







**APPLICATION CHECKLIST
COMMUNITY DEVELOPMENT BLOCK GRANT
BUSINESS LOAN FUND**

Applications will be considered on an on-going basis if funds are available. For multi-jurisdictional applications, a copy of the application must be available for public review in each participating jurisdiction as required by HUD. A complete Community Development Block Grant (CDBG) application consists of the following:

-  **Application Forms.** Forms should contain the signature of the chief elected official. In the case of a multi-jurisdictional application, all directly participating jurisdictions are required to sign this form.
-  **Applicant Statement of Assurance and Certifications.** In the case of a multi-jurisdictional application, all directly participating jurisdictions are required to sign this form.
-  **Citizen Participation Plan.** One signed original by the chief elected official. In the case of a multi-jurisdictional application, all directly participating jurisdictions are required to have a Citizen Participation Plan and to submit it with the application.
-  **Public Hearing.** Original publisher's affidavit with an attached copy of the public notice. At least one public hearing must be held prior to the submission of an application. Adequate notice of the public hearing must be published at least once in a newspaper of general circulation at least 5 days prior to the public hearing. It should also be posted in the City/Town Hall or County Courthouse and in other places frequented by the public, especially low and moderate income persons, benefiting from or affected by proposed CDBG activities. In the case of a multi-jurisdictional application, all directly participating jurisdictions are required to publish a notice pertaining to the public hearing in at least one newspaper in their jurisdiction having area-wide circulation and each participating jurisdiction is required to hold at least one public hearing. This may be one combined public meeting if properly advertised in the other jurisdictions.
-  **Intergovernmental Agreement.** Required only in the case of a multi-jurisdictional application. A fully executed, legally binding cooperation agreement between the designated lead jurisdiction and all other directly participating municipalities and counties signed by the chief elected official of each jurisdiction.
-  **Residential Anti-displacement and Relocation Assistance Plan.** In the case of a multi-jurisdictional application, all directly participating jurisdictions are required to have a Residential Anti-displacement and Relocation Assistance Plan and to submit it with the application.

CDBG ECONOMIC DEVELOPMENT APPLICATION FORMS

Please forward the completed application to:

Colorado Department of Local Affairs

Alyson Anderson

1313 Sherman Street, Room 521

Denver, CO 80203

alyson.anderson@state.co.us

(720) 387-0267

Applicant GRANTEE: FREMONT COUNTY

Date: 4/26/2023

Address: 615 MACON AVE

Phone: 719-276-7300

CANON CITY, CO 81212

Contact: TONY CAROCHI

Title: COUNTY MANAGER

UEI (SAM) No. CMJ5GW8AFKG2

Applicant SUB-GRANTEE:

UPPER ARKANSAS AREA DEVELOPMENT CORPORATION (UAADC) DAVE PAUL, UAADC CONTACT

Address: 3224-A INDEPENDENCE DRIVE, CANON CITY, CO 81212 Phone: 719-275-8350

Service Area: CHAFFEE, CUSTER, FREMONT, LAKE, PARK AND TELLER COUNTIES

Funds Requested: \$348,000

Proposed CDBG Activity Budget:

Activity	Amount	Source	Status
1. Assistance to Businesses	\$300,000	CDBG	Subject to OEDIT Approval, Primary lender loans & owners
Proposed Leverage	\$600,000	BANKS, OTHER	
2. Administration	\$48,000 (16%)	CDBG	Subject to OEDIT approval UAADC

			revolved loan interest & loan fees
Proposed Match (\$101,021 x,2)	\$202,042	UAACOG/DC	
3. Other (Describe if any)			

Proposed Administration Budget:

Activity	Total Funds	CDBG Funds	Other Funds	Source
Personnel :Director 80% Loan Officer 50% (TOTAL)	\$86,325	\$9,271	\$77,054	UAADC
Director/BLF Administrator	\$60,000			
Loan Officer	\$26,325			
Operating: One-Year				
Legal Consulting	\$3,000	\$1,500	\$1500	UAADC
Software	\$2,300	\$1,150	\$1,150	
Office Supplies	\$500	\$250	\$250	
Office Space	\$2,400	\$1,200	\$1,200	
Insurance/Bond	\$700	\$350	\$350	
Telephone	\$2,500	\$1,250	\$1,250	
Dues/Publications	\$1,000	\$500	\$500	
Marketing/Education	\$2,000	\$1,000	\$1,000	
Audit Expense	\$800	\$400	\$400	
Travel-One Year: In Region	\$5,000	\$2,500	\$2,500	UAAOC
Out of Region	\$1,500	\$750	\$750	
Other-One Year: Conferences (3)	\$1,500	\$750	\$750	UAADC
Indirect Expense at 13.63%	\$14,996	\$2,879	\$12,117	
Admin Subtotal	\$125,021	\$24,000	\$101,021	

Other Funds Requested or Committed:

DIRECT LOANS	TOTAL \$450,000	CDBG \$150,000	OTHER \$300,000
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Please describe how the proposed BLF policies address the following required elements:

1. Job Creation/Retention (National Objective)

The job creation/retention, private sector leveraging and benefit to low and moderate income persons and households objectives have historically been (since 1989) and will continue to be achieved within the scope of the UAADC loan program.

An estimated minimum of 14.5 FTE jobs (FTE=Full Time Employment=40 hours/week) (\$300,000/\$20,000 per job= 15 jobs) with a minimum of 51% of total jobs created/retained equaling 8.0 documented jobs to persons who previously were from low to moderate income households **will be** created or retained with the \$300,000 CDBG funds. Typically, seasonal jobs are not a target of the UAADC and "primary occupation" jobs represent the growth focus of the program, as stated in the loan policies. In some cases, part-time jobs may be taken into consideration.

UAADC-CDBG loan applicants will be required to submit an "employment plan" as part of the loan application. The plan includes: total jobs created/retained, time frame, job descriptions with hiring schedule, proposed wage, required skills and a statement of projected low to moderate income jobs according to current CDBG income guidelines obtained from OEDIT. Borrowers are generally required to create jobs within one year (12 months) of closing. The loan applicant's employment plan will begin upon funding.

2. Business Types

Since 1989, the UAADC has been available to a wide range of expanding existing and start-up for-profit or non-profit businesses proposing to create or retain jobs. The UAADC has two small-scale loan programs. The "Gap" program functions as true gap financing as it fills gaps that remain after greater-than-50%-primary lender financing through a local bank, a Colorado based bank, or private-sector lending institution, plus business-owner cash injections. Borrowers are typically smaller scale businesses that are unable to meet all of their financing requirements with typical private-sector loan offerings. The Gap program will use the CDBG funds.

The "Direct" loan program is for loans up to approximately \$100,000 for borrowers that demonstrate good bill-paying character, valid cash-flow projections and most likely have one or a combination of issues with qualifying for bank financing. Examples include a credit report flaw, identity theft, and start-up businesses. Direct loans (micro-lending as defined by the UAADC Board policy and approved by OEDIT) will also use CDBG funds.

