

Community Development Block Grant Policy & Procedures Manual



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Housing and Community Development Block Grant Program provides financing to for-profit and not-for-profit organizations for a wide range of activities. The primary objective of the CDBG program is the development of viable urban communities through the provision of decent housing, a suitable living environment and expanded economic opportunities principally for persons of low- and moderate- income, defined as a person residing in a household with income at or below 80% of area median income adjusted for household size (LMI).

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CITY OF CHEYENNE
HOUSING & COMMUNITY DEVELOPMENT
MISSION STATEMENT

Housing and Community Development's mission is:

"Exceptional customer service to Cheyenne residents, neighborhoods and agencies providing resources to improve the quality of life for the community".

PREFACE

Each year, the City of Cheyenne receives an allocation of Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development (HUD). The City's Housing and Community Development Office (H & CD) administers this allocation to expand the supply of quality and affordable housing and to help stabilize Cheyenne neighborhoods.

The Program Policy Manual establishes the framework guiding the operation of the City of Cheyenne Community Development Block Grant (CDBG) Program. It provides an approach for making decisions, ensuring the program is operated in a fair and consistent manner, as well as, providing all program participants with an understanding of how the City manages its CDBG Program.

Information included in this document is derived from three main sources:

- Federal requirements that impact local policies and procedures;
- Growth, demographic shifts, and changes in need that necessitate adjustments in the local program; and
- Historical knowledge gained from managing the program in the City.

Five Year Comprehensive Consolidated Plan (Consolidated Plan)

This Program Policy Manual complements the City's Consolidated Plan.

The plan describes the structure and process for administration of the City's federal funding programs.

The Consolidated Plan also identifies needs within the City; objectives to address those needs; and the basis for allocating funds between program activities developed to meet those objectives.

The current Consolidated Plan identifies community development needs and program objectives to address those needs. It includes a funding allocation formula by program category, as well as, specific criteria for the selection of projects within each funding category. The plan includes the process that is used to select projects.

The Consolidated Plan is developed with citizen input, as outlined in the Citizen Participation Plan (CPP).

The City Council adopts the plan by formal action. The Consolidated Plan is submitted to the U.S. Department of Housing and Urban Development (HUD) and is the basis for the City's expenditure of HUD funds.

This Policy Manual covers the Consolidated Plan cycle 2020 – 2024. The Consolidated Plan is developed and approved by the spring of the year preceding the beginning of each five-year planning cycle and the allocation formula. Objectives and program policies included in the Plan are in effect for five years. Project applications will occur annually.

Program Snapshot: CDBG Program Basics

Program Primary Objective	The primary objective of the CDBG program is the development of viable urban communities through the provision of decent housing, a suitable living environment and expanded economic opportunities principally for persons of
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	low-and moderate-income, defined as a person residing in a household with income at or below 80% of area median income adjusted for household size (LMI).
National Objective	<p>To achieve these objectives, the CDBG program includes a wide variety of eligible activities that may be implemented if a given activity meets one (1) of three (3) National Objectives, including:</p> <ul style="list-style-type: none"> • Benefit low- and moderate-income persons; • Preventing and eliminating slum or blight; and • Meeting an urgent need. <p>To ensure that CDBG primarily benefits LMI people, HUD requires that at least 70% of CDBG funds spent on activities other than program administration benefit LMI. This requirement may be met during a one (1), two (2), or three (3) year certification period that is specified in the Annual Action Plan certifications.</p>
Program Regulations	<p>The CDBG program regulations found at 24 CFR Part 570 govern the City’s use of program funds. The regulations are divided into several subparts. Including the following subparts that are applicable to the City and its subrecipients:</p> <ul style="list-style-type: none"> • Subpart A – General Provisions • Subpart C – Eligible Activities • Subpart D – Entitlement Grants • Subpart J – Grant Administration • Subpart K – Other Program Requirements • Subpart L – Loan Guarantees (Section 108 Loan Guarantee Program) • Subpart O – Performance Reviews
Target Geography	Citywide Program
Program Year	July 1 thru June 30

Regulatory Compliance 

Because the CDBG Program is a City of Cheyenne program utilizing Federal funds, several regulations and requirements apply. The following is a list of the key compliance areas you should understand before applying for funding. If your project is selected for funding, the H&CD office will provide you with detailed technical documents and will work with you to meet these requirements.

The City’s H&CD office is responsible for the administration of multiple fiscal years of CDBG funding at any given point in the program year. The program year is consistent with the City’s fiscal year (July 1 – June 30). While this procedural manual covers the administration of a single program year of CDBG funds from start to completion, it is important to keep in mind that in a given month, H&CD staff will be responsible for tasks associated with two (2) or more program years of CDBG funds. The overlapping responsibilities during a given program year are evident through examination of the CDBG agreements.

CHAPTER 1 – WELCOME

The City of Cheyenne Housing & Community Development (H&CD) provides this manual as a resource for implementing its Community Development Block Grant (CDBG) program projects.

Purpose of this Manual

A. Purpose of this Manual:

This manual contains the basic program guidelines for H&CD's CDBG program. The purpose of this manual is to introduce you to the program, ensure you understand the requirements of the program, and instruct you on how to manage funding.

The primary purpose of this manual is two-fold:

- To serve as the City of Cheyenne Housing & Community Development administrative policy and procedure (P&P) manual for its CDBG program; and
- To serve as a quick (abridged) reference for CDBG guidance and operational protocol and program changes.

This manual is not meant to be a substitute for **CDBG regulations**, but as a supplement to them. It is not exhaustive regarding all considerations affecting the use of CDBG funds. H&CD reserves the right to add, remove or change policies, procedures, or forms in this manual. Notwithstanding any information contained herein, where a conflict of language or omission of requirements occurs, the requirements of the Federal Notice and HUD Guidance on the CDBG program, as may be amended from time to time, shall prevail.

Lastly this manual lays the foundation to address housing concerns and disparities put forth in Consolidated Planning comments. Note that the 2021-2022 program years, program activities and guidelines will be added and/or modified as we start the process of the H&CD office taking lead in planning community development activities with the goal of eliminating the City's Impediments to Fair Housing Choice.

CHAPTER 1 – HISTORY AND GOALS OF THE PROGRAM

Program Overview

The U.S. Department of Housing and Urban Development (HUD) office of Community Planning and Development (CPD) awards Community Development Block Grants (CDBG) to units of local government for the implementation of a wide variety of housing, community, and economic development activities.

The CDBG program was enacted in 1974 under the Housing and Community Development Act to consolidate several other programs that addressed other housing, community, and economic development needs. The Catalogue of Federal Domestic Assistance Number for CDBG entitlement programs is 14.218.

Entitlement Jurisdiction

The City of Cheyenne is an eligible entitlement jurisdiction that receives a direct allocation of CDBG funds because the City's population is more than 50,000. To receive this direct allocation, the City must submit

a consolidated Plan on a 3 or 5-year basis and must submit Annual Action Plans describing the activities to be implemented with CDBG.

CDBG Primary Objective

The primary objective of the CDBG program is the development of viable urban communities through the provision of decent housing, a suitable living environment and expanded economic opportunities principally for persons of low- and moderate-income, defined as a person residing in a household with income at or below 80% of area median income adjusted for household size (LMI).

Area Median Income (AMI) for CDBG, as delineated by HUD each year. The current income limits for the City of Cheyenne can be found at: X:> Hud Department Folders > Program Forms > Section 8 Income Limits (year). There are two: One shows 100% AMI and the other shows 80% AMI. Only give sub-grantees the 80% list. You maintain the 100% list for internal use. You can find updated information by searching for “HUD Income Limits”. <https://www.huduser.gov/portal/datasets/il.html>.

National Objective

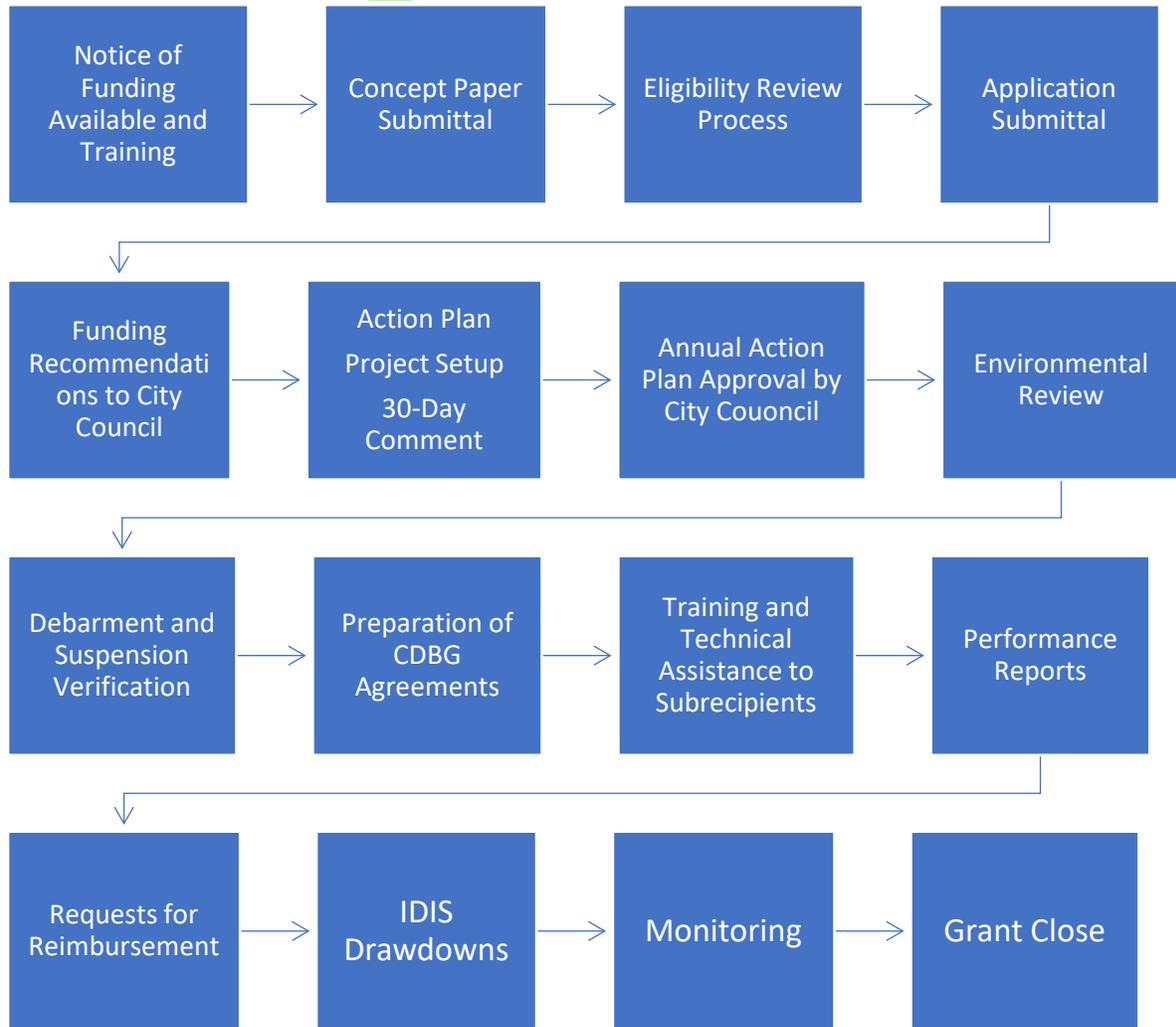
To achieve these primary objectives, the CDBG program includes a wide variety of eligible activities that may be implemented if a given activity meets one of three National Objectives, including:

All activities must meet one of the following national objectives for the program:

- Benefit Low- & Moderate- Income Persons
- Preventing & Eliminating Slum or Blight
- Meeting an Urgent Need

As part of each of the three broad National Objectives, there are subcategories that more specifically delineate how a National Objective will be met. Due to regulatory limitations, there are certain National Objective subcategories that are compatible with each eligible activity. A comprehensive table of eligible activities and permissible National Objective subcategories can be found on the HUD Exchange. “Guide to National Objectives and Eligible Activities for CDBG Entitlement Communities”. The guide is also in a 3-ring binder in the office.

CDBG Administration Process 



City of Cheyenne’s Statement of CDBG Policies 

The following policy statements are included throughout this CDBG Procedural Manual to clearly communicate the responsibilities of the H&CD staff in the administration of the CDBG program.

