilitation of existing housing in the County's Priority Revitalization Communities; and, through the acquisition of land and construction of new units for qualified households in Opportunity Areas. *Planned activities may include acquisition and rehabilitation of existing units; re-use of surplus properties; and new construction of units. Units will be affirmatively marketed to the County's protected classes through active outreach.*	Priority Revitalization Communities Opportunity Areas
	• Improve the supply of existing housing units by providing low interest financial resources to low and moderate income County homeowners to make energy efficiency improvements, eliminate substandard housing conditions, and reduce maintenance costs, thereby allowing them to remain in their homes while improving the overall quality of the community and its housing stock. *Planned activities may include property rehabilitation; property repair; provision of financial counseling; and technical assistance. Rehabilitation activities will be marketed within the County's Priority Revitalization Communities and affirmatively marketed to the County's protected classes.*	Priority Revitalization Communities
Strategy 1C:	• Facilitate improvements through affordable financing and project management and promote activities that support the elderly and those with disabilities to remain in their homes. Examples include: *Planned activities may include Accessibility Modifications Program for Homeowners.*	Countywide

GOAL 1: AFFORDABLE HOUSING

Strategy 1A:	Description	Geographic Area
	• Direct mailings and email marketing • Attendance at outreach events, festivals, community meetings informational sessions hosted by groups representing and/or serving the protected classes.	Countywide

RENTAL HOUSING GOALS

Goal	Description	Geographic Area
Increase the Supply of Affordable Rental Units	• Increase the supply of affordable rental housing by encouraging and facilitating construction by private developers of new affordable rental units, with priority given to family housing. *Planned activities may include providing funds for rental production and provision of PILOTs. Developers will be required to formulate and follow an affirmative marketing plan to target units to the County's protected classes.*	Opportunity Areas
Improve and Preserve the Quality of Existing Affordable Rental Units	• Improve the quality and affordability of existing small scattered site rental units and large multifamily affordable rental housing communities by providing technical assistance and financing to property owners. *Planned activities may include providing funding on the rehabilitation of rental housing and the provision of PILOTs.*	Priority Revitalization Communities
Create and Maintain Accessible Rental Housing Units	• Provide financing and project management to develop group homes and make accessibility modifications or other improvements to existing group homes and rental units serving persons with disabilities and older adults. *Planned activities may include providing Accessibility Modifications Program for Renters, Group Home Rehabilitation Program, and Group Home Acquisition/Rehabilitation Program, New group home development. Also, ensure a portion of units in large rental developments can serve persons with disabilities.*	Countywide
Expand, Maintain and Create Affordable Rental Opportunities	• Support demand side subsidies and programs that allow low income families and persons with special needs to afford market rate rental units, with an emphasis on accessing units in communities of opportunity. *Planned activities may include Tenant Based Rental Assistance for low income families and individuals, persons with disabilities (mental, physical, intellectual, HIV/AIDS and substance abuse disorders). Explore higher rent payments for utilization in communities of opportunity*	Countywide
Implement Support Services and Programs That Help Tenants Access and Retain Housing	• Services may be geared to help homeless families and individuals, extremely low income families, persons with disabilities including mental illness and substance abuse, and returning citizens. *Services may include case management and housing location assistance, landlord outreach and mitigation to encourage acceptance of vouchers for hard to house clients and congregate services for older adults.*	Countywide

RENTAL HOUSING GOALS

Goal	Description	Geographic Area
Market Affordable Rental Opportunities to Protected Classes Within the County	• Ensure affordable rental units and TBRA assistance are affirmatively marketed throughout the County to the protected classes within the County and that rental units and programs are provided in adherence to the County fair housing laws. *Planned activities may include affirmative marketing requirements for subrecipients, fair housing training for property managers and tenant/landlord information and fair housing resource line.*	Countywide

ENDING HOMELESSNESS GOALS

Goal	Description	Geographic Area
Prevent Homelessness	• Provide financial assistance and counseling to households who are at risk of losing their homes; provide financial assistance to households to obtain new housing if they can no longer stay where they currently reside. *Planned activities may include financial assistance to prevent eviction, including first month rent, security deposits, and utility payment and financial counseling, and referral services program.*	Countywide
Increase and Sustain Permanent Supportive Housing Opportunities for the Homeless	• Maintain and expand the supply of permanent supportive housing options, rapid re-housing assistance, and necessary support available to homeless individuals and families to get them quickly re-housed; maintain and expand the supply of permanent supportive housing and related services for chronically homeless individuals. *Planned activities may include the development and expansion of tenant based rental assistance programs, rapid-rehousing programs, case management services and development of permanent supportive housing units.*	Countywide
Maintain and Enhance Emergency Shelter and Interim Housing Options	• Maintain and enhance emergency shelters serving families, victims of domestic violence and individuals as a temporary and safe housing option with the purpose of those served becoming quickly re-housed and economically secure *Planned activities may include Maintenance and enhancement of existing shelters and operating support for emergency shelters and interim housing options.*	Countywide

ENDING HOMELESSNESS GOALS

Goal	Description	Geographic Area
Improve the Homelessness Response System	• Expand the Coordinated Entry System to include a continuum of services and support, including diversion and prevention services, entry into shelters, and permanent housing. Offer a variety of supportive service to assist homeless individuals and families maintain their housing. Support and enhance the capacity for the community to end homelessness through data, coordination, and planning. *Planned activities may include operating support for day programs, case management, mental health programs, employment, education and training services, life skills and workplace training, child care programs, financial coaching, outreach programs, Homeless Management Information Systems (HMIS), coordinated entry and assessment, and planning activities.*	Countywide

SUSTAINABLE COMMUNTIES GOALS

Goal	Description	Geographic Area
Support Initiatives That Improve Quality of Life for Communities	• Fund projects, facilities and programs that improve the quality of life for low and moderate income persons and households, with priority given to communities within the designated Neighborhood Revitalization Areas and Housing Commission managed communities. *Planned activities may include, community facilities, revitalization of blighted structure, projects and programs to support positive youth development, projects and programs to support older residents, and preservation of historic structures in minority communities.*	Countywide

ECONOMIC OPPORTUNITY GOALS

Goal	Description	Geographic Area
Promote Independence	• Assist programs and services that help low and moderate income County residents achieve financial and economic independence through better access to employment opportunities and supports. *Planned activities may include, GED Prep and ESOL courses, workforce development support programs, transportation services and support, child care services, and day and vocational facilities for persons with special needs.*	Countywide

PROMOTE FAIR HOUSING GOALS

Goal	Description	Geographic Area
Implement the Local and Regional Fair Housing Action Plans	• Promote and further fair housing throughout the County and the region and improve access to housing opportunities for members of the protected classes. *Planned activities may include; support for fair housing testing and enforcement activities, fair housing outreach and education and support for a regional fair housing coordinator.*	Countywide