All applicants must provide a written business plan that clearly shows viable cash flow with a supporting marketing plan. Applicants with minor credit report flaws and marginal collateral (compared with bank underwriting standards) will be considered as a function of this program. Businesses that will not be considered include speculative real estate, residential projects, gambling, marijuana, agricultural production, non-job generating projects like storage units, and large-scale refinancing.

It is unlikely that UAADC-CDBG loans will be made on projects when David-Bacon requirements are triggered by construction or equipment purchases exceed 13% "incidental requirements. The UAADC recognizes that CDBG funds may NOT be used to assist directly in the relocation of any industrial or commercial plant, facility or operation from one area to another if the relocation is likely to result in a significant loss of employment in the labor market areas from which relocation occurs.

The UAADC is prohibited from discrimination based on race, color, religion, gender, national origin, age, disability, affliction or belief. The UAADC/UAACOG Section 504/ADA Grievance Procedure is available upon request.

3. Minimum and Maximum Loan Amounts

The proposed minimum loan amount is \$5,000 with a maximum of \$125,000. Governor's Financial Review Committee approval required for loans over \$100,000. All loans require OEDIT Business Loan Fund Director approval.

4. Leveraging

The UAADC-CDBG loan portfolio leveraging standard will be \$1 of leveraged funds from private-sector lending and owner injection to \$1 of CDBG funds used, except for micro enterprise lending in accordance with policy. Leveraging may include documented non-cash investments like equipment purchases within one year of the date of application.

5. Rates and Terms

UAADC-CDBG loan rates will be up to 2% above the Wall Street Journal Prime Rate as determined by an analysis of collateral, credit history and overall credit-worthiness. Rates will be decided at the time of loan decision, and in most cases will be fixed for the term of the loan. Principal payment may be deferred with interest-only payments for short periods when necessary to foster the initial success of the business. No Prepayment Penalty will be assessed at any time.

Loan terms will vary based on the assets being financed and the appropriate amount of debt service for available cash flow. Typical UDAAC loan terms range from 3-5 years for working capital and equipment but may be extended up to 8 years for more durable equipment or to avoid undo constraints on projected cash flow. On rare occasions, UAADC may extend terms to 10 years when gap financing is for fixed assets like business real estate or combinations of working capital, equipment and real estate.

Borrowers are required to provide a minimum of 10% cash or documented equity injection toward the proposed project. Food Service projects are considered high-risk and UAADC involvement requires a minimum 20% owner cash injection. Other ventures deemed high-risk by the loan administrator may also require a 20% minimum investment. A 10% owner cash injection may be bolstered or supplemented with the Colorado Housing and Finance Authority (CHFA) Cash Collateral Support program participation.

6. Fees

UAADC-CDBG loan fees will include: a non-refundable \$50 application fee, and a maximum of 3.0% loan origination fee (1 of the 3 points is used for CHFA Credit Reserve or Cash Collateral Support which may be waived at loan committee discretion), a \$150 closing/filing fee, a servicing fee of \$3 per month for the agreed term of the loan. The loan fees may be included in the loan principal amount if the Borrower, Administrator and Loan Committee agree to do so. If a regular loan payment is made more than 10 days after the agreed-upon due date, a late charge of 10% of that payment will be assessed. All fees match current UAADC loan policies.

7. Use of Proceeds

Part of this narrative is provided in #2, and with that in mind the UAADC will continue to use loan funds to finance business assets and working capital when typical private sector lenders cannot. Specifically, the common use of proceeds will be working capital, equipment, inventory, furnishings and fixtures, limited gap filling on real estate purchases, as banks will typically be attracted to the fixed asset portion of the businesses' financing needs. Working capital financing will be available to existing businesses to protect revenue growth. New businesses will have funds disbursed in a time frame that is demonstrated to coincide with detailed needs and appropriate draw timing.

8. Collateral Requirements

The Current UAADC Board policy on collateral is "Collateral to secure the loan may be obtained from business and/or personal sources. The sufficiency of collateral will be determined by the UAADC Board on a case-by-case basis." This means that UAADC is flexible on collateral to secure a loan but will not go unsecured. The approximate historical average of loan to liquidation value ratio is 1 to 1 with variability based on strength of borrower character and detailed vision of the business plan and cash flow projections supported by a solid marketing plan. The UAADC program has avoided small equipment, inventory and difficult-to-liquidate items as security. Tangible value in real estate, titled vehicles and/or durable high value equipment are preferred. When equipment, vehicles or other equipment is being purchased, direct checks will be issued to create a purchase-money security interest for additional protection in bankruptcy. Liens will be filed on real estate and vehicles, and UCC filings will be applied to all other collateral to perfect the pledge of the security. Unconditional personal guarantees are required on all loans from the owners of the business. Loss Payable Clauses for UAADC are filed with the appropriate insurers of collateral as well.

9. Types of Assistance

Most of this narrative is addressed in #2, Business Types and #7, Use of Proceeds. While being mindful of information in Sections #2 and #7 the exclusive type of financing assistance provided by UAADC has been direct and gap loans. Ancillary coaching and monitoring is also provided when appropriate, to help ensure adherence to a robust business and marketing plan.

Past Performance:

CDBG Total Assistance	\$1,901,773
CDBG Administration	\$111,118
CDBG Business Assistance	\$694,490
Admin/Business Assistance Ratio	5.84%
# Loans Made	16
Jobs Created/Retained	171
Low/Moderate Jobs Created/Retained	150
% Low/Mod Jobs	88%
# Defaults	0
CDBG Funds Lost to Default	0
Loss as a% of Total Assistance	0
Loss as a% of Loans Made	0
Leveraged Funds Proposed	\$2,083,470
Leveraged Funds Actual	\$20,740,834

Management:

Current Director of UAADC is Dave Paul. A budgeted Loan Officer position is currently vacant. Both are responsible for developing relationships with referral sources, potential clients and maintaining the integrity and quality of the loan portfolio in strict compliance with applicable lending laws. Loan processing and verification, along with analysis of requests and presentation to the loan committee for approval, document preparation and closing duties are completed by the Director, who serves as the Administrator. The Loan Officer takes applications, gathers and organizes required documents and completes encumbrance perfection and insurance updates.

The **UAACOG** Fiscal Office Staff is responsible for check cutting for loan funding, administrator, program, office and travel expenses upon receipt of necessary supporting documentation. In addition, they maintain office files and computer accounting of the overall program and individual loans, including payment processing, quarterly reports, loan servicing, flagging non-performing loans, and preparing deposits from the UAADC activities. In addition, they maintain ongoing contact with the UAACOG auditor, prepare CDBG draw-down requests and perform UAADC Administrator employee HR functions, payroll, insurance/benefits, time sheet/time off accounting, sustaining fiscal office functions and other "indirect" actions.

1. Describe the composition of your loan committee. Describe its relationship to the governing board.

The UAADC is a non-profit subsidiary under the UAACOG umbrella and as such is ultimately governed by the UAACOG. The adopted Board resolution of August 14, 1991 states "The Corporation shall have one member, such being the Upper Arkansas Area Council of Governments" The UAADC Board provides program loan policy, problem loan direction and makes decisions on loan applications brought before the Board by the UAADC Director. The business activities of the UAADC are authorized to be conducted by the By-Laws of the Corporation by the officers of the Corporation: President, Vice-President and Secretary/Treasurer appointed annually by the UAADC Board.