- H&CD staff shall document its review of the eligibility of all activities proposed for CDGB funding prior to the inclusion of an activity in any funding recommendation or Action Plan 
- H&CD staff shall document its review of each activity for compliance with the National Environmental Policy Act (NEPA) requirements prior to contracting funding or disbursing funds. Utilize HERO’s in IDIS for this.
- H&CD staff shall prepare written agreements for each CDBG-funded activity to disseminate all applicable federal, state, and local requirements to subrecipients and City Departments implementing CDBG-funded activities.
- H&CD staff shall verify that participating contractors, subcontractors, consultants and subrecipients are not suspended, debarred, or otherwise prohibited from conducting business

with any Federal Agency by checking the System for Award Management (SAM) database. [System for Award Management \(sam.gov\)](https://sam.gov)

- H&CD staff shall setup activities in IDIS and fund activities in IDIS to facilitate grant reporting and drawdown throughout the program year.
- H&CD staff shall provide training and technical assistance to subrecipients and City Departments to foster program-wide compliance with the CDBG regulations and to facilitate practical understanding of the terms and conditions of written agreements.
- H&CD staff shall collect performance reports for all activities that are “open” in IDIS monthly. Performance reports shall be evaluated to determine the sufficiency of program performance and to facilitate the entry of accomplishment date into IDIS.
- H&CD staff shall review requests for reimbursement for compliance with the CDBG regulations and the terms and conditions of the written agreement between the City and subrecipient or City Department. Only those requests that are fully documented and compliant shall be paid.
- H&CD staff shall draw down funds from IDIS to reimburse the City for its expenditure of funds for CDBG activities. Drawdowns shall be conducted monthly.
- H&CD staff shall conduct a risk assessment of all open CDBG activities and shall conduct on-site monitoring reviews of new or at risk subrecipients or City Departments.
- H&CD staff shall establish tracking and data collection systems to support the preparation and submittal of a variety of compliance reports to HUD throughout each program year as required by the CDBG regulations and other federal requirements.
- H&CD staff shall implement grant closeout procedures as part of IDIS activity completion and the preparation of the CAPER to verify records demonstrating that each CDBG activity has complied with 24 CFR Part 570 and to verify that all City of Cheyenne CDBG procedures have been followed in the implementation of each activity.

GENERAL PROGRAM REQUIREMENTS

This section includes a brief summary with information on each of the basic eligible activities noted above using information from the CDBG Regulations and HUD’s *Basically CDBG* published September 2017 and available online at [Basically CDBG for Entitlements - HUD Exchange](#). For more detailed information, staff should refer to the CDBG Regulations and *Basically CDBG*.

Eligible Activities

The CDBG regulations permit a wide variety of community, housing, and economic development activities. Some of the basic eligible CDBG activities include:

Housing	<ul style="list-style-type: none"> •Rehabilitation of low-income housing •Homeownership assistance •Acquisition, disposition, clearance, demolition, historic preservation •Code Enforcement
Public Facilities	<ul style="list-style-type: none"> •Acquisition •Construction / Reconstruction, Rehabilitation •Installation •Disposition, clearance, demolition, historic preservation
Economic Development	<ul style="list-style-type: none"> •Microenterprise Assistance •Commercial Rehabilitation •Special Economic Development Activities to create or retain jobs
Public Service (15% limit)	<ul style="list-style-type: none"> •Job Training / Employment Services, Child Care •Healthcare and substance abuse services •Graffiti Removal, Crime Prevention •Fair Housing Counseling
Planning and Administration (20% limit)	<ul style="list-style-type: none"> •Development of the Consolidated Plan, Action Plan and CAPER •General management, oversight and coordination •Fair Housing activities •Policy, planning, management and capacity building

This section includes a brief summary with information on each of the basic eligible activities noted above using information from the CDBG Regulations and HUD’s *Basically CDBG*.

Housing Activities

Rehabilitation

CDBG funds may be used for the rehabilitation of owner or renter housing that is occupied by LMI households. For rental properties, at least 51% of the units on the property must be rented to LMI households. Eligible costs include:

- Labor and materials
- Replacement of principal fixtures and components of existing structures
- Water and sewer connections

- Installation of security devices, including smoke detectors
- Initial homeowner warranty premium
- Hazard insurance premium (except when a grant is provided)
- Flood insurance premium
- Conservation costs for water and energy efficiency
- Landscaping, sidewalks, garages, and driveways when accompanied with other rehabilitation needed on the property
- Evaluating and treating lead-based paint

Homeownership

Homeownership assistance using CDBG funds may be provided to an LMI household to purchase an existing or newly constructed home. Eligible costs include:

- Up to 50% of required down payment
- Reasonable closing costs
- Principal write-down assistance
- Interest rate subsidy (buy down)
- Acquisition financing
- Acquisition of guarantees for mortgage financing from private lenders (i.e. assist homebuyers with private mortgage insurance)

New Construction

New construction of housing is generally ineligible; however, the City may assist the new construction of housing by providing ancillary support for the development, including:

- Acquisition by public or nonprofit entities
- Site clearance and assemblage
- Site improvements (if in public ownership)

Public Facilities and Improvements

Acquisition, Construction, Reconstruction, Rehabilitation

The acquisition, construction, reconstruction, rehabilitation or installation of public facilities and improvements are eligible pursuant to §570.201(c) and may be carried out by the City, a subrecipient or other nonprofit. The facilities may only be owned by the City, a subrecipient or other nonprofit. Eligible public facilities and improvements include:

- Senior centers
- Handicapped centers
- Homeless facilities
- Youth centers
- Neighborhood facilities
- Parks and recreational facilities
- Parking facilities
- Solid waste disposal improvements
- Flood drainage improvements

- Water / sewer improvements
- Street improvements
- Sidewalks, curbs, and gutters
- Childcare centers
- Tree planting
- Fire station / equipment
- Health facilities
- Abused / neglected children facilities
- Asbestos removal
- Facilities for AIDS patients

Costs associated with energy efficiency improvements, handicapped accessibility improvements (including improvements to buildings used for the general conduct of government) and architectural design features and other treatments aimed at improving the aesthetic quality of the facility such as sculptures or fountains are eligible.

Economic Development

Pursuant to the CDBG Regulations at §570.203, CDBG funds may be used for activities related to economic development, such as those discussed below.

Special Economic Development

CDBG funds may be used to undertake certain special economic development activities such as:

- Acquiring, constructing, reconstructing, rehabilitating, or installing commercial or industrial buildings, structures, and other real property equipment and improvements, including railroad spurs or similar extensions. These are economic development projects undertaken by the City or by nonprofits
- Assisting a private, for-profit business, including grants, loans, loan guarantees and technical assistance
- Providing economic development services in connection with otherwise eligible CDBG economic development activities

Community-Based Development Organizations

Economic development may also be undertaken by Community Based Development Organizations (CBDOs) to assist in neighborhood revitalization or community economic development. To be eligible, the CBDO must be carrying out neighborhood revitalization, community economic development or energy conservation projects. The following restrictions apply when a CBDO undertakes an activity:

- CBDOs may not carry out otherwise ineligible activities (i.e., general government buildings or expenses, or political activities) and
- CBDOs cannot carry out special economic development activities that do not meet the City's underwriting guidelines for such projects and HUD's mandatory public benefit standards

CBDOs are authorized to carry out public services that exceed the 15% public services cap when the services are specifically designed to increase economic opportunities through job training/placement and other employment support services. CBDOs may also provide public services of any type outside of the



public services cap if the services are undertaken as part of a HUD-approved Neighborhood Revitalization Strategy Area (NRSA), CBDOs may not carry out program administration or planning activities that would result in the City exceeding the 20% limit on such expenditures.

Technical Assistance

The City or a subrecipient may provide technical assistance to businesses. This activity involves providing technical assistance and training on topics such as business planning or accounting. This activity may be undertaken under several different eligibility categories, assuming that the activity will meet a national objective.

- As a part of a special economic development project
- To the owner of a microenterprise
- As a public service
- By a CBDO as part of an eligible project

Microenterprise Development

Microenterprise development activities are designed to foster the development, support, and expansion of microenterprise businesses. A microenterprise is defined as a commercial enterprise that has five or fewer employees, one or more of whom owns the enterprise. A “person developing a microenterprise” refers to a person who has expressed an interest and who is, or after an initial screening process is expected to be, actively working toward developing a business that will be a microenterprise at the time it is formed. Eligible microenterprise activities include the provision of:

- Grants, loans, loan guarantees and other forms of financial support, for the establishment, stabilization, and expansion of microenterprises
- Technical assistance, advice, and business services to owners of microenterprises and persons developing microenterprises
- General support to owners of microenterprises and persons developing microenterprises including childcare, transportation, counseling, and peer support groups
- Training and technical assistance or other support services to increase capacity of the City or subrecipients to carry out microenterprise activities

Commercial Rehabilitation

These activities bring commercial structures up to code or improve their facades. If the structure is owned by a private, for-profit entity, the following limitations apply:

- Rehabilitation is limited to the exterior of the building and the correction of code violations
- Any other improvements are carried out under the special economic development activities category discussed above

Public Facilities and Improvements

These are public works that support economic development endeavors. Public works facilities and improvements include infrastructure projects such as off-site water, sewer, roads, drainage, railroad spurs and other types of public facilities or improvements.

Job training

Job training involves providing skill building classes to employees or potential employees and can be an important part of an economic program. This activity can be undertaken:

- As a part of a special economic development project
- As a public service
- By a CBDO as a part of an eligible project
- As a part of microenterprise assistance package to the owner of a micro business for his or her employees

It is important to note the following restrictions:

- Job pirating is prohibited under Section 588 of the Quality Housing and Work Responsibility Act of 1998. Job pirating refers to the use of federal funds to lure or attract a business and its jobs from one labor market to another
- CDBG funds may not be used to assist for-profit businesses, including expansions, as well as infrastructure improvement projects or business incubator projects designed to facilitate business relocation if:
 - The funding will be used to assist directly in the relocation of a plant, facility, or operation
 - The relocation is likely to result in a significant loss of jobs in the labor market area from which the relocation occurs

Before directly assisting a business with CDBG funds the City shall include appropriate language in the written agreement with the assisted business to ensure that no pirating has occurred. In addition to other programmatic clauses, the written agreement shall include:

- A statement from the assisted business as to whether the assisted activity will result in the relocation of any industrial or commercial plant, facility, or operation from one Labor Market Area (LMA) to another, and, if so, the number of jobs that will be relocated from each LMA.
- If the assistance will not result in a relocation covered by this section, a written certification from the assisted business that neither it, nor any of its subsidiaries, have plans to relocate jobs at the time the agreement is signed that would result in a significant job loss.
- The agreement shall provide for reimbursement of any assistance provided to, or expanded on behalf of, the business if assistance results in a relocation prohibited under this section.

Public Services

The CDB Regulations found at §570.201(e) permit the use of CDBG funds for a wide variety of public services, including but not limited to:

- Employment services (e.g., job training)
- Crime prevention and public safety
- Childcare
- Health services
- Substance abuse services (e.g., counseling and treatment)
- Fair housing counseling; Education programs
- Education programs

- Energy conservation
- Services for senior citizens
- Services for homeless persons
- Welfare services (excluding income payments)
- Down payment assistance (refer also to Housing section)
- Recreational services

CDBG funds may be used to pay for labor, supplies, and material, as well as, to operate and/or maintain the portion of a facility in which the public service is located. This includes the lease of a facility, equipment and other property needed for the public service.

To utilize CDBG funds for a public service, the service must be either:

- A new service
- A quantifiable increase in the level of an existing service which has been provided by the City or another entity on its behalf through state or local government funds in the 12 months preceding the submission of the City's Annual Action Plan to HUD
 - HUD may grant an exception to this requirement if HUD determines that any decrease in the level of a service was the result of events not within the control of the local government.

This provision was put into place to ensure that CDBG did not supplant local or state monies to fund essential services typically offered by the local government. This provision is applied as follows:

- If a service is new, it may be funded.
- If a service is existing, determine whether it was provided by or on behalf of the unit of local government with local or state funding.
 - If it was not provided by or on behalf of the local government with funding from the local government, it may be funded.
 - If it was provided by or on behalf of the local government with funding from the state or local government, the City must determine whether the proposed service will be a quantifiable increase in the level of service. If it can be documented that the service is a quantifiable increase in the level of service, it may be funded.

NOTE: The regulations do not prohibit a grantee from continuing to provide funding for a public service at the same or decreased level in subsequent program years.

Income payments to an individual or family, which are used to provide basic services such as food, shelter (including payment for rent, mortgage, and/or utilities), or clothing are generally ineligible, unless provided as a loan. Additionally, income payments provided as a grant are eligible only under the following conditions:

- The income payments do not exceed three consecutive months and
- The payments are made directly to the provider of such services on behalf of an individual or family



National Objectives

The CDBG program includes a wide variety of eligible activities that may be implemented provided only if the activity also meets one of the three permissible National Objectives, including:

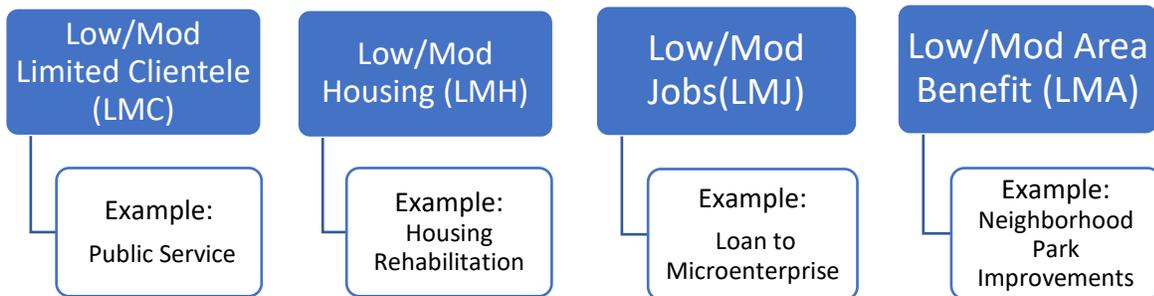


As indicated in the CDBG Overview section, HUD ensures that CDBG primarily benefits LMI people by requiring that at least 70% of CDBG funds spent on activities other than program administration benefit LMI.

As part of each of the three broad National Objectives, there are subcategories that more specifically delineate how a National Objective will be met. Due to regulatory limitations, there are certain National Objective subcategories that are compatible with each eligible activity. This section describes some of the key aspects of meeting National Objectives.

Benefiting Low- and Moderate-Income Persons

There are four ways an activity can meet the LMI National Objective.

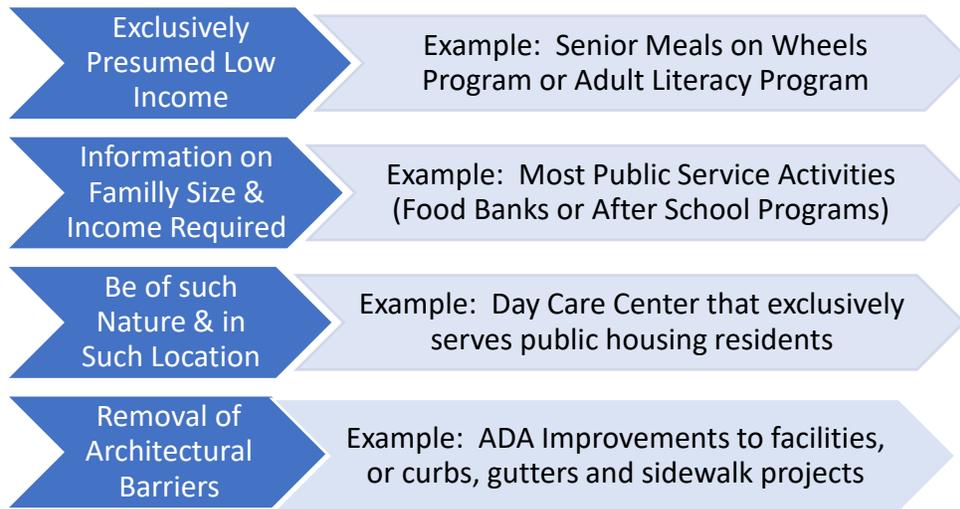


HUD ensures that CDBG primarily benefits LMI people by requiring that at least 70% of CDBG funds spent on activities other than program administration benefit LMI. This requirement may be met during a one, two, or three-year certification period that is specified in the Annual Action Plan certifications. The City reports overall LMI benefit to HUD in the Consolidated Annual Performance and Evaluation Report (CAPER) as part of the PR26 report generated by the Integrated Disbursement and Information System (IDIS).

Low- and Moderate-Income Limited Clientele (LMC)

An LMC activity provides benefits to a specific group of persons who directly use the CDBG funded service or facility, rather than to everyone in a particular geographic area. To meet the LMC National Objective, at least 51% of the beneficiaries of each activity must be members of low- and moderate-income

households. Most public service activities use one of the LMC subcategories. To qualify under any of the LMC subcategories, a limited clientele activity must meet one of the following criteria:



In accordance with §570.208(a)(2)(i)(A), activities that are exclusively presumed low-income must exclusively benefit any or a combination of the following groups: Abused Children, Elderly Persons, Battered Spouses, Homeless Persons, Severely Disabled Persons, Illiterate Adults, Persons Living with AIDS, and Migrant Farm Workers.

RECORDS TO BE MAINTAINED

The City, and its subrecipients, must collect and retain documentation showing that the activity is designed to be used exclusively by one of these presumed low-income groups, and the clientele meet the definition of one of those groups (i.e. a subrecipient administering a CDBG-funded Senior Services program should retain a copy of a photo I.D. or birth certificate showing each beneficiary is at least 62 years of age).

If the beneficiaries of a particular activity do not fall into one of the presumed low-income groups, then information on family size and income must be collected in accordance with §570.208(a)(2)(i)(B) or (C) to document that at least 51% of the beneficiaries are persons whose household income does not exceed the income limits adjusted for household size. HUD publishes annual income limits adjusted for household size for each region annually. Such information must be collected even if an activity is limited exclusively to LMI people.

RECORDS TO BE MAINTAINED

The City, and its subrecipients, must collect and retain documentation showing the size and annual income of the household of each person receiving the benefit. The income of each household member must be considered, not just the person receiving the benefit. Examples of income documentation include tax returns, paystubs, Social Security letters, etc.

In limited circumstances, an activity may be of such nature and in such location that it can be reasonably concluded that the activity's clientele will primarily be low- and moderate-income people, as indicated at §570.208(a)(2)(i)(D). An example would be a day care center that exclusively serves residents of a public housing complex. The City should carefully examine such activities and receive HUD's written approval before attempting to meet the LMC National Objective in this manner.

RECORDS TO BE MAINTAINED

The City, and its subrecipients, must collect and retain documentation describing how the nature and the location of the activity establishes that it will be used predominantly by Low / Mod-Income Persons.

The removal of architectural barriers meets the LMC National Objective at §570.208(a)(2)(ii), similar to the presumed low-income subcategory. Activities that remove material or architectural barriers to the mobility or accessibility of elderly persons or of adults meeting the Bureau of the Census' Current Population Reports definition of "severely disabled", can qualify under LMC so long as the activity does not qualify under LMA, LMH and LMJ National Objectives (described below).

RECORDS TO BE MAINTAINED

The City, and its subrecipients, must collect and retain documentation showing that barriers to mobility or accessibility have been removed and how the barrier removal was restricted to the extent feasible to one of the particular cases authorized under this subcategory.

Low- and Moderate-Income Area Benefit (LMA)

LMA activities benefit all residents of a particular area that is comprised of 51% or more LMI households and is also primarily residential. The benefits of this type of activity are available to all residents in the area regardless of income. Once the service area is determined, the City can determine if the area is comprised of at least 51% LMI residents by using the Census Method or Survey Method.

The first step to determine if an activity can meet the LMA National Objective is to determine the service area. The inclusion or exclusion of a particular portion of the City can significantly impact the percentage of LMI residents in the service area.

Although service areas do not need to be coterminous with census tracts or other officially recognized boundaries, it is useful if the service area reasonably coincides with such boundaries because of the need to consider census data in the area. It is critical, however, that the service area determined by the City be the entire area served by the activity. In accordance with §570.208(a)(1)(v), HUD will generally accept the City's determination unless the nature of the activity, or its location raises serious doubts about the claimed service area.

For example, a public park improvement must consider all those who will benefit from the improvement. If the public park is a large, citywide, or regional park, then the service area would be much larger than if the park was a small, neighborhood or pocket park. If the neighborhood park is used by, for example, all residents within a one-mile radius, the City must include all census tracts and block groups that fall within that radius, even if it includes a combination of Low/Mod and non-Low/Mod areas.

To determine the service area, the following steps must be taken:

1. Map the location of the proposed activity
2. Determine, based on the location and nature of the activity, which residents will use or benefit from the activity, and
3. Map the surrounding areas determined to benefit from the proposed activity (usually represented in a radius drawn around the proposed activity).

The regulations at §570.208(a)(1)(vi) provide that, for purposes of determining whether a particular area contains a sufficient percentage of LMI people to qualify an activity under the area benefit criteria, available information from the latest Census Data or American Community Survey (ACS) shall be used to the fullest extent feasible. The HUD-provided census data commutates the number of persons that resided in each tract/block group at the time of the last census and the percentage of such persons who were LMI at that time. Using this information, the City (and HUD) can compute the percentage of LMI people residing in any combination of tracts/block groups in the City.

Census Data is the most common way of determining whether a particular service area contains a sufficient percentage of LMI people to qualify as an LMA. To determine if a service area will meet the LMA National Objective using the census method, the following steps must be taken:

1. Determine all of the block groups contained in the service area
2. Add the total amount of persons residing in all block groups
3. Add the total number of low/mod persons residing in all block groups
4. Divide the total number low/mod persons by the total number of residents to determine the percentage of low/mod persons residing in the service area
5. If the percentage of low/mod persons residing in the service area is at least 51%, the activity meets the LMS National Objective.

If the City believes that the available census data does not reflect current relative income levels in an area, or where the area does not coincide sufficiently well with census boundaries, the City may conduct a survey of the residents of the area. The City must obtain HUD's approval of the survey instrument and other methodological aspects of the survey for this purpose. HUD will approve the survey where it determines that it meets standards of statistical reliability that are comparable to that of the Decennial Census data or American Community Survey (ACS) for areas of similar size.

It should also be noted that a grantee cannot use a survey of the income of the users of a particular facility or improvement to qualify it under the LMC National Objective if the facility or improvement provides a benefit that is available to all the residents of an area. This limitation derives from the statutory provision at section 105(c) concerning activities that serve an area generally. Notwithstanding this prohibition, a grantee may want to survey the users of an existing facility or improvement to determine where the users live, for purposes of helping the grantee determine the area served by the facility/improvement.

To determine if a service area will meet the LMA National Objective using the survey method, the following steps must be taken:

1. Make a written determination or finding that the available census data does not reflect the current relative income levels in the service area.
2. Develop a survey method or instrument to collect the number of low/mod residents in the service area.
3. Submit to and receive HUD approval of the survey method or instrument to be used.
4. Conduct the survey, usually involving a door-to-door and/or mail survey to certify each household's income in the service area.
5. Analyze the results of the survey, ensuring a minimum level of participation was received.
6. If the percentage of low/mod persons residing in the service area is determined to be at least 51% as a result of the survey, submit the survey results to HUD for approval.
7. HUD will issue a determination on whether the activity meets the LMA National Objective.

RECORDS TO BE MAINTAINED

The records that the grantee must keep demonstrating compliance under this subcategory include:

- Boundaries of the service area and the basis for determining those boundaries, and
- The percentage of Low/Mod Income Persons in the service area and the data used for determining that percentage (census or survey).

Low- and Moderate-Income Housing (LMH)

The Low- and Moderate-income Housing (LMH) subcategory is similar to the LMC subcategory, but the performance measure used is households instead of people. Section 105(c)(3) of the authorizing statute requires that an activity which assists in the acquisition, construction, or improvement of permanent, residential structures (including homeownership assistance) may qualify as benefiting LMI households only to the extent that the housing is occupied by LMI households.

Thus, the LMH subcategory described at §570.208(a)(3) only satisfies the LMI National Objectives if the housing will be occupied by an LMI household upon completion of the activity. The housing can be either owner- or renter-occupied and can be either single-family or multi-unit. When the housing is to be rented, the unit must be occupied by an LMI household at affordable rents. The City is responsible for establishing the criteria it will use to determine rent affordability and must make these criteria public.

Occupancy of an assisted housing activity by LMI households under the LMH subcategory is determined using the following general rules:

- A. All assisted single unit structures must be occupied by LMI households
- B. An assisted two-unit structure (duplex) must have at least one unit occupied by an LMI household, and
- C. An assisted structure containing more than two units must have at least 51% of the units occupied by LMI households.

RECORDS TO BE MAINTAINED

Pursuant to §570.206(b)(4), the records that the grantee must keep to demonstrate compliance under this subcategory include:

- A copy of the written agreement with each landlord or developer receiving CDBG assistance indicating the total number of dwelling units in each multi-unit structure assisted and the number of those units which will be occupied by Low/Mod Income Households after assistance.
- Total cost of the activity, including both CDBG and non-CDBG funds.
- For each unit claimed to be occupied by a Low/Mod Income Household, the size and combined income of the household.
- For rental housing only:
 - The rent charged (or to be charged) after assistance for each dwelling unit in each structure assisted; and
 - Information as necessary to show the affordability of units occupied (or to be occupied) by Low/Mod Income Households pursuant to criteria established and made public by the grantee.
- For each property acquired on which there are no structures, evidence of commitments ensuring that the above criteria will be met when the structures are built.
- Where applicable, records documenting that the activity qualifies under the special conditions regarding the new construction of nonelderly, multi-family housing that will have Low/Mod Income occupancy of less than 51%.
- Where applicable, information showing that the housing units assisted, although located in different structures, are authorized to be located in a single structure under one of the special situations described previously.

Low- and Moderate-Income Jobs Benefit (LMJ)

An LMJ activity creates or retains permanent jobs, at least 51% of which, on a full-time equivalent (FTE) basis, are either held by LMI people or is considered to be available LMI people. The LMJ National Objective is usually associated with economic development activities, but not all.