The Board Loan Committee is composed of one regular member and one alternate representative from each of the 6 counties, appointed by the Board of County Commissioners of Chaffee, Custer, Fremont, Lake, Park and Teller respectively. Elected Officials are not eligible to serve on the Loan Committee. The UAADC has an adopted conflict of interest policy. Meeting Minutes are kept for all meetings and approved at the following meeting. UAACOG/UAADC has a section 504 grievance procedure and the UAADC Board hears and makes decisions on grievances.

2. Describe the relationship between the BLF and the unit of local government which is sponsoring this application.

The UAACOG/UAADC maintains a long-standing relationship for member services, as well as a physical location with the sponsoring County of Fremont. The County of Fremont and the UAACOG/UAADC understand that the UAADC will receive all fees, principal and interest payments and miscellaneous program income to support and sustain operational expenses that are in keeping with lending-to-business and related administrative expenses.

3. Describe the relationship between the BLF and lending institutions in the service area.

The UAADC has continuing communication and markets the loan program with area lending institutions. Not all, but many of the service area lenders have been primary lenders with UAADC gap financing in the past. Many make referrals from borrower inquiries that they are unable to assist. UAADC supports SBA, SBDC banks and local EDC agencies in conducting advertising and marketing efforts, including meet & greets and seminars. The UAADC is open to working with all local and in-state lenders.

4. How does the BLF relate and coordinate with other economic development activities in the area?

The UAADC has long-standing and continuing communication with all service area Chambers of Commerce, EDCs, Downtown and Main Street organizations and frequently markets its program with them. The UAADC Director is also the Central Colorado Enterprise Zone Administrator and offers 2-part presentations on each of these business development "tool box" programs that are integral to each community's overall business development efforts.

5. Please attach a proposed project list/pipeline. The list should include the type of project, amount requested and status.

Currently all pending loans have been closed and funded using UAADC's revolved loan fund, however outreach continues and new loans are anticipated as the economy continues to recover.

6. Please attach a copy of your Loan Policy for regular and micro enterprise loans.

See Attached Loan Policies

ADDITIONAL ATTACHMENTS:

Statement of Assurances and Certifications for Community Development Block Grant Business Loan Funds.

Suggested Format-Citizen Participation Plan for Community Block Grant Business Loan Funds.

Suggested Format Residential Antidisplacement and Relocation Assistance Plan for Community Block Grant Business Loan Funds.

Suggested Format Intergovernmental Agreement for Community Block Grant Business Loan Funds

To the best of my knowledge and belief, statements and data in this application are true and correct and their submission has been duly authorized by the governing body of all participating jurisdictions.

Signature, Chief Elected Official

Jurisdiction

Date

Signature, Chief Elected Official

Jurisdiction

Date

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Jurisdiction

Date

**APPLICANT STATEMENT OF ASSURANCES AND CERTIFICATIONS
FOR COMMUNITY DEVELOPMENT BLOCK GRANT
BUSINESS LOAN FUNDS**

The applicant hereby assures and certifies that:

(a) It:

- (1) Possesses legal authority to apply for the grant and to execute the proposed project, and its governing body has duly adopted or passed as an official act a resolution, motion or similar action authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the applicant's chief executive officer and/or other designated official representatives to act in connection with the application and to provide such additional information as may be required; and
- (2) Has developed its application, including its projected use of funds, so as to give maximum feasible priority to activities which will benefit low and moderate income persons or aid in the prevention or elimination of slums or blight. (The requirement for this certification will not preclude the State from approving an application where the applicant certifies and the State determines, that all or part of the proposed _project activities are designed to meet other community development needs that have arisen during the preceding twelve-month period and have particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community and where other financial resources are not available to meet such needs.) Furthermore:
 - (A) With respect to activities it claims benefit low and moderate income persons, it has determined and documented that not less than fifty-one percent (51%) of the beneficiaries of the activity are low and moderate income persons; and
 - (8) With respect to activities it claims aid in the elimination of slums or blight, it has determined and documented:
 - (i) For activities to address slums or blight on an area basis:
 - (I) The area meets a definition of a slum, blighted, deteriorated or deteriorating area under State or local law;
 - (II) Throughout the area, at least twenty-five percent (25%) of the buildings are in a state of deterioration or two or more types of public improvements are in a state of deterioration;
 - (III) Documentation is being maintained on the boundaries of the area and the condition which qualified the area at the time of its designation;
 - (IV) The assisted activity addresses one or more of the conditions which contributed to the deterioration of the area; and
 - (V) Rehabilitation will only be undertaken on residential structures which are not occupied by low and moderate income persons if such structures are substandard under focal definition, and provided that all deficiencies making such structure substandard must be corrected before less critical work on the structure may be

undertaken

- (ii) For activities to address slum or blight on a spot basis, the activities must be designed to eliminate specific conditions of blight or physical decay and must be limited to acquisition, clearance, relocation, historic preservation and rehabilitation of buildings, but only to the extent necessary to eliminate specific conditions detrimental to public health and safety.

(b) It is following a detailed citizen participation plan which:

- (1) Provides for and encourages citizen participation with particular emphasis on participation by persons of low and moderate income who are residents of slum and blight areas and of areas in which Community Development Block Grant (COBG) funds are proposed to be used;
- (2) Provides citizens with reasonable and timely access to local meetings, information, and records relating to its proposed and actual use of CDBG funds;
- (3) Provides for technical assistance to groups representative of persons of low and moderate income that request such assistance in developing proposals with the level and type of assistance to be determined by the applicant;
- (4) Provides for public hearings to obtain citizen views and to respond to proposals and questions at all stages of the community development program, including at least the development of needs, the review of proposed activities, and review of program performance, which hearings shall be held after adequate notice at times and locations convenient to potential or actual beneficiaries, and with accommodation for the handicapped;
- (5) Provides for a timely written answer to written complaints and grievances, within 15 working days where practicable; and
- (6) Identifies how the needs of non-English speaking residents will be met in the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate.

In the case of a multi-jurisdictional application, all directly participating jurisdictions are required to have a Citizen Participation Plan and to submit it with the application.

(c) It has provided for and encouraged citizen participation, with particular emphasis on participation by persons of low and moderate income who are residents of slum and blight areas and of areas in which CDBG funds are proposed to be used, by:

- (1) Furnishing citizens information concerning the amount of funds available for proposed community development and housing activities and the range of activities that may be undertaken, including the estimated amount proposed to be used for activities that will benefit persons of low and moderate income and its plans for minimizing displacement of persons as a result of activities assisted with COBG funds and to assist persons actually displaced as a result of such activities;
- (2) Publishing a proposed project plan/application in such a manner to afford citizens an opportunity to examine its content and to submit comments on the proposed project plan/application and on the community development performance of the jurisdiction(s);
- (3) Holding one or more public hearings, as indicated below, to obtain citizen views and to

respond to proposals and questions related to community development and housing needs, proposed activities and past CDBG performance. All hearings will be held no sooner than five days after notice, at times and locations convenient to potential or actual beneficiaries, and with accommodation for the handicapped and for the needs of non-English speaking residents where a significant number of such residents may reasonably be expected to participate.