In counting the jobs to be used in the calculation for determining the percentage that benefit L/M income persons, the following policies apply:

- A. Part-time jobs must be converted to full-time equivalents (FTE) (e.g., a job that will require only working half time would count as only one-half a job);
- B. Only permanent jobs count and temporary jobs may not be included;
- C. Seasonal jobs are considered to be permanent for this purpose only if the season is long enough for the job to be considered as the employee's principal occupation;
- D. All permanent jobs created or retained by the activity must be counted even if the activity has multiple sources of funds; and
- E. Jobs indirectly created or retained by an assisted activity (i.e., "spin off" jobs) may not be counted.

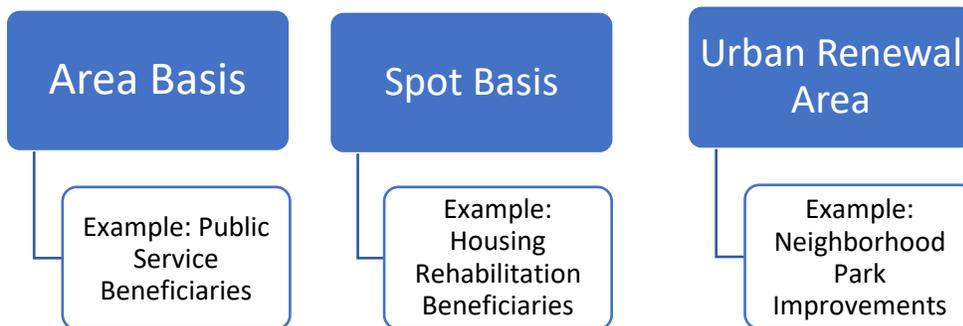
RECORDS TO BE MAINTAINED

The program records must document which jobs were actually created and retained, whether each such job was held by, taken by, or made available to a Low/Mod Income Person, and the full-time equivalency status of each job.

Slum-Blight National Objective

The second of the CDBG national objectives has its roots in the Urban Renewal program, one of the major Federal programs that were terminated and replaced with the CDBG program upon its formation in 1974. Although the vast majority of persons who resided in the areas that qualified for assistance under the Urban Renewal program were Low/Mod Income Persons, the principal focus of that program was to eliminate major slums and other areas of blight within the community and preventing the return of blight to the treated areas. Because of some concerns that the CDBG program might not allow the continuance of the type of projects that were funded under the Urban Renewal program, the national objective concerning slums and blight was created.

In developing the criteria for qualifying under this national objective, HUD has taken considerable care to ensure that eligible activities clearly eliminate objectively determinable signs of slums or blight in a designated slum or blighted area or are strictly limited to eliminating specific instances of blight outside such an area ("spot blight"). There are three subcategories under this national objective:



Slum / Blight Area Basis

To qualify under the national objective of slums/blight on an area basis, an activity must meet all of the following criteria:

- A. The area must be officially designated by the grantee and must meet a definition of a slum, blighted, deteriorated, or deteriorating area under state or local law. (For these purposes, it is not necessary to follow the formal procedures under state law for designating a slum or blighted area.)
- B. The area must exhibit the following physical signs of blight or decay:
 - a. There must be a substantial number of deteriorated or deteriorating buildings throughout the area. As a “safe harbor,” HUD will consider this test to have been met if either:
 - i. The proportion of buildings in the area that are in such condition is at least equal to that specified in the applicable state law for this purpose; or
 - ii. In the case where the applicable state law does not specify the percentage of deteriorated or deteriorating buildings required to qualify the area, then at least one quarter of all the buildings in the area must be deteriorated or deteriorating; or
 - iii. The public improvements throughout the area must be in a general state of deterioration. (For this purpose, it would be insufficient for only one type of public improvement, such as a sewer system, to be in a state of deterioration; rather the public improvements taken as a whole must clearly exhibit signs of deterioration.)
- C. Documentation must be maintained by the grantee on the boundaries of the area and the conditions which qualified the area at the time of its designation.
- D. Activities to be assisted with CDBG funds must be limited to those that address one or more of the conditions which contributed to the deterioration of the area. (Note that this does not limit the activities to those that address the blight or decay itself, but it allows an activity to qualify if it can be shown to address a condition that is deemed to have contributed to the decline of the area.)

Slum / Blight Spot Basis

Pursuant to §570.208(b)(2), the elimination of specific conditions of blight or deterioration on a spot basis is designed to comply with the statutory objective for CDBG funds to be used for the prevention of blight, on the premise that such action(s) serves to prevent the spread to adjacent properties or areas. To comply with the national objective of elimination or prevention of slums or blight on a spot basis i.e., outside a slum or blighted area, an activity must meet the following criteria:

- A. The activity must be designed to eliminate specific conditions of blight or physical decay not located in a designated slum or blighted area; and
- B. The activity must be limited to one of the following:
 - a. Acquisition
 - b. Clearance
 - c. Relocation
 - d. Historic Preservation

- e. Rehabilitation of buildings, but only to the extent necessary to eliminate specific conditions detrimental to public health and safety.

Urban Renewal Area

To qualify under the national objective of addressing slums/blight based on urban renewal completion, an activity must:

- A. Be located within an Urban Renewal project area or Neighborhood Development Plan (NDP) action area, i.e., an area in which funded activities were authorized under an Urban Renewal Loan and Grant Agreement or an annual NDP Funding Agreement, pursuant to Title I of the Housing Act of 1949; and
- B. Be necessary to complete the Urban Renewal plan, as then in effect. (This includes the initial land redevelopment called for by the plan.)

Urgent Need National Objective

Pursuant to §570.208(c), to comply with the national objective of meeting community development needs having a particular urgency, an activity must be designed to alleviate existing conditions which the grantee certifies:

- A. Pose a serious and immediate threat to the health or welfare of the community,
- B. Are of recent origin or recently became urgent,
- C. The grantee is unable to finance the activity on its own, and
- D. Other resources of funding are not available to carry out the activity.

A condition will generally be considered of recent origin if it is developed or became critical within 18 months preceding the grantee's certification.

RECORDS TO BE MAINTAINED

The records should include:

- A. A description of the condition that was addressed, showing the nature and degree of seriousness of the threat it posed;
- B. Evidence that the grantee certified that the CDBG activity was designed to address the urgent need;
- C. Information on the timing of the development of the serious condition; and
- D. Evidence confirming that other financial resources to alleviate the need were not available.

Eligibility Review Process:

H&CD staff shall document its review of the eligibility of all activities proposed for CDBG funding prior to the inclusion of an activity in any funding recommendation or Action Plan.

To ensure that activities receiving CDBG assistance are eligible, meet a National Objective, meet a Consolidated Plan – Strategic Plan goal and conform to local strategies, an eligibility review must be completed subsequent to the application submittal deadline and prior to consideration by the Housing and Community Development Advisory Board. The process is designed to codify the City’s review process before an activity is recommended for inclusion in the Annual Action Plan. The eligibility review also assists staff in the identification of any programmatic or financial special conditions that will need to be included in the CDBG written agreement.

Eligibility Review	
• Projects:	Review the eligibility of each CDBG application
• National Objective:	Verify the projects meet a national objective
• Strategic Plan Goals:	Verify that the project meets a goal
• DUNS Number:	Verify the applicants have a DUNS Number
• Sam.gov:	Verify the applicants are in Sam.gov
• Timeframe:	Verify the applicant indicates project will be completed in a timely manner

Activity Eligibility

In this section of the CDBG Eligibility Review, it is important to classify the activity under one of the IDIS matrix codes. The matrix codes associate an activity with specific requirements that often differ significantly from those of other matrix codes. For example, there is a statutory and regulatory limitation (15% public service cap) on the amount of CDBG funds which may be used for activities assisted under the category of Public Services (Matrix Code 05).

Example: Activities and Corresponding IDIS Matrix Codes

Public Services	<ul style="list-style-type: none"> •05A: Senior Services •05E: Transportation Services
Street Improvements or Curb/Sidewalks	<ul style="list-style-type: none"> •03K: Street Improvements •03L: Sidewalks
Public Facility Improvements	<ul style="list-style-type: none"> •03C: Homeless Facilities •03F: Parks, Recreational Facilities
Housing Rehabilitation	<ul style="list-style-type: none"> •14A: Rehabilitation; Single-Unit Residential
Administration	<ul style="list-style-type: none"> •21A: General Program Administration

Meeting a National Objective

Once an activity has been determined eligible, the next consideration in the preparation of the CDBG Eligibility Review is how the activity meets a national objective. Refer to National Objectives section above.

Conformance with Consolidated Plan – Strategic Plan Goals

After selecting the appropriate National Objective, staff must then associate the activity with one of the Consolidated Plan – Strategic Plan Goals enumerated in the current 5-Year Consolidated Plan. Each Strategic Plan Goal delineates the City’s objective, the performance indicator, and how many units of that performance indicator will be served during the 5-year period. If a CDBG application proposes an activity that does not conform to any of the Strategic Plan Goals, it may not be funded as part of an Action Plan unless the City amends its 5-Year Consolidated Plan – Strategic Plan goals to indicate a need for a particular activity in the community.

HUD Outcome-Objective Performance Measurement Framework

This section of the CDBG Eligibility Review documents how a particular activity fits into HUD’s Outcome-Performance Measurement Framework, which includes three objectives and three outcomes. Determining which category to use is generally informed by which combination of objective and outcome best describes the purpose of the activity.

HUD Outcome-Performance Measurement Framework

Availability/Accessibility	<ul style="list-style-type: none"> •Suitable Living Environment •Decent Housing •Economic Opportunity
Affordability	<ul style="list-style-type: none"> •Suitable Living Environment •Decent Housing •Economic Opportunity
Sustainability	<ul style="list-style-type: none"> •Suitable Living Environment •Decent Housing •Economic Opportunity

The three objectives include:

Suitable Living Environment

In general, this objective relates to activities that are designed to benefit communities, families, or individuals by addressing issues in their living environment.

Decent Housing

The activities that typically would be found under this objective are designed to cover the wide range of housing possible under CDBG. This objective focuses on housing programs where the purpose of the

program is to meet individual family or community needs and not programs where housing is an element of a larger effort, since such programs would be more appropriately reported under Suitable Living Environment.

Creating Economic Opportunities

This objective applies to the types of activities related to economic development, commercial revitalization, or job creation.

The three outcome categories include:

Availability/Accessibility

This outcome category applies to activities that make services, infrastructure, public services, public facilities, housing, or shelter available or accessible to low- and moderate-income people, including persons with disabilities. In this category, accessibility does not refer only to physical barriers, but also to making the affordable basics of daily living available and accessible to low- and moderate-income people where they live.

Affordability

This outcome category applies to activities that provide affordability in a variety of ways in the lives of low- and moderate-income people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care.

Sustainability

This outcome promotes livable or viable communities through activities that improve communities or neighborhoods, helping to make them livable or viable by providing benefit to LMI people or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhoods.

Environmental Review Process:

H&CD staff shall document its review of each activity for compliance with the National Environmental Policy Act (NEPA) requirements prior to contracting, funding or disbursing funds.

All CDBG activities are subject to requirements of HUD environmental review regulations at 24 CFR Part 58. These regulations implement HUD's responsibilities for use of federal funds under NEPA. The HUD environmental review process must be completed before CDBG funds may be accessed for the City's CPD-funded activities, or before the purchase of any land or buildings, or start of any work on a proposed project, even with non-HUD funds. These conditions are known as "choice-limiting decisions" and this limitation applies to all participants involved in a CDB-funded activity.

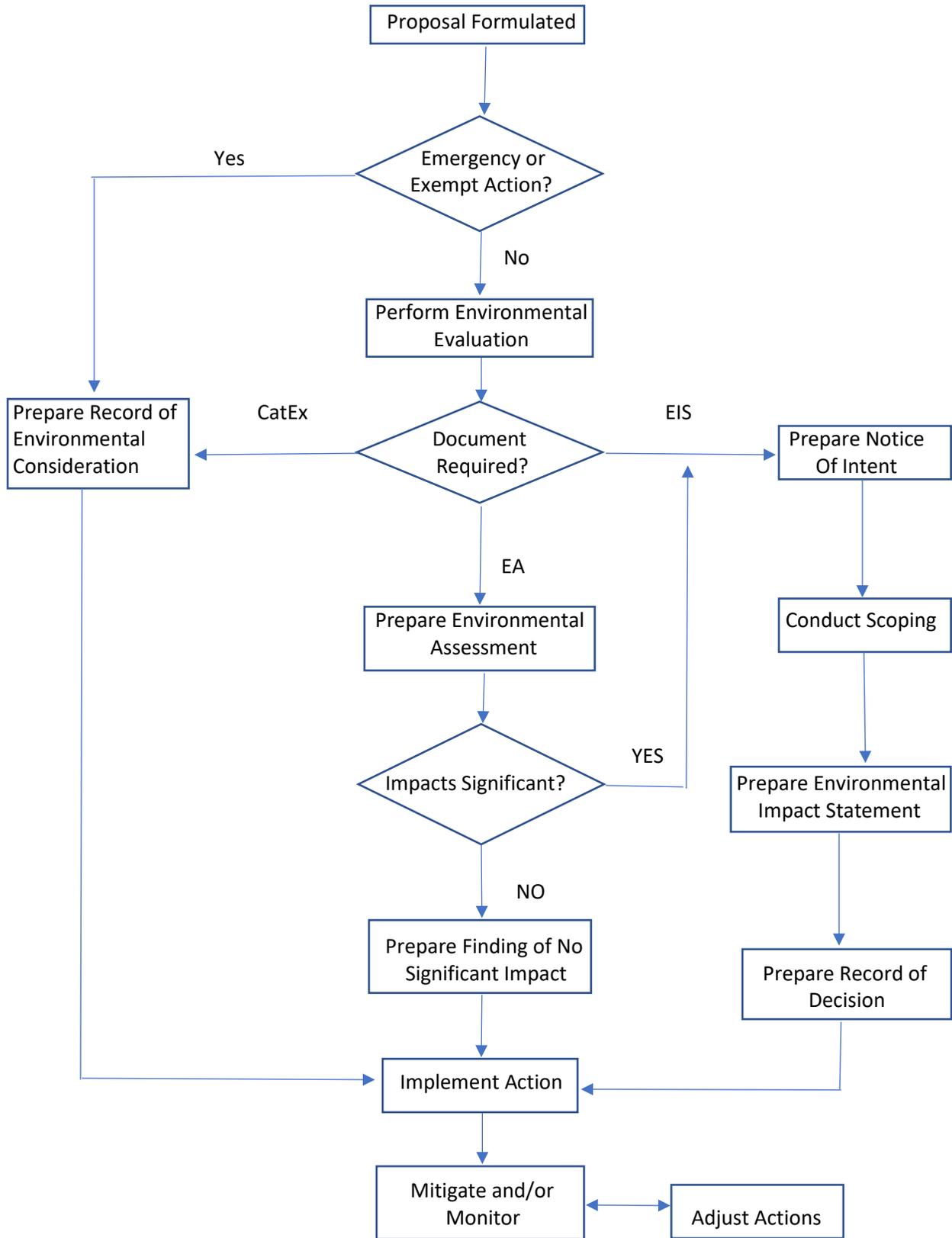
There are five levels of review identified in Part 58 that apply to CPD programs.

	Level of Environmental Review	Example Projects
1	Exempt (24 CFR Part 58.34) or Categorically Excluded NOT Subject to the §58.5 statutes (24 CFR Part 58.35(b))	Administration Public Services
2	Categorically Excluded Subject to §58.5 (may or may not require mitigation)	Curb, Gutter, Sidewalk Project Street Improvements
3	Environmental Assessment (24 CFR Part 58.36)	Construction of a new center
4	Environmental Impact Statement (24 CFR Part 58.37)	Construction of a Convention Center
5	Tiering (24 CFR 58.15)	Housing Rehabilitation Program

The primary objective of the environmental review is to identify specific environmental factors that may be encountered at potential project sites and to develop procedures to ensure compliance with regulations pertaining to these factors. There is no standard set of review procedures that makes sense for every program. Therefore, the HUD environmental review is designed to produce program-specific environmental review procedures. Utilize HEROs in IDIS for the environmental process. There are webinars you can access via <https://www.hudexchange.info>. When the environmental review process is complete, the City may commit CDBG funds.

The following flow chart summarizes the environmental review process for HUD-funded programs or projects.

The NEPA Process



Environmental Review

- Task: Prepare NEPA review in HEROs
- Timeframe: Prior to contracting, funding or disbursing funds
- Approval: Depends on the level of review. i.e. Exempt, Program Manager; EA, Mayor
- Comment Period: Notice date plus seven days; HUD has a fifteen day comment period

Subsequent to the completion of the environmental review, the City may enter into agreements and fund activities. It is important to note that the City is also responsible for ensuring that any remediation or mitigating conditions identified as part of the NEPA review are completed during the course of the project and that documentation is maintained in the CDBG activity files.

RECORDS TO BE MAINTAINED

The entire Environmental Review Record, all correspondence and any source documentation shall be maintained as part of the CDBG activity file. Additionally, documentation of compliance with any remediation or mitigating conditions identified as part of the NEPA review must be maintained.

Debarment and Suspension:

H&CD staff shall verify that participating contractors, subcontractors, consultants and subrecipients are not suspended, debarred, or otherwise prohibited from conducting business with any Federal Agency by checking the System for Award Management (SAM) database.

Federal funds granted by HUD may not be used to directly or indirectly employ, award contracts to, or otherwise engage the services of any contractor or subrecipient during any period of debarment, suspension, or placement of ineligibility status. Prior to entering into any HUD-funded agreement, the City must check all contractors, subcontractors (including sub-tier contractors), consultants and subrecipients against the System for Award Management (SAM), found at <https://www.sam.gov/SAM/>.

A debarment sanction means that an individual, organization and its affiliates are excluded from conducting business with any Federal Agency government wide. Depending upon the outcome of an investigation or legal proceeding, a suspension may lead to debarment. Debarment is the most serious compliance sanction and is generally imposed for a three-year period. However, debarment can be imposed for a longer period of time, if determined to be necessary to protect the public interest.

The administrative requirements at 24 CFR 85.35 prohibit grantees and subgrantees from making any award or permitting any award (subgrant or contract) at any tier to any party that is debarred or suspended or is otherwise excluded from or ineligible for participation in federal assistance programs subject to 2 CFR part 2424.

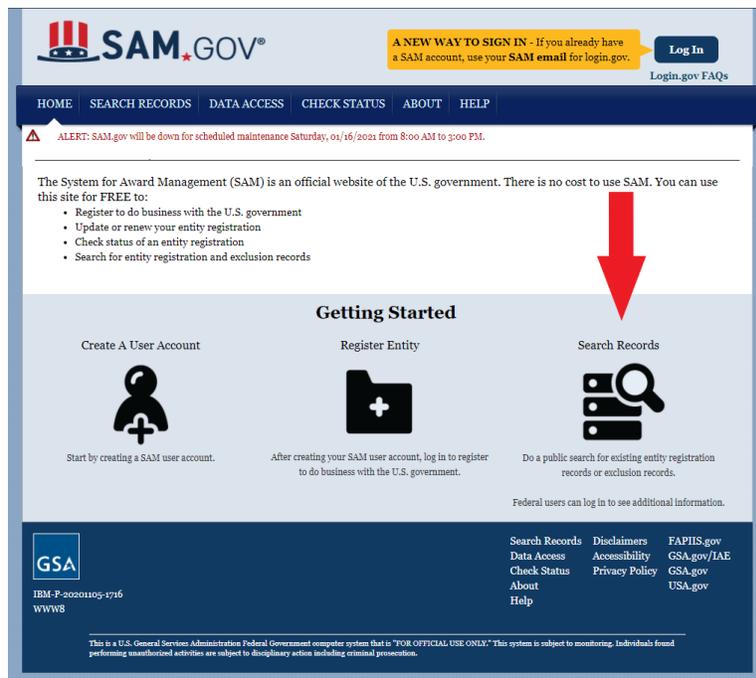
HUD policies and procedures concerning debarment and suspension are contained at 2 CFR Part 180 and 2 CFR Part 2424:

- 2 CFR Part 180 provides Office of Management and Budget (OMB) guidance for Federal agencies on the government wide debarment and suspension system for non-procurement programs and activities.
- 2 CFR Part 180 Subpart B describes which contracts are covered, including procurement and non-procurement contracts.
- 2 CFR Part 2424 adopts the OMB guidance on non-procurement debarment and suspension and supplements it with HUD-specific clarifications and additions.
- 2 CFR Part 2424 Subpart B expands the covered contracts to include any contract, regardless of tier, that is awarded by a contractor, subcontractor, supplier, consultant, or its agent or representative in any transaction, if the contract is to be funded or provided by HUD under a covered non-procurement transaction.

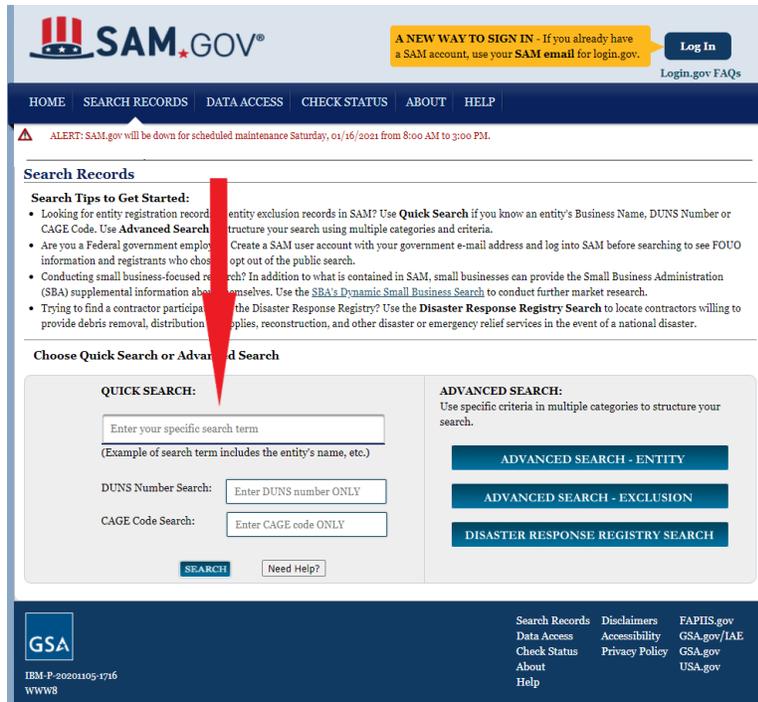
In general, the City must check the eligibility of every entity (contractor, subgrantee, consultant, etc.), and the principals and/or owners of those entities, prior to entering into an agreement and dispersing funds. The City must also document that eligibility and debarment status was checked, including the date the check was made.

To check the suspension and debarment status of a firm and/or individual, the City must search Sam.gov. The following steps outline the process for checking the debarment or suspension status of a company or individual:

1. Go to <https://www.sam.gov> and select “Search Records”.



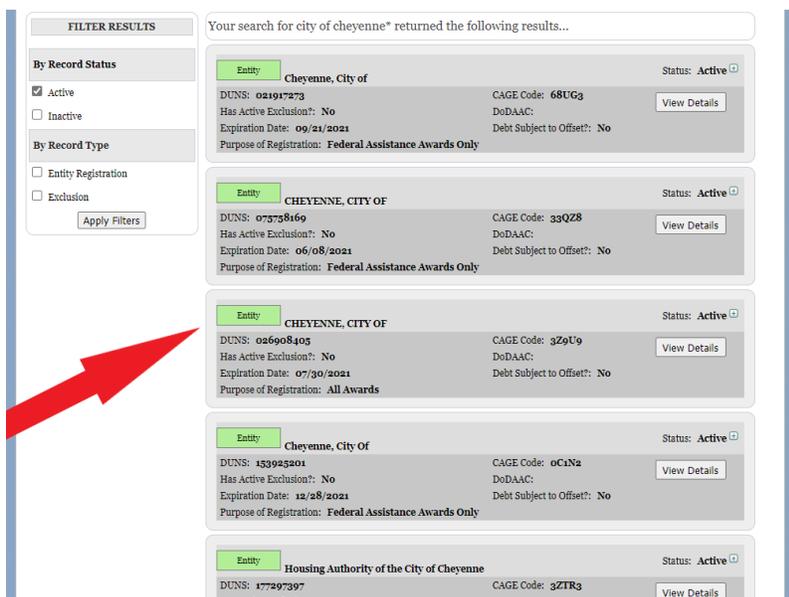
2. In the search box, type the name of the company or individual you are looking for. You can also search for the company using their DUNS number or CAGE number.



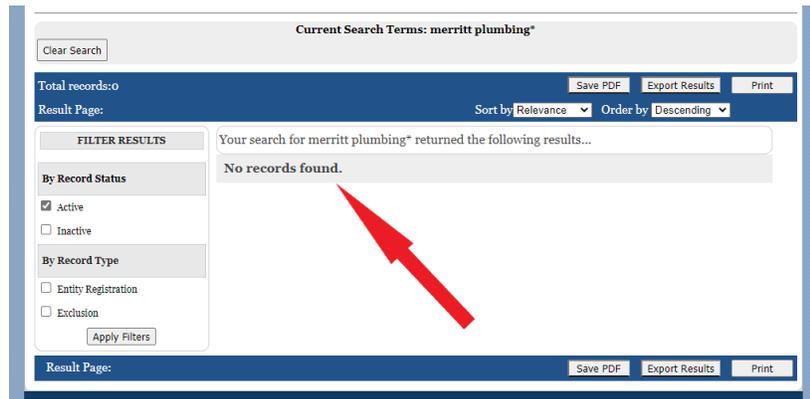
3. If a company is registered in the CCR system, you will get a result with a company name. If the “Has Active Exclusion” indicates “No”, the company is not excluded from Federal participation. If “Yes”, do not proceed with the proposed transaction with the excluded company. If a company is not registered in the CCR system, you will receive a message indicating “No records found for current search”.