<u>Applicant's Public Hearing</u>	<u>Time</u>	<u>Location</u>
UMDC		

- (4) As applicable, providing citizens with reasonable and timely access to local meetings, information and records regarding its proposed and past use of CDBG funds;
- (5) In preparing its project plan/application, considering any such comments and views and, if deemed appropriate, modifying the proposed project plan/application;
- (6) Making the final project plan/application available to the public; and
- (7) Identifying its community development and housing needs, including the needs of low and moderate income persons, and the activities to be undertaken to meet such needs.

In the case of a multi-jurisdictional application, all directly participating jurisdictions are required to have a Citizen Participation Plan and to submit it with the application.

- (d) In the event it is awarded CDBG funds by the State it will:
 - (1) Follow a residential anti-displacement and relocation assistance plan which shall:
 - (A) In the event of such displacement, provide that:
 - (i) Governmental agencies or private developers shall provide within the same community comparable replacement dwellings for the same number of occupants as could have been housed in the occupied and vacant occupiable low and moderate income dwelling units demolished or converted to use other than for housing for low and moderate income persons, and provide that such replacement housing may include existing Housing assisted with project based assistance provided under Section 8 of the United States Housing Act of 1937;
 - (ii) Such comparable replacement dwellings shall be designed to remain affordable to persons of low and moderate income for 10 years from the time of initial occupancy;
 - (iii) Relocation benefits shall be provided for all low or moderate income persons who occupied housing demolished or converted to a use other than for low or moderate income housing, including reimbursement for actual and reasonable moving expenses, security deposits, credit checks, and other moving-related expenses, including any interim living costs; and, in the case of

displaced persons of low and moderate income, provide either.

- (I) compensation sufficient to ensure that, for a 5-year period, the displaced families shall not bear, after relocation, a ratio of shelter costs to income that exceeds 30 percent; or
 - (II) if elected by a family, a lump-sum payment equal to the capitalized value of the benefits available under sub-clause (I) to permit the household to secure participation in a housing cooperative or mutual housing association.
- (iv) Persons displaced shall be relocated into comparable replacement housing that is:
 - (I) decent, safe, and sanitary;
 - (II) adequate in size to accommodate the occupants;
 - (III) functionally equivalent; and
 - (IV) in an area not subject to unreasonably adverse environmental conditions.
- (8) Persons displaced shall have the right to elect, as an alternative to the benefits under this subsection to receive benefits under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 if such persons determine that it is in their best interest to do so; and
- (C) Where a claim for assistance under subparagraph (A)(iv) is denied by grantee, the claimant may appeal to the State, and that the decision of the State shall be final unless a court determines the decision was arbitrary and capricious.

In the case of a multi-jurisdictional application, all directly participating jurisdictions are required to have a Residential Anti-displacement and Relocation Assistance Plan and to submit it with the application.

- (2) Comply with the provisions of the above paragraph (1) except that paragraphs (A)(i) and (A)(ii) shall not apply in any case in which the Secretary of the U.S. Department of Housing and Urban Development finds, on the basis of objective data, that there is available in the area an adequate supply of habitable affordable housing for low and moderate income persons. A determination under this paragraph is final and non reviewable.
 - (3) Provide citizens with reasonable notice of, and opportunity to comment on, any substantial change proposed to be made in the use of CDBG funds from one eligible activity to another by following the same procedures required in paragraph (c) for the preparation and submission of the final project plan/application.
- (e) It will:
- (1) Minimize displacement of persons as a result of activities assisted with CDBG funds and provide for reasonable benefits to any person involuntarily and permanently displaced as a result of the use of CDBG funds to acquire or substantially rehabilitate

property.

- (2) Affirmatively further fair housing in addition to conducting and administering its project in conformity with Public Law 88-352 and Public Law 90-284 as certified in paragraph (h) hereinafter.

In the case of a multi-jurisdictional application, all directly participating jurisdictions are required to affirmatively further fair housing.

- (3) Not attempt to recover any capital costs of public improvements assisted in whole or part with CDBG funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless:
 - (A) CDBG funds are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than the CDBG program, or
 - (B) for purposes of assessing any amount against properties owned and occupied by persons of moderate income who are not persons of low income, it certifies that it lacks sufficient CDBG funds to comply with the requirements of subparagraph (A).

- (f) Its chief executive officer or other officer of the applicant approved by the State:

- (1) Consents to assume the status of responsible Federal official under the National Environmental Policy Act of 1969 (NEPA) and other provisions of Federal law, as specified in 24 CFR Part 58, which further the purposes of NEPA, insofar as the provisions of such Federal law apply to the Colorado Community Development Block Grant (COBG) Program; and
- (2) Is authorized and consents on behalf of the applicant and himself/herself to accept the jurisdiction of the Federal courts for the purpose of enforcement of his/her responsibilities as such an official.

- (g) It will comply with the financial management regulations, policies, guidelines and requirements set forth in the CDBG Direct Economic Development Projects and Business loan funds' Guidebook.

- (h) It will comply with:

- (1) **Section 110 of the Housing and Community Development Act of 1974**, as amended, and any State regulations regarding the administration and enforcement of labor standards.
- (2) **Davis-Bacon Fair Labor Standards Act (40 USC 276a - 276a-5)** requiring that, on all prime contracts which exceed \$2,000 for federally-assisted construction, alteration or rehabilitation, laborers and mechanics employed by contractors or subcontractors shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor. (This requirement applies to the rehabilitation of residential property only if such property is designed for use of eight or more families.)

- (3) **Contract Work Hours and Safety Standards Act of 1962 (40 USC 327 et seq.)** requiring that mechanics and laborers employed on federally-assisted contracts which exceed \$2,000 be paid wages of not less than one and one-half times their basic wage rates for all hours worked in excess of forty in a work week.
 - (4) **Copeland "Anti-Kickback" Act of 1934 (40 USC 276 (c))** prohibiting and prescribing penalties for "kickbacks" of wages in federally- financed or assisted construction activities.
- (i) It will comply with:
- (1) **Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352; 42 USC 2000 (d))** prohibiting discrimination on the basis of race, color, religion or religious affiliation, or national origin in any program or activity receiving federal financial assistance.
 - (2) The Fair Housing Act (42 USC 3601-20), as amended, prohibiting housing discrimination on the basis of race, color, religion, sex, national origin, handicap, and familial status.
 - (3) **Section 109 of the Housing and Community Development Act of 1974 (42 USC 5309)**, as amended, providing that no person shall be excluded from participation (including employment), denied program benefits or subjected to discrimination on the basis of race, color, national origin or sex under any program or activity funded in whole or in part under Title I (Community Development) of the Housing and Community Development Act.
 - (4) **Executive Order 11063 (1962)**, as amended by Executive Order 12259, requiring equal opportunity in housing by prohibiting discrimination on the basis of race, color, religion, sex or national origin in the sale or rental of housing built with federal assistance.
 - (5) **Executive Order 11246 (1965)**, as amended by Executive Order 11375, prohibiting discrimination on the basis of race, color, religion, sex or national origin in my phase of employment during the performance of federal or federally-assisted contracts in excess of \$2,000.
 - (6) **Section 3 of the Housing and Community Development Act of 1968 (12 USC 1701 (u))**, as amended, providing that, to the greatest extent feasible, opportunities for training and employment that arise through HUD-financed projects, will be given to lower-income persons in the project area, and that contracts be awarded to businesses located in the project area or to businesses owned, in substantial part, by residents of the project area.
 - (7) **Section 504 of the Rehabilitation Act of 1973 (29 USC 793)**, as amended, providing that no otherwise qualified individual shall, solely by reason of a handicap, be excluded from participation (including employment), denied program benefits or subjected to discrimination under any program or activity receiving federal funds. Effective communication with persons of all types of disabilities must be ensured.
 - (8) **Age Discrimination Act of 1975, (42 USC 6101)**, as amended, providing that no person shall be excluded from participation, denied program benefits or subjected to discrimination on the basis of age under any program or activity receiving federal funds.