4. Print and file your search results.

Example of Organization that is not excluded:



Example of organization that is not excluded and is not in CCR:



RECORDS TO BE MAINTAINED

SAM printout for each contractor, subcontractor, subrecipient, etc.

Action Plan IDIS Activity Setup/Editing:

H&CD Staff shall setup the Action Plan activities in IDIS and fund activities in IDIS to facilitate grant reporting and drawdown throughout the program year.

With the introduction in May 2012 of the eCon Planning Suite, a collection of new online tools to help grantees create market-driven, leveraged housing and community development plans, the IDIS Activity Setup and Funding process was integrated into the development of the Annual Action Plan in IDIS. Prior to this development, the City would conduct IDIS Activity Setup and Funding after the execution of the CDBG written agreement. Going forward, activities are now set up in IDIS as an extension of the development of the Annual Action Plan.

This new approach provides several benefits including streamlining the process, ensuring that all the key reporting elements of the grants management cycle are integrated into one system and ensuring cohesiveness between the goals described in the Consolidated Plan and Action Plan and the outcomes tracked in IDIS and reported in the Consolidated Annual Performance and Evaluation Report (CAPER).

Action Plan IDIS Activity Setup/Editing

- Task: Setup activities in IDIS, fund activities in IDIS
- Timeframe: Setup with Action Plan; fund after execution of agreement
- Document: Reference CDBG Eligibility Review and Action Plan
- Retention: Print and file Action Plan

To add a new plan, including the activities to be implemented by the City during the year.

1. Click on Plans/Projects/Activities in the Main Menu bar. By default, the system will display the Search Activities screen. On the left side of the screen, the system will display the sub-menus for Activities, Projects, Consolidated Plans and Action Plans. If the Consolidated Plan and Action Plan menus do not appear, check with your local IDIS administrator to make sure your IDIS user profile has been assigned access for these screens.
2. To add a new Action Plan, Click on Add in the Annual Action Plan sub-menu. The system will display the Administration screen.
3. Complete the Administration screen using the information below. Each required field is marked with an asterisk (*). Grantees can leave non-required fields blank and provide this information later.

Field *Indicates required field	Description
AAP Program Year*	Enter the program year. This should match the Federal fiscal year of the grantee’s allocation. For example, if the grantee’s program year is July 1, 2020, through June 30, 2021, the program year is 2020.
AAP Title*	Enter a title. The title will be displayed on the cover and at the top of each page of the printed report.
AAP Plan Version*	Enter a unique version. This field is alpha-numeric and can contain up to twenty characters. This field is listed in the search results and can be used to differentiate between different drafts of a plan.
If Amendment	Only a grantee user can identify the type of plan amendment (n/a, Substantial, Minor) being made. The default is n/a. When an amendment is indicated, the system will provide a dialog box with the definition of a substantial amendment and will indicate that substantial amendments require citizen participation and HUD approval.
Programs Included*	The system will place a check next to each program (CDBG, HOME, ESG, HOPWA) that the jurisdiction receives. The user may change the default selection. At least one selection must be indicated. The Quality Check would provide a warning if the programs selected do not match the grantee’s allocations in IDIS.
Is this Annual Action Plan associated with a Consolidated Plan?	If the Action Plan is for the second, third, fourth or fifth year of a Consolidated Plan already entered into IDIS, select Yes and click the Associate with Con Plan button. If the Action Plan will not be associated with a Consolidated Plan in the system (i.e., a stand-alone Action Plan) select no.

4. When finished, click on the <Save> button at the bottom of the screen. Once a plan is saved, the status is set to “Open-in Progress” and the grantee will be taken to the Annual Action Plan Menu screen that will list all the data entry screens. Below is a screenshot of the Annual Action Plan Menu associated with a Consolidated Plan. The menu for a stand-alone Action Plan is the same except for the addition of the Strategic Plan section.

Annual Action Plan

Setup

AD-26 Administration
AD-50 Verify Grantee/PJ Information in IDIS
AD-55 Verify Grantee/PJ - Program Contacts

Process

AP-05 Executive Summary
PR-05 Lead & Responsible Agencies
AP-10 Consultation
AP-12 Participation

Annual Action Plan

AP-15 Expected Resources
AP-20 Annual Goals and Objectives
AP-35 Projects
AP-50 Geographic Distribution
AP-55 Affordable Housing
AP-60 Public Housing
AP-65 Homeless and Other Special Needs Activities
AP-75 Barriers to affordable housing
AP-85 Other Actions
AP-90 Program Specific Requirements

To edit an existing Action Plan in IDIS Online:

1. Click on Plans/Projects/Activities in the Main Menu bar. By default, the system will display the Search Activities screen. On the left side of the screen, the system will display the sub-menus for Activities, Projects, Consolidated Plans, and Action Plans.
2. Click on Search in the Action Plan submenu. The system will display a search screen. Provide search parameters in the Year and Status fields and click <Search>.
3. Once the system displays the list of plans, click on <Edit> link for the plan you want to edit. The system will display a menu of links for all the data entry screens for the plan selected.

RECORDS TO BE MAINTAINED

Annual Action Plan printout from IDIS.

CDBG Written Agreements

H&CD staff shall prepare written agreements for each CDBG-funded activity to disseminate all applicable federal, state, and local requirements to subrecipients and City Departments implementing CDBG-funded activities.

The City is responsible for managing the day to day operations of its CDBG program, ensuring that CDBG funds are used in accordance with all program requirements delineated in written agreements, and taking appropriate action when performance problems arise. The performance of each subrecipient or contractor must be reviewed periodically (see "Monitoring" section of this Procedural Manual). The CDBG written agreement is the basis for implementation and compliance monitoring.

For all subrecipients, the City shall use a Subrecipient Agreement for service-related activities and a Development Agreement for construction related activities. The two different type of activities (service and construction/development) shall not be combined into one Agreement.

Written Agreements	
•Task:	Prepare Written Agreements
•Timeframe:	After Action Plan approval and funding is in the bank
•Document:	Sub-Grantee Agreement (Additional Documents)
•Retention:	CDBG Activity File, Archive after grant is completed

When properly written and executed, a written agreement is a valuable management tool for verifying compliance and monitoring performance. The agreement explains what the subrecipient or contractor agrees to do in exchange for receiving CDBG funds, including any documentation requirements to demonstrate regulatory compliance. The documentation need will be tailored for each agreement as every agreement will vary depending on the funding source, outcomes, accomplishments, and the expenses being covered for each eligible activity.

Training and Technical Assistance

H&CD staff shall provide training and technical assistance to subrecipients and City Departments to foster program-wide compliance with the CDBG regulations and to facilitate practical understanding of the terms and conditions of written agreements.

Training and Technical Assistance are important activities that promote greater understanding of the CDBG regulations, facilitate the implementation of CDBG-funded activities, and establish documentation protocols for the City and its sub-grantees or implementing City Departments.

Training and Technical Assistance can take many forms, including but not limited to:

- CDBG Training Session first Wednesday in October
- Sub-Grantee Procedures
- Answering questions by phone or e-mail
- Providing advice/direction as part of site visits or subrecipient monitoring
- Disseminating critical information to sub-grantees and City Departments
- Providing reference materials

Training and Technical Assistance	
•Task:	Provide technical assistance to sub-grantees and City Departments
•Timeframe:	Annually in October and prior to execution of written agreements
•Document:	Sub-Grantee Agreement (Additional Documents)
•Retention:	CDBG Activity File, Archive after grant is completed

To promote sound administration and implementation of the CDBG program amongst sub-grantees, the City will provide technical assistance to each sub-grantee at least twice per year in a congregate setting and an individual setting.

RECORDS TO BE MAINTAINED

Documentation of technical assistance in each CDBG activity file.

Performance Reports and Evaluation

H&CD staff shall collect performance reports for all activities that are “open” in IDIS not less than quarterly. Performance reports shall be evaluated to determine the sufficiency of program performance and to facilitate the entry of accomplishment data into IDIS.

Depending on the eligibility, beneficiaries and National Objective of each activity, the reporting requirements to HUD in the IDIS system will vary. To capture all of the HUD-required data elements necessary to complete activities in IDIS and to complete the CAPER at year-end, several reporting formats have been developed for use by sub-grantees and City Departments implementing CDBG-funded activities.

Performance Reports and Evaluation	
•Task:	Collect and evaluate performance reports, enter data in IDIS
•Timeframe:	Within 30 days subsequent to the end of each quarter
•Document:	Sub-Grantee Agreement (Additional Documents)
•Retention:	CDBG Activity File, Archive after grant is completed

Evaluating Accomplishments Versus Goals

Review the performance report to determine if the sub-grantee is on track to meet its annual goal as appropriate for the point-in-time of the review. For example, public service sub-grantees should be at least 50% of the way toward meeting their annual goal as of January 31st. However, the nature of some activities will result in no accomplishments until the Spring due to the way the activity is implemented.

In instances where an activity is not on a linear pace toward achieving 100% of its goal, the sub-grantee or City Department should include a written explanation in the narrative section of the performance report delineating how and when the annual goals will be met.

Corrective Action for Underperforming Projects

If a sub-grantee is not on track to meet the annual goal:

- Question sub-grantee on why? Is there an implementation issue that will result in goal attainment by June 15th?
- Schedule meeting with sub, if necessary, to discuss alternatives, provide technical assistance.

- Determine if Sub-grantee agreement needs to be amended or terminated.

Entering Accomplishment Data in IDIS

After receipt of reports, enter data into IDIS as appropriate to each open activity. For technical information on the entry of accomplishment data, refer to IDIS Online for CDBG Entitlement Grantees.

IDIS Flags and Remediation Plans

To prevent the occurrence of long-standing, open activities, cancelled activities with draws, and draws revised from one activity to another, IDIS provides activity flags for the CDBG Program. The system flags activities and requires justifications by grantees and field office for approval for:

- Activities that have had no draws for a year
- Activities that have not reported accomplishments for three-years
- Activities that have 80% of their funding amount disbursed and no accomplishments reported
- Activities that grantees request to cancel with draws

IDIS Flags and Remediation Plans

- Task: Enter remediation plans, take corrective action, certify completion
- Timeframe: Ongoing
- Document: N/A
- Retention: In IDIS

To address IDIS flags, check the gold section as indicated below. This indicates the number of at-risk activities. Click on the yellow (1 CDBG) link.

The screenshot shows the IDIS system interface. At the top, there is a navigation bar with tabs: Plans/Projects/Activities, Funding/Drawdown, Grant (highlighted in gold), Grantee/PJ, Admin, and Reports. Below the navigation bar, a yellow notification box states: "You have 1 CDBG activities that have been flagged. Click on the number to go to the review page." A red arrow points to this notification. Below the notification, the main content area is titled "Welcome to the Integrated Disbursement and Information System". On the left, there is a "IDIS News" section with a list of release notes. On the right, there is a "WARNING" section with a list of rules and policies. At the bottom, there is a "Warning!" section about session expiration and a footer with contact information for the U.S. Department of Housing and Urban Development.

For each activity “Awaiting Grantee’s Required Explanation and Remediation Plan” click on the blue link for “Explain.”

A screen will appear where staff can enter the reason for the delay i.e., why the activity did not have draws for one year or does not have accomplishments. Enter the Remediation Plan and the remediation actions to be undertaken with six months to resolve the flag, as well as the target completion date.

Below is an example of “Pending at Risk.”

Review Activities

CDBG HOME

Pending at Risk: 1

Pending at Risk (1 Activity)

Activity Name	IDIS Activity ID	Project	270 Days No Draw	2 yr 9 Mos No Acc	66% Drawn No Acc
1 Blighted Houses Demolition	412	2018/8	○		

After submittal in the system the activity will be marked for Field Office approval or rejection. In the event of Field Office rejection, the CPD Representative in the local Field Office assigned to the City will contact the City to provide instructions on what actions to take next and how to satisfactorily resolve the issue within a timeframe that is acceptable to HUD. Throughout the process, close coordination with the CPD Representative will be required to ensure that all CDBG-funded activities are on track for successful completion in IDIS.

RECORDS TO BE MAINTAINED

Performance Reports in each CDBG activity file.

Requests for Reimbursement

H&CD staff shall review requests for reimbursement for compliance with the CDBG regulations and the terms and conditions of the written agreement between the City and Sub-grantee. Only those requests that are fully documented and compliant shall be paid.

To ensure that CDBG funds are administered in accordance with the Uniform Administrative Requirements found at 24 CFR Part 85, the City operates the CDBG program on a reimbursable basis so that all documentation necessary to demonstrate compliance with the regulations can be collected, reviewed, and filed prior to payment with federal funds. Both the City and sub-grantees operate on a reimbursement basis so that federal funds are not drawn down in IDIS until the City is certain that all financial transactions occurred in a manner that fully documents compliance.

Sub-grantees submit reimbursement requests per the PS/GS Checklists. The checklists identify what documentation is required for reimbursement.

Requests for Reimbursement

- Task: Collect and review reimbursement requests, process for payment
- Timeframe: Ongoing
- Document: Per the checklists
- Retention: CDBG activity file

The following steps are involved in the approval process for a Reimbursement Request:

1. Upon receipt of a Reimbursement Request:
 - a. Review the request to ensure that it conforms to the CDBG written agreement between the City and the sub-grantee
 - b. Review the supporting documentation to ensure that it substantiates the amount of CDBG funds requested and demonstrates compliance with the applicable Uniform Administrative Requirements, Sub-grantee agreement, checklist, and OMB Circulars
 - c. For construction projects, verify that all Davis Bacon documentation has been received (if required).

Enter the Reimbursement Request into the Innoprise system. The Accounting staff will rove the requisition and process a purchase order.

RECORDS TO BE MAINTAINED

Complete copies of each Reimbursement Request shall be maintained in the CDBG activity file.

IDIS Drawdowns

H&CD staff shall draw down funds from the U.S. Treasury to reimburse the City for its expenditure of funds for CDBG activities. Drawdowns shall be conducted not less than monthly.

IDIS Drawdowns

- Task: Prepare voucher, approve draw
- Timeframe: Monthly
- Preparer: H&CD staff
- Approval: Accounting staff
- Document: IDIS PR05 Report, City financial records
- Retention: Drawdown/Reporting Files

In preparation for a drawdown, log into Innoprise, pull a Std Rpt: GLTX Detail report and a Std Rpt: Authorized Spending report. Verify with invoices and put the HUD ID numbers in the Authorized Spending

Report. Do drawdown in IDIS and get voucher number. Put voucher number and month in the Authorized Spending report and forward to Accounting Staff (Marty) to approve the drawdown in IDIS.

RECORDS TO BE MAINTAINED

Expenditure reports; invoices and drawdown records in each CDBG activity file.

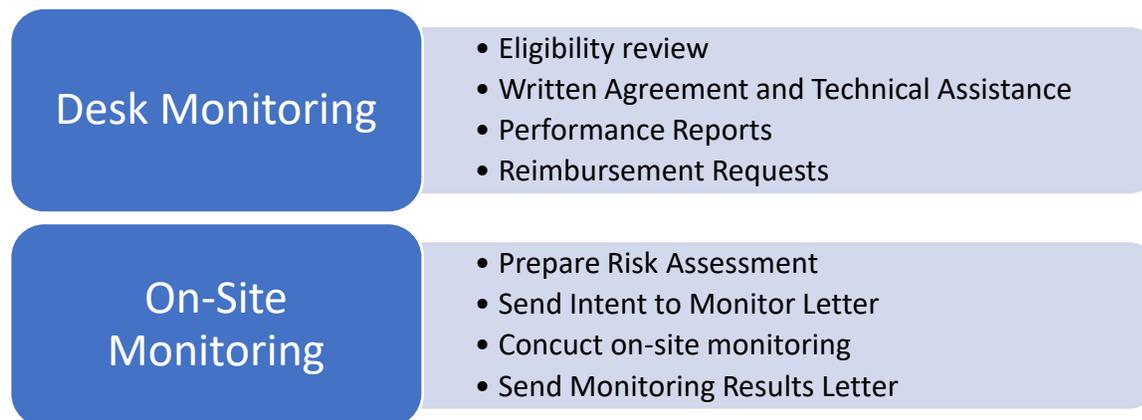
Subrecipient Monitoring

H&CD staff shall conduct a risk assessment of all open CDBG activities and shall conduct on-site monitoring reviews of all activities implemented by sub-grantees or City Departments that meet the threshold criteria identified in the annual risk assessment.

The City is responsible for ensuring that sub-grantees comply with all regulations and requirements governing the administrative, programmatic, and financial management of CDBG funds. Monitoring is an ongoing process beginning with the Eligibility Review and concluding with Grant Closeout.

The exception to this approach involves situations where the terms and conditions of the sub-grantees CDBG written agreement involve compliance beyond the term of the agreement, such as if CDBG funds were used to acquire or improve property. In those situations, the property must continue to meet a CDBG National Objective for a minimum period of five years, unless a longer period is specified in the CDBG written agreement.

To ensure full compliance with the regulations, the City takes a proactive approach to monitoring, including desk monitoring and on-site monitoring that involves several tasks throughout the program year as shown in the following chart:



Desk Monitoring

Each of the Desk Monitoring tasks correspond with other sections of this Procedural Manual. Proper documentation of the implementation of the Desk Monitoring tasks in the CDBG activity file will demonstrate to HUD that the City is actively engaged in compliance monitoring throughout the entire grant process. The Desk Monitoring process also serves to inform the City's risk assessment that is used to determine which sub-grantees will receive an on-site monitoring visit.

Risk Assessment

The annual Risk Assessment serves as the City’s monitoring plan each year. The Risk Assessment is designed to identify the highest risk activities based on indicators of need and capacity amongst sub-grantees.

The specific factors of risk considered as part of the Risk Assessment include:

Risk Factor	Description
Grant Amount	\$100,000 or more
Grant Amount	\$20,000 - \$100,000
Grant Amount	Under \$20,000
Monthly Reports and Reimbursement Requests	Sub-grantee submits inaccurate, incomplete, or late monthly reports. Sub-grantee has difficulty submitting accurate and timely reimbursement requests, to include demographics.
Program Management	City Staff experiences persistent difficulties with respect to management of the sub-grantee.
Communication	Sub-grantee does not respond to e-mails or phone calls.
Time since most recent monitoring	The sub-grantee was not monitored during the previous year.

Risk Assessment	
•Task:	Prepare CDBG Sub-grantee Monitoring Risk Assessment
•Timeframe:	On or before September 30th of each program year
•Document:	Risk Assessment Form
•Retention:	CDBG activity file for each program year

On-Site Monitoring

The on-site monitoring visit is a collaborative effort between the sub-grantee and City staff. The on-site monitoring process begins with a telephone call or an e-mail to the sub-grantee indicating that the sub-grantee has been selected for on-site monitoring. The purpose of the call is to coordinate the date and time of the on-site monitoring visit, to provide information on the nature and scope of the review and to confirm that key sub-grantee staff will be available for the date and time selected.

Prepare the Intent to Monitor Letter. The Intent to Monitor Letter indicates the purpose of the monitoring visit as well as the proposed date, time, and location of the monitoring visit. To assist the sub-grantee in preparation for the on-site monitoring visit, the Monitoring Tool is enclosed with the Intent to Monitor Letter.

Intent to Monitor Letter

•Task:	Prepare and mail the Intent to Monitor Letter
•Timeframe:	15-30 days prior to monitoring visit
•Document:	Intent to Monitor Letter
•Retention:	CDBG activity file for each program year

For each on-site monitoring visit, Monitoring Tool

Information available to the City in the CDBG activity file that should be reviewed prior to the visit include:

- Sub-grantee application for funding
- Eligibility review
- CDBG written agreement
- Performance Reports
- Reimbursement Requests
- Correspondence
- Prior monitoring reviews
- Copies of sub-grantee's most recent audits

The on-site monitoring visit begins with the City staff and key sub-grantee staff to ensure that the sub-grantee has a clear understanding of the purpose, scope, and schedule for the monitoring. The City staff will collect a sign-in sheet to document participation.

Subsequent to the monitoring, review the Monitoring Tool and conduct the assessment of the file documentation to address assigned sections of the Monitoring Tool. Generally, the review will result in a determination that the sub-grantee complied with a given section or that a finding or concern is identified. A finding is a condition where the sub-grantee has violated an applicable regulatory provision. A concern is a condition that if not corrected, may lead to findings, or may result in deficient program performance. Where appropriate, copies of documentation should be obtained to support any findings or concerns identified.

Sub-grantee staff should be interviewed during the assessment phase of the on-site monitoring visit to test their depth of understanding of the regulations and the terms and conditions of the CDBG written agreement. Staff interviews are the City's opportunity to assess how well the sub-grantee knows the CDBG program regulations and how those regulations are applied to the implementation of the activity. The assessment of documentation and the information gained from staff interviews will assist City staff in determining whether additional technical assistance to the sub-grantee is required to ensure proper implementation of each CDBG-funded activity.

At the conclusion of the on-site monitoring visit:

- Present the preliminary results of the monitoring, including findings that will require additional consultation to close the monitoring review.
- Secure additional information to solidify or resolve any preliminary findings or concerns.
- Provide an opportunity for the sub-grantee to correct any misconceptions or misunderstandings.
- Establish timeframes for the resolution of any findings.

- If applicable, provide an opportunity for the sub-grantee to report on steps the organization may already be taking to address areas of noncompliance or nonperformance.

Subsequent to the on-site monitoring visit, any findings or concerns identified will be transmitted to the sub-grantee in writing via e-mail with requests for corrective actions to be undertaken. The resolution of findings occurs informally between the sub-grantee and City staff prior to the issuance of the Monitoring Results Letter.

Monitoring Results Letter	
•Task:	Prepare and mail the Monitoring Results Letter
•Timeframe:	Within 60 days of the monitoring visit
•Document:	Monitoring Results Letter
•Retention:	CDBG activity file for each program year

The Monitoring Results Letter will provide a significant history of the on-site monitoring visit, including details on all findings and concerns identified and how those findings and concerns were resolved between the sub-grantee and the City. The Monitoring Results Letter is also an opportunity to recognize the successes of the sub-grantee in the implementation of their CDBG-funded activities and how those successes contribute to the City’s achievement of its 5-year Strategic Plan goals. Through the issuance of the Monitoring Results Letter after the satisfactory resolution of any findings of non-compliance or concerns, the monitoring review is closed.

High Risk Sub-Grantees

A sub-grantee is “high risk” when it is identified for on-site monitoring in three or more consecutive program years due to any combination of risk factors. On-site monitoring of high risk sub-grantees generally result in multiple findings of non-compliance that may also require the repayment of CDBG funds.

It is the intent of the City to cultivate positive partnerships with high-performing sub-grantees. However, if a sub-grantee does not perform to expectations, the City has a responsibility to its residents and to HUD to address problems with sub-grantees directly and fairly. There are three progressive approaches to address sub-grantees that are determined to be high risk, including early intervention, intervention for more serious or persistent problems and finally the imposition of sanctions.

- Early Intervention involves any combination of the following:
 - The development of strategies with the sub-grantee that include additional training and technical assistance.
 - Requiring more frequent or more thorough reporting by the sub-grantee.
 - Conducting more frequent on-site monitoring visits.
- Intervention for More Serious or Persistent Problems involves any combination of the following measures:
 - Placing restrictions on the sub-grantee payment requests.
 - Disallowance of sub-grantee expenses.
 - Requiring repayment of CDBG funds expended in an ineligible manner.

- Imposing probationary status whereby the sub-grantee is limited in its ability to conduct certain business without prior review and written approval of the City.
- A formal process for addressing sub-grantees will be followed for those who fail to resolve or address findings. Each situation will be looked at on a case by case basis. City may impose sanctions which may involve any combination of the following measures:
 - Temporarily suspending the sub-grantee.
 - Not renewing or funding the sub-grantee in subsequent program years.
 - Termination of the sub-grantee’s activity for the current program year.
 - Initiation of legal action.
- Any sanctions or other penalizing action to be taken must be approved by the Program Manager and City Treasurer.
- Sub-grantees will have the opportunity to due process if in disagreement with the City’s actions. Sub-grantees will submit in writing to the Program Manager within 10 days from notification of actions. The Program Manager will review and respond within 10 days of Sub-grantees letter.

RECORDS TO BE MAINTAINED

A complete on-site monitoring stack should be placed in the corresponding CDBG activity file. The on-site monitoring stack includes, but is not limited to:

- Intent to Monitor Letter
- Monitoring Tool
- Supporting documentation
- E-mail correspondence between sub-grantee and City to resolve any findings
- Monitoring Results Letter

Reporting to HUD

H&CD Staff shall establish tracking and data collection systems to support the preparation and submittal of a variety of compliance reports to HUD throughout each program year as required by the CDBG regulations and other federal requirements.

HUD requires the submittal of four periodic reports throughout the program year besides the Consolidated Annual Performance and Evaluation Report that is submitted annually within 90 days of the end of the program year. The periodic reports include the IDIS Cash on Hand Quarterly Report, the Contract-Subcontract Activity Report, the Semi-Annual Labor Standards Enforcement Report, and the Section 3 Summary Report.

IDIS Cash on Hand Quarterly Report

Starting in Federal fiscal year 2020 (FY 2020), the Entitlement Communities, Insular Areas, and non-Entitlement Counties in Hawaii are required to complete the Cash on Hand Quarterly Report and submit

it to grantee’s HUD local field office through IDIS. The field offices will review report’s completeness and accuracy. The reporting frequency is the same as previously required of the SF-425, quarterly. The Quarterly Cash on Hand report must be submitted to the respective field office within 30 days after the end of the reporting period. The following Federal fiscal year quarter reporting periods will be used for all quarterly reports.