U) It will comply with:

- (1) **Section 104(d) of the Housing and Community Development Act of 1974, as amended (42 USC 5301), known as the "Barney Frank Amendment," and the HUD implementing regulations at 29 CFR Part 570**, requiring that local grantees follow a residential anti-displacement and relocation assistance plan which provides for the replacement of all low/moderate-income dwelling units that are demolished or converted to another use as a direct result of the use of COBG funds, and which provides for relocation assistance for all low/moderate-income households so displaced.
- (2) **Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended -- Title III, Real Property Acquisition (Pub. L. 91-646 and HUD implementing regulations at 49 CFR Part 24)**, providing for uniform and equitable treatment of persons displaced from their homes, businesses, or farms by federal or federally- assisted programs and establishing uniform and equitable land acquisition policies for federal assisted programs. Requirements include bona fide land appraisals as a basis for land acquisition, specific procedures for selecting contract appraisers and contract negotiations, furnishing to owners of property to be acquired a written summary statement of the acquisition price offer based on the fair market price, and specified procedures connected with condemnation.
- (3) **Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended - Title II, Uniform Relocation Assistance (Pub. L. 91-646 and HUD implementing regulations at 49 CFR Part 24)**, providing for fair and equitable treatment of all persons displaced as a result of any federal or federally-assisted program. Relocation payments and assistance, last-resort housing replacement by displacing agency, and grievance procedures are covered under the Act. Payments and assistance will be made pursuant to state or local law, or the grant recipient must adopt a written policy available to the public describing the relocation payments and assistance that will be provided. Moving expenses and up to \$22,500 or more for each qualified homeowner or up to \$5,250 or more for each tenant are potential costs.

(k) It will comply with:

- (1) **National Environmental Policy Act of 1969 (42 USC 4321 et seq.)**, as amended, and the implementing regulations of HUD (24 CFR Part 58) and of the Council on Environmental Quality (40 CFR Parts 1500 - 1508) providing for establishment of national policy, goals, and procedures for protecting, restoring and enhancing environmental quality.
- (2) **National Historic Preservation Act of 1966 (16 USC 470 et seq.)**, as amended, requiring consideration of the effect of a project on any district, site, building, structure or object that is included in or eligible for inclusion in the National Register of Historic Places.
- (3) **Executive Order 11593, Protection and Enhancement of the Cultural Environment, May 13, 1971 (36 FR 8921 et seq.)** requiring that federally-funded projects contribute to the preservation and enhancement of sites, structures and objects of historical, architectural or archaeological significance.
- (4) **The Archaeological and Historical Data Preservation Act of 1974, amending the Reservoir Salvage Act of 1960 (16 USC 469 et seq.)**, providing for the

preservation of historic and archaeological data that would be lost due to federally-funded development and construction activities.

- (5) **Executive Order 11988, Floodplain Management, May 24, 1977 (42 FR 26951 et seq.)** prohibits undertaking certain activities in flood plains unless It has been determined that there is no practical alternative, in which case notice of the action must be provided and the action must be designed or modified to minimize potential damage.
 - (6) **Executive Order 11990, Protection of Wetlands, May 24, 1977 (42 FR 26961 et seq.)** requiring review of all actions proposed to be located in or appreciably affecting a wetland. Undertaking or assisting new construction located in wetlands must be avoided unless it is determined that there is no practical alternative to such construction and that the proposed action includes all practical measures to minimize potential damage.
 - (7) **Safe Drinking Water Act of 1974 (42 USC 201, 300 f et seq., 7401 et seq.)**, as amended, prohibiting the commitment of federal financial assistance for any project which the Environmental Protection Agency determines may contaminate an aquifer which is the sole or principal drinking water source for an area.
 - (8) **The Endangered Species Act of 1973 (16 USC 1531 et seq.)**, as amended, requiring that actions authorized, funded, or carried out by the federal government do not jeopardize the continued existence of endangered and threatened species or result in the destruction or modification of the habitat of such species which is determined by the Department of the Interior, after consultation with the State, to be critical.
 - (9) **The Wild and Scenic Rivers Act of 1968 (16 USC 1271 et seq.)**, as amended, prohibiting federal assistance in the construction of any water resources project that would have a direct and adverse affect on any river included in or designated for study or inclusion in the National Wild and Scenic Rivers System.
 - (10) **The Clean Air Act of 1970 (42 USC 1857 et seq.)**, as amended, requiring that federal assistance will not be given and that license or permit will not be issued to any activity not conforming to the State implementation plan for national primary and secondary ambient air quality standards.
 - (11) **HUD Environmental Criteria and Standards (24 CFR Part 51)** providing national standards for noise abatement and control, acceptable separation distances from explosive or fire prone substances, and suitable land uses for airport runway clear zones.
- (l) It will:
- (1) Comply with **The Lead-Based Paint Poisoning Prevention Act- Title IV (42 USC 4831)** prohibiting the use of lead-based paint in residential structures constructed or rehabilitated with federal assistance and requiring notification to purchasers and tenants of such housing of the hazards of lead-based paint and of the symptoms and treatment of lead-based paint poisoning.
 - (2) Comply with the **Armstrong/Walker "Excessive Force" Amendment, (P.L. 101-144) & Section 906 of Cranston-Gonzalez Affordable Housing Act of 1990**, which requires that a recipient of HUD funds must certify that they have adopted or

will adopt and enforce a policy prohibiting the use of excessive force by law enforcement agencies within their jurisdiction against individuals engaged in nonviolent civil rights demonstrations; or fails to adopt and enforce a policy of enforcing applicable state and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstration within its jurisdiction.

- (3) Comply with the "**Government-wide Restriction on Lobbying, (P.L. 101-121)**, which prohibits spending CDBG funds to influence or attempt to influence federal officials; which requires the filing of a disclosure form when non-CDBG funds are used for such purposes; which requires certification of compliance by the state; and which requires the state to include the certification language in grant awards it makes to units of general local government at all tiers and that all sub-recipients shall certify accordingly as imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to civil penalty of not less than \$10,000 and not more than \$100,000 for each failure.
- (4) Comply with the **Department of Housing and Urban Development Reform Act of 1989 (24 CFR part 12)** requiring applicants for assistance for a specific project or activity from HUD, to make a number of disclosures if the applicant meets a dollar threshold for the receipt of covered assistance during the fiscal year in which an application is submitted. An applicant must also make the disclosures if it is requesting assistance from HUD for a specific housing project that involves assistance from other governmental sources.
- (5) Give the State, the U.S. Department of Housing and Urban Development (HUD), and any authorized representatives access to and the rights to examine all records, books, papers or documents related to the application and grant.
- (m) It will comply with all parts of Title 1 of the Housing and Community Development Act of 1974, as amended, which have not been cited previously as well as with other applicable laws and regulations.

**SIGNATURE PAGE
APPLICANT STATEMENT OF ASSURANCES AND CERTIFICATIONS
FOR COMMUNITY DEVELOPMENT BLOCK GRANT
BUSINESS LOAN FUNDS**

Signature, Chief Elected Official

Chaffee County

Title and Jurisdiction (Typed or Printed)

Signature, Chief Elected Official

Fremont County

Title and Jurisdiction (Typed or Printed)

Signature, Chief Elected Official

Lake County

Title and Jurisdiction (Typed or Printed)

Signature, Chief Elected Official

Custer County

Title and Jurisdiction (Typed or Printed)

Signature, Chief Elected Official

Park County

Title and Jurisdiction (Typed or Printed)

Signature, Chief Elected Official

Teller County

Title and Jurisdiction (Typed or Printed)

**SUGGESTED FORMAT-CITIZEN PARTICIPATION PLAN
FOR COMMUNITY DEVELOPMENT BLOCK GRANT
BUSINESS LOAN FUNDS**

Pursuant to Section 104(a)(3) of the Housing and Community Development Act of 1974, as amended, this Citizen Participation Plan is hereby adopted to ensure that the citizens of Chaffee, Fremont, Custer, Lake, Park and Teller Counties otherwise known as the Region 13 Business Loan Fund, particularly persons of low and moderate income residing in slum and blight areas and in areas in which CDBG funds are proposed to be used, are provided the opportunity and encouraged to participate in the planning and implementation of CDBG-funded activities.

PUBLIC HEARING

Public hearings will be the primary means of obtaining citizen views and responding to proposals and questions related to community development and housing needs, proposed CDBG activities and past CDBG performance.

Prior to submitting a CDBG application to the State, the Region 13 Business Loan Fund will conduct at least one public hearing to identify community development and housing needs, including the needs of low and moderate income persons, as well as other needs in the community that might be addressed through the CDBG program, and to review proposed CDBG activities and the past performance of the Region 13 Business Loan Fund in carrying out its CDBG responsibilities. In the event CDBG funds are granted by the State, the Region 13 Business Loan Fund will conduct at least one additional public hearing to allow citizens to review and comment on its performance in carrying out its CDBG program.

A formal public notice will be published in a newspaper of general circulation in the jurisdiction's area at least *five* (5) days prior to the public hearings. In the case of a multi-jurisdictional application, all directly participating jurisdictions are required to publish a notice pertaining to the public hearing in at least one newspaper of general circulation in each jurisdiction and each participating jurisdiction is required to hold at least one public hearing. A public notice will also be posted in the Upper Arkansas Area Council of Government Headquarters, and in other places frequented by the public, especially low and moderate income persons and persons benefiting from or affected by proposed CDBG activities. As circumstances warrant and as the Region 13 Business Loan Fund determines necessary or appropriate, participation may additionally be specifically solicited from persons of low and moderate income, those benefiting from or affected by CDBG activities and/or representatives of such persons. Hearings will be held at times and locations convenient to potential and actual beneficiaries, and with accommodation for the handicapped. In the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate, arrangements will be made to have an interpreter present.

PUBLIC INFORMATION AND RECORDS

Information and records regarding the proposed and past use of CDBG funds will be available at UAACOG Headquarters at 3224-A Independence Rd, Canon City, CO during regular office hours. The public will be so informed by public notice. Special communication aids can be made available to persons upon request.

TECHNICAL ASSISTANCE

The Region 13 Business Loan Fund will provide technical assistance to groups representative of persons of low and moderate income that request assistance in developing COBG proposals. The level and type of assistance appropriate will be determined by the Region 13 Business Loan Fund based on its ability to provide or arrange for such assistance, the cost of providing such assistance and other relevant factors.

WRITTEN COMMENTS AND RESPONSES

The Region 13 Business Loan Fund will respond to written complaints and grievances in writing in a timely manner. When practicable, such written responses shall be made within fifteen (15) working days.

NOTE: CITIZEN ADVISORY COMMITTEES ARE NOT REQUIRED. IF ONE IS PROPOSED, HOWEVER, THE COMMITTEES' ROLE AND COMPOSITION SHOULD BE INCLUDED IN THIS CP PLAN.

**SIGNATURE PAGE
CITIZEN PARTICIPATION PLAN
FOR COMMUNITY DEVELOPMENT BLOCK GRANT
BUSINESS LOAN FUNDS**

Signature, Chief Elected Official

Chaffee County

Title and Jurisdiction (Typed or Printed)

Signature, Chief Elected Official

Fremont County

Title and Jurisdiction (Typed or Printed)

Signature, Chief Elected Official

Lake County

Title and Jurisdiction (Typed or Printed)

Signature, Chief Elected Official

Custer County

Title and Jurisdiction (Typed or Printed)

Signature, Chief Elected Official

Park County

Title and Jurisdiction (Typed or Printed)

Signature, Chief Elected Official

Teller County

Title and Jurisdiction (Typed or Printed)

**SUGGESTED FORMAT
INTERGOVERNMENTAL AGREEMENT
FOR COMMUNITY DEVELOPMENT BLOCK GRANT
BUSINESS LOAN FUNDS**

THIS AGREEMENT, made this _____ day of _____, 20 23 by and among the following:

FREMONT COUNTY

CHAFFEE COUNTY

CUSTER COUNTY

LAKE COUNTY

PARK COUNTY

TELLER COUNTY

WHEREAS, the parties to this Agreement have the authority pursuant to Article XIV, Section 18 of the Colorado Constitution and Section 29-1-201, et seq., Colorado Revised Statutes, to enter into intergovernmental agreements for the purpose of providing any service or performing any function which they can perform individually.

WHEREAS, the parties to this Agreement desire to cooperate in developing and carrying out a Community Development Block Grant (CDBG) project, the purpose of which is to:

Provide business assistance in the form of Gap and Direct loans to businesses owned by persons of low to moderate income levels.