Reporting Period	Due Date of Report
Quarter 1: 10/1 – 12/31	1/30
Quarter 2: 1/1 – 3/31	4/30
Quarter 3: 4/1 – 6/30	7/30
Quarter 4: 7/1 – 9/30	10/30

IDIS Cash on Hand Quarterly Report

- Task: Prepare and submit the IDIS Cash on Hand Quarterly Report
- Timeframe: Due to HUD 30 days subsequent to the end of each quarter
- Preparer: City Treasurer
- Document: IDIS Cash on Hand Quarterly Report
- Retention: CDBG Administration file

Contract-Subcontract Activity Report – 2516 MBE

The Contract-Subcontract Activity Report is used by HUD to monitor and evaluate MBE activities against the total program activity and the designated minority business enterprise (MBE) and Women Business Enterprise (WBE) goals. HUD requires the information to provide guidance, oversight and for the development of MBE and WBE goals. The Reporting Period is October 1-March 31 and April 1-September 30. The report must be submitted to the Field Office’s Financial Analyst within 30-days of the end of the Reporting Period.

Contract-Subcontract Activity Report

- Task: Prepare and submit the Contract-Subcontract Activity Report
- Timeframe: Due to HUD 30 days subsequent to the end of the reporting period
- Document: Contract-Subcontract Activity Report - 2516 MBE
- Retention: CDBG Administration file

Semi-Annual Labor Standards Enforcement Report

The HUD-4710 Semi-Annual Labor Standards Enforcement Report, covering the periods of October 1-March 31 and April 1-September 30 is a report to the Field Office Labor Relations representative within 7 calendar days after the end of the period covered, or upon request.

Semi-Annual Labor Standards Enforcement Report

- Task: Prepare and submit the Semi-Annual Labor Standards Enforcement Report
- Timeframe: Due to HUD with 7-days subsequent to the end of the reporting period
- Document: Semi-Annual Labor Standards Enforcement Report
- Retention: CDBG Administration file

The Semi-Annual Labor Standards Enforcement Report provides information on contracts awarded that must comply with the Davis-Bacon Act and/or the Contract Work Hours and Safety Standards Act. Specifically, the report lists each project/contract awarded during the reporting period for which DBRA or CWHSSA is applicable.

The report also includes information on enforcement activities undertaken by the City during the reporting period. The information reported on contracts (Part I) and the information reported on enforcement activities (Part II) is separate and should only be reported to HUD on the HUD-4710 form once. For example, a contract should only be reported on the report corresponding to the period when the contract was awarded. Similarly, enforcement activity is aggregated and reported on the form covering the period when the enforcement activity took place. Therefore, enforcement activity may be reported for projects/contracts that appeared on any prior report as a contract awarded under Part I.

Section 3 Summary Report

The HUD 60002 Section 3 Summary Report provides details on the City's accomplishment of the Section 3 goals prescribed at 24 CFR Part 135. The City's Section 3 Plan delineates the City's approach to compliance with Section 3. The Section 3 Report must be submitted to HUD.

Section 3 Summary Report

- Task: Prepare and submit the Section 3 Summary Report
- Timeframe: Due within 90 days of the close of the program year
- Document: Online Submittal
- Retention: CDBG Administration file

RECORDS TO BE MAINTAINED

Copies of each report shall be maintained in the CDBG Administration File.

Grant Closeout / IDIS Completion

H&CD staff shall implement grant closeout procedures as part of IDIS activity completion and the preparation of the CAPER to verify records demonstrating that each CDBG activity has complied with 24 CFR Part 570 and to verify that all City of Cheyenne CDBG procedures have been followed in the implementation of each activity.

The City is responsible for ensuring compliance with all applicable requirements associated with the use of CPD grant funds for housing, economic and community development activities. The City must maintain records demonstrating that it has met all of its obligations to HUD as delineated in the Action Plan certifications that are signed and submitted to HUD with the SF-424 grant application. Grant Closeout is an integral internal management process by which programmatic, financial and management staff verify that appropriate records demonstrating compliance with all applicable HUD regulations is on file, ready for audit. The grant closeout process is represented in the charts below.

Verify Programmatic Records

- Task: Verify that all required activity records are included in the file
- Documentation: Sub-grantee File Checklist

Verify Financial Records and Supporting Documentaton

- Task: Prepare activity records for future audit by third parties
- Documentation: Sub-Grantee File Checklist; Final Reimbursement Request

Process the Final Reimbursment Request

- Task: Ensure timely payment of final reimbursement requests
- Documentation: Sub-grantee File Checklist; Final Reimbursement

Conduct the Final IDIS Drawdown

- Task: Initiate the final drawdown of activity funds in IDIS
- Voucher set-up: Program Manager
- Approved by: Accounting Staff
- Documentation: Sub-Grantee File Checklist; IDIS Voucher Printout & Final Reimb. Request

Mark Activity "Complete" in IDIS

- Task: Provide for management review of programmatic and financial records prior to marking a particular activity "complete" in IDIS
- Documentation: Sub-grantee File Checklist; Approved IDIS Voucher Printout & Final Reimbursement Request; IDIS Report PR03; IDIS Report PR05

Closeout Memorandum

- Task: Prepare and Send Closeout Letter to Sub-Grantee
- Documentation: Closeout Letter

RECORDS TO BE MAINTAINED

The Grant Closeout Letter shall be maintained in the CDBG Sub-Grantee file.

CDBG-CV

- Task: Manage CDBG-CV Funding
- Timeframe: 80% drawn after 3-years - 100% drawn after 6-years
- Prepared: Program Manager
- Approval: Advisory Council
- Document: Application, Demographic Information
- Retention: 5-Years after closeout

What is CDBG-CV

On March 27, 2020, President Trump signed into law the Coronavirus Aid, Relief and Economic Security (CARES) Act. The CARES Act made \$465,904 available to the City of Cheyenne under the Community Development Block Grant (CDBG-CV). These funds are to be used to prevent, prepare for, and respond (PPR) to the coronavirus pandemic (COVID-19). The additional supplemental funding through the CARES Act required a substantial amendment to the 2020 Annual Action Plan.

CDBG-CV will follow the above CDBG policies and procedures.

In addition to the above information CDBG-CV will follow the below policies and procedures:

Public Service

Public Services cap is suspended for CDBG-CV funds, and for CDBG FY 2019/20 funds with PPR tieback.

Duplication of Benefit

The CARES Act provides that the Secretary shall ensure there are adequate procedures in place to prevent any duplication of benefits as required by section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5155) and in accordance with section 1210 of the Disaster Recovery Reform Act of 2018 (division D of Public Law 115–254; 132 Stat. 3442), which amended section 312 of the Robert T. 2 Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5155).

HUD will require each grantee to have procedures in place to prevent the duplication of benefits when it provides financial assistance with CDBG-CV funds. Grant funds may not be used to pay for a particular cost if another source of financial assistance is available to fully pay for that same cost.

The City of Cheyenne will inform their sub-recipients that they are responsible for ensuring that duplication of benefits does not happen. The sub-recipients will need to provide this information along with their demographic information. The sub-recipients will need to show what other funding their clients received and show that they did not duplicate assistance.

Notice of Funding Available

The City of Cheyenne will follow the regular process, publish a Notice of Funding Available (NOFA) in the newspaper, post it on the Housing & Community Development Facebook page and LinkedIn, provide the NOFA to Laramie County Community Partnership (LCCP) and e-mail to all on the contact list. The difference will be the time that the NOFA becomes available. If funding is recaptured the Program Manager will submit a new NOFA.

Application Process

The application process will follow the regular CDBG funding cycle but will be sped up. A training session will be scheduled. An application will be provided to all who request it.

Monitoring

Monitoring will follow the above policies and procedures.

RECORDS TO BE MAINTAINED

Cares Act has changed the way records are maintained. An electronic file will be set up for each approved application. All applicable records mentioned above must be maintained for 5-years past the close out date.

References

- Community Development Block Grant Regulations – 24 CFR Part 570
- Uniform Administrative Requirements (24 CFR Part 84 and 24 CFR Part 85)
- 2 CFR 200

Web Links

Basically CDBG

[Basically CDBG for Entitlements - HUD Exchange](#)

Integrated Disbursement and Information System

[IDIS: Integrated Disbursement and Information System - HUD Exchange](#)

HUD Exchange

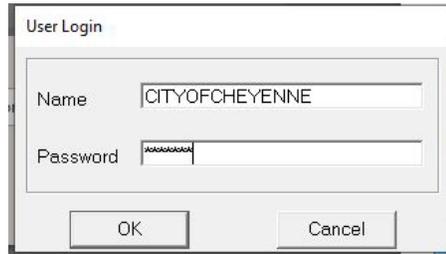
[Welcome to HUD Exchange - HUD Exchange](#)

Trakker:



The Housing & Community Development office holds mortgages for housing rehabilitation and for some non-profit grants. If it is determined that the mortgage needs to be repaid with monthly payments use Trakker. Trakker is a mortgage program that we pay for. You will need to renew this every year, usually around June.

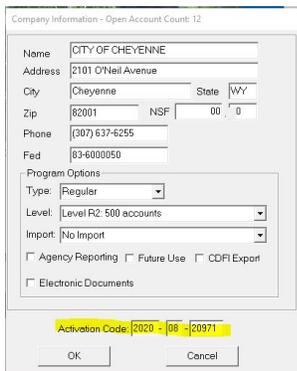
Select the yellow Trakker icon. The login screen will appear. The Name is CITYOFCHEYENNE and the Password is Tr1kk2r.



Once logged in the money icon will turn green.



When Trakker has been renewed, they will send a new Activation Code that will need to be updated. Select: System > Operator.



To accept a payment, click on the green money icon. You will need to enter the loan account number or choose list. List shows all of the accounts that have been set up. The new loans are at the bottom of the list. Highlight the name and click select.

#1153 - Robert Munoz

Date: 1/19/2021

Amount: 200.87

Method: 2

1. Cash 7. ACH
 2. Check 9. BillPay
 3. Money Order 10. One-time
 4. Visa 11. Debit/Cred
 5. Mastercard 12. Recurring
 6. Amex Comment

OK OK - Receipt Cancel

Fill in the date, amount, method, and check number (if applicable). Then select OK - Receipt. This will automatically print a receipt.

The receipt shows the principal paid and the interest paid. It also shows the balance of the loan.

You will need to keep track of all of the payments received in an Access Database Table. X:/HUD Department Folders/Database/2007 H_CD Office database/File Transaction Table.accdb. Double click on the File Transaction Table: Table at the left. It should be highlighted. This table shows all of the payments that have been received. Go to the bottom of the table and highlight the last name of the applicant. Click on Selection (with a funnel icon) at the top of the page. Choose Equals "Name". This will sort out all but the applicant you are working with. Fill in the new payment information. This is where you will get the account numbers. Send the check with the account numbers and dollar amount to the Clerk's Office in the blue HUD money bag. You do not need to lock it. Mail a copy of the receipt to the applicant.

Each month you will need to verify the program income with the City Treasurer to make sure you balance. Example below.



Robin,
 Please verify the below program income for January.
 CDBG

Beginning Balance		\$ 0.00
Income Principle	\$ 0.00	
Income Interest	\$ 0.00	
Payoff Principle	\$ 0.00	
Payoff Interest	\$ 0.00	
Expense	\$ 0.00	
IDIS Drawdown	\$ 0.00	
Ending Balance		\$ 0.00
HOME		
Beginning Balance		\$ 294,414.21
Income Principle	\$ 279.34	
Income Interest	\$ 116.53	
Sweep Interest	\$ 0.11	
Expense	\$ 0.00	
Cost Allocation	\$ 0.00	
Ending Balance		\$ 295,810.19
Non Federal		
Beginning Balance		\$ 8,633.61
Expense	\$ 0.00	
Ending Balance		\$ 8,633.61

Update the Excel Spreadsheet with the new information. X:>HUD Department Folders > CDBG > project list "year". Choose the CDBG Program Income or HOME Program Income tab at the bottom of the page.

If you have CDBG Program Income (PI) you will need to put this in IDIS and use it before the entitlement (EN) funds when you do a drawdown.

You will occasionally receive a payoff. If a deferred or depreciated mortgage request a payoff you will use either the main CDBG account number or the main HOME account number. These are not in Trakker.

You will also need to print an Account Summary report from Trakker. Open Trakker, select Reporter, select Account Summary. Answer the questions: Regular Report, last day of the prior month, choose no for all but "Would you like this report to include accrual amounts". This will print a report that you will give the City Treasurer.

In January you will need to obtain Form 1096 and Form 1098 (Mortgage Interest Statement) from the IRS. Print the report from Trakker to get the information and see how many forms are needed. Make sure you include any payoffs you received during the year. Fill out the forms and mail to the applicants prior to the end of January. Send Form 1096 and the 1098's to the IRS.