NOW THEREFORE, the parties hereby mutually agree as follows:

1. Designation of Lead Party: Fremont County (Lead Party) shall act as the lead party in developing and carrying out said proposed CDBG project.
2. Responsibilities of Lead Party. In its capacity as Lead Party, Fremont County (Lead Party) shall be the lead jurisdiction. In making application to the State Department of Local Affairs (State) for CDBG funds and shall be the grantee of the State for such funds, if awarded. As the grantee of the State, it shall be fully and solely responsible to the other parties to this Agreement for compliance with all financial management environmental review, labor standards, civil rights, recordkeeping, reporting and other requirements of the CDBG program contained in the Applicant Statement of Assurances and Certifications, and in the grant contract with the state, except those specified in Paragraph 3 hereinafter.
3. Responsibilities of All Parties: Each party to this Agreement shall be individually responsible for compliance with the following requirements of the **CDBG** program:
 - a) adopting a required Citizen Participation Plan, and providing to its citizens' information and opportunities to comment as required by the State in developing an application and in substantially changing project activities;
 - b) identifying its community development and housing needs, including the needs of low and moderate income persons, and the activities to be undertaken to meet such needs;

- c) adopting a required Anti-displacement and Relocation Assistance Plan which calls for replacement of demolished or converted low/moderate income housing units and provision of necessary relocation assistance; and
- d) taking actions to affirmatively further fair housing.

Furthermore, each party shall provide documentation to (Lead Party) demonstrating its compliance with the requirements specified in the Paragraph 3 and Fremont County (Lead Party) shall retain such documentation and other required records and documents for the period of time specified by the State.

4. Contracting: FREMONT COUNTY (Lead Party) shall contract with UAACOG-UAADC or, with other eligible individuals or entities to carry out all ordinary daily operations and any portion of the responsibilities assumed by Fremont County (Lead Party) under this Agreement and its grant contract with the State.
5. Term of Agreement This Agreement shall remain in full force and effect for so long as the parties to this Agreement are pursuing CDBG funding for said proposed project or, if awarded, carrying out such project activities. Any party to this Agreement may, however, terminate its participation in this Agreement six months after providing written notice of such termination to the other parties of this Agreement. This Agreement may be terminated at any time by agreement of all parties to this Agreement unless a grant contract is in effect with the State. In this case, the State must approve such termination and arrangements for completing the project.
6. Modification and Changes: The terms of this Agreement may be modified or changed at any time by agreement of all parties to this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day first above written.

(Lead Party)

By _____

Position _____

(Party)

By _____

Position _____

(Party)

By _____

Position _____

(Party)

By _____

Position _____

(Party)

By _____

Position _____

(Party)

By _____

Position _____

**SUGGESTED FORMAT
RESIDENTIAL ANTIDISPLACEMENT AND RELOCATION ASSISTANCE PLAN
FOR COMMUNITY DEVELOPMENT BLOCK GRANT
BUSINESS LOAN FUNDS**

The Region 13 Business Loan Fund will replace all occupied and vacant occupiable low/moderate income dwelling units demolished or converted to a use other than as low/moderate income housing as a direct result of activities assisted with CDBG funds, as required by Section 104(d) of the Housing and Community Development Act of 1974, as amended (the Act), and implementing regulations at 24 CFR 570.496a.

All replacement housing will be provided within three years of the commencement of the demolition or rehabilitation relating to conversion. Before obligating or expending funds that will directly result in such demolition or conversion, the Region 13 Business Loan Fund will make public and submit to the State the following information in writing:

1. Description of the proposed assisted activity.
2. The general location on a map and approximate number of dwelling units by size (number of bedrooms) that will be demolished or converted to a use other than as low/moderate dwelling units as a direct result of the assisted activity.
3. A time schedule for the commencement and completion of the demolition or conversion.
4. The general location on a map and approximate number of dwelling units by size (number of bedrooms) will be provided as replacement dwelling units.
5. The source of funding and a time schedule for the provision of replacement dwelling units.
6. The basis for concluding that each replacement dwelling unit will remain a low/moderate income dwelling unit for at least 10 years from the date of initial occupancy.

The Region 13 Business Loan Fund will provide relocation assistance, as described in 570.496a(b)(2), to each low/moderate income household displaced by the demolition of housing or by the conversion of a low/moderate income dwelling to another use as a direct result of assisted activities.

Consistent with the goals and objectives of activities assisted under the Act, the Region 13 Business Loan Fund will take the steps indicated below to minimize the displacement of persons from their homes. *

- * **The following are examples of steps to minimize displacement. The first two are required. The others are optional. Only check those which are appropriate for the project and local circumstances. Add other steps as necessary or appropriate.**

Consider all practical alternatives to any proposed project which may result in residential displacement. Alternatives to be considered include other sites for the proposed facilities/project. Also, to be considered are the costs and benefits, both financial and nonfinancial, of each alternative.

Provide counseling and referral services to assist those displaced to find alternative housing in the community.

Work with area landlords and real estate brokers to locate vacancies for households facing displacement.

Stage rehabilitation of assisted housing to allow tenants to remain during and after rehabilitation, working with empty buildings or groups of empty units first so they can be rehabilitated first and tenants moved in before rehab on occupied units or buildings is begun.

Establish temporary relocation facilities in order to house families whose displacement will be of short duration, so they can move back to neighborhoods after rehabilitation or new construction.

Evaluate housing codes and rehabilitation standards in reinvestment areas to prevent their placing undue financial burden on long-established owners or on tenants of multi-family buildings.
Develop displacement watch systems in cooperation with neighborhood organizations to continuously review neighborhood development trends, identify displacement problems, and identify individuals facing displacement who need assistance.

Signature, Chief Elected Official

Chaffee County

Title and Jurisdiction (Typed or Printed)

Signature, Chief Elected Official

Fremont County

Title and Jurisdiction (Typed or Printed)

Signature, Chief Elected Official

Lake County

Title and Jurisdiction (Typed or Printed)

Signature, Chief Elected Official

Custer County

Title and Jurisdiction (Typed or Printed)

Signature, Chief Elected Official

Park County

Title and Jurisdiction (Typed or Printed)

Signature, Chief Elected Official

Teller County

Title and Jurisdiction (Typed or Printed)

UAADC LOAN POLICIES (May 2020)

1. FEE STRUCTURE

Submittal/ Analysis fee =\$50 (non-refundable and paid with submittal of application)

Credit Check Fee= ordered and paid by the applicant (at applicant's cost)

Closing Fees= attorney document preparation/ filing fee \$150; origination fee as high as 3% of the loan principal amount

Servicing Fee= \$3 per month for the term of the loan

Late Payment Fee= after 10 days late 10% of the payment

2. **"GAP" LOANS** function to fill the gap remaining after the *primary lender* determines it cannot lend all necessary financing.
3. **"DIRECT" LOANS** function to provide loans to applicants having exhausted conventional sources of capital (do not meet bank-lending policies).
4. **MINIMUM/ MAXIMUM SIZE OF LOANS:** "GAP" loans \$20,000 / \$125,000; Direct loans \$5,000 to \$100,000
5. **JOB CREATION** will occur at a minimum rate of approximately one full time equivalent (FTE) job per \$20,000 borrowed. Jobs created will predominately be full-time, and seasonal jobs may represent a small portion of the FTE total. CDBG loan projects will have a minimum of 51% of its jobs filled by persons in low/moderate income households.
6. **THE DEFINITION OF A JOB** that meets "job creation" or "job retention" requirements are the job is the "principal occupation" of the employee.
7. **COLLATERAL** to secure the loan may be obtained from business and/or personal sources. The sufficiency of collateral will be determined by the UAADC Board on a case-by-case basis.
8. **KEY PERSON LIFE INSURANCE** will be provided in an amount equal to the balance of the loan and be made payable to the UAADC (required before closing).
9. **OWNER CASH/ EQUITY INJECTION** will be a minimum of 10% of the total project. Restaurant projects require a minimum of 20% of the total project. This policy is stated as a guideline. Documentation of owner injection is required.
10. **DEBT FINANCING** or "refinancing" for recent business expenses that improve business cash flow as a part of the overall financing of the current project may be considered by the Board.
11. **LEVERAGING** is required on "GAP" financing loans. UAADC "GAP" loans will be less than 50% of the total financing of the business. "Direct" loans do not require leveraging.
12. **CREDIT REPORTS** are ordered and paid by the applicant and submitted prior to the Board Meeting.
13. **UNCONDITIONAL PERSONAL GUARANTEE** will be required of applicants (including spouses) at loan closing.

Equal Opportunity & ADA: The UAADC is prohibited from discrimination based on race, color, religion, gender, national origin, age, disability, political affiliation or belief. The UAADC / UAACOG Section 504 / ADA Grievance Procedure is available upon request.

NOTE: Please contact the UAADC Administrator, Dave Paul, at 719-275-8350, or Email at Dave.Paul@uaacog.com, if you, the prospective borrower, have any question or concern.

UAADC/CDBG LOAN SLOW/NO LOAN PAYMENT POLICY

(approved by OEDIT-CDBG Staff December 1993)

GENERAL: When loan payments are late, slow-pay, or no-pay the overarching discretion of the UAADC Administrator is used in loan administration diligence and considers many loan/borrower factors when taking action to correct regular payment problems: loan pay down, quality of collateral, borrower business and personal income ability to get back to regular payment, borrower unforeseen and emergency business and personal situations, past pay history, consideration of temporary loan modification agreement including reduced monthly payment for a period of time or for the duration of the loan, and other factors.

30 to 60 Days past due: with consideration to the "general" above, at the Administrator's discretion, the borrower is contacted and the past due situation is discussed with hopes to arrive at a back-on-track payment plan.

60 to 90 Days past due: with consideration to the "general" above, at the Administrator's discretion, the borrower is contacted and a similar discussion is conducted as noted in 30 to 60 Days above with progressive assertiveness of the seriousness of the past due and the promissory note loan default. Hoped for outcome is a back-on-track payment plan is agreed to: if possible.

90 to 120 Days past due: with consideration to the "general" above, at the Administrator's discretion, the borrower will be sent the 1st Demand Payment Certified Mail notice citing the necessity to bring the loan current within 10-days of the date of the letter.

DEMAND PAYMENT THREE CERTIFIED LETTERS POLICY: When the above actions fail, the borrower will be sent a total of three certified demand payment letters in order to provide adequate and increasingly serious notice and to prepare for legal/court action by the UAADC Attorney. The time frame between letters is at the Administrator's discretion.

The first letter will notify of the amount past due and the need to bring the loan current or pay off within 10-days of the date of the letter. The second letter will be similar to the first letter but have an increasing seriousness regarding the past-due and default. The third and final demand payment letter will state "final demand letter", briefly describe the anticipated legal action, the responsibility of the borrower to pay UAADC legal cost, and if appropriate, encouragement to bring the loan current.

A primary principle of the certified mailing policy is to try to encourage borrower communication in order to achieve a loan workout in order to recover loan funds: when payment to bring the loan current is not possible.

Certified letter action to correct a payment default loan having a co-signor require the co-signor to be sent the certified letter within the same mailing time frame as the letter sent to the borrower.

UAADC grant CDBG final draft

Dave Paul <dave.paul@uaacog.com>

Mon 6/5/2023 12:30 PM

To: Anderson - DOLA, Alyson <alyson.anderson@state.co.us>

Cc: kristi.brownfield@uaacog.com <kristi.brownfield@uaacog.com>; Heather Evans <heather.evans@uaacog.com>

Bcc: Dave Paul <dave.paul@uaacog.com>

 1 attachments (1 MB)

CDBGfinalDraft.pdf;

Hi Alyson,

Please find attached the completed and corrected draft of our CDBG grant request. Please let me know if any other changes are necessary. Also please provide an email response that the publishing requirement can be met by having the public meeting schedule posted on each of the six county websites in lieu of in the newspaper.

Upon receipt of your response, we will do the following:

- 1) request approval of the request by the grantee (Fremont County BOCC)
- 2) request approval of the request by the UAADC/UAACOG BOD
- 3) schedule the public meeting (Please provide example advertisement if available)
- 4) in compliance with instructions, publicize and conduct the public meeting electronically
- 5) obtain signature approval from each BOCC for the six counties included
- 6) submit the completed application to CDBG grant coordinator (You 🤖)

Please let me know if there is anything I need to do differently in order to expedite the processing of our request.

Thanks,

Dave Paul

Director, Upper Arkansas Area Development Corp.

3224-A Independence Road

Canon City, CO 81212

Direct 719-502-1509

Office 719-275-8350 ext 134

Fax 719-275-2907

Email Dave.Paul@UAACOG.com

Re: Fw: UAADC grant CDBG final draft (2nd Request)

Anderson - DOLA, Alyson <alyson.anderson@state.co.us>

Thu 6/8/2023 4:04 PM

To: Dave Paul <dave.paul@uaacog.com>

Hi, Dave.



Yes, the advertisements can be electronic if that is the method that best works for the community (in particular the mentioned county without a print publication). You'll want to publish no later than 5 business days prior to the meeting. Please also send me the link to any publications and I will also publish on the DLG website.

You can find a bit more information on it here: <https://www.ecfr.gov/current/title-24/subtitle-B/chapter-V/subchapter-C/part-570/subpart-I/section-570.486>

I would highly recommend talking to one of the other regions (e.g. Region 9) to get a copy of their meeting plans as an outline.

The plan for the application that you've outlined looks solid. I'll keep you posted on the process on my end.

On Thu, Jun 8, 2023 at 3:03 PM Dave Paul <dave.paul@uaacog.com> wrote:

No worries, I have meetings in Canon tomorrow and would like to include the timeframe in my report, if you can get to my questions today 😊.

Thanks,
Dave
719-502-1509

From: Anderson - DOLA, Alyson <alyson.anderson@state.co.us>

Sent: Thursday, June 8, 2023 3:00 PM

To: Dave Paul <dave.paul@uaacog.com>

Subject: Re: Fw: UAADC grant CDBG final draft (2nd Request)

Sorry Dave. It's been a crazy week. I'm heading into a meeting right now and will get back to you afterwards.

On Thu, Jun 8, 2023 at 2:50 PM Dave Paul <dave.paul@uaacog.com> wrote:

Hi Alyson,

Sorry to be a pest, but I am uncomfortable moving this forward without your answers. Please advise.

Thanks,
Dave
719-502-1509