

**State of Oregon**  
**2015 Proposed Annual Action Plan**

**Attachments**

A: CDBG Method of Distribution ..... A-1

B: Fair Housing Action Plan ..... B-1

C: ESG Operations Manual ..... C-1

D: Certification ..... D-1

E: Standard Form 424 ..... E-1

F: Citizen Participation Documentation ..... F-1a

The Citizen Participation includes documentation to support citizen participation in response to the Proposed 2015 Annual Action Plan (AAP) and the Proposed Community Development Block Grant (CDBG) Method of Distribution (MOD)

Included are the following:

- I. OHCS webpage posting of Proposed Annual Action Plan .....F-1b
- II. OHCS E-List notice of hearing and public comment period and list of recipients F-2
- III. OHCS notice of hearing and public comment period ..... F-3
- IV. News Media Affidavits of Publication ..... F-28
- V. OHCS and CDBG public comments and response tables ..... F-32

# Community Development Block Grant

## PROPOSED

### 2015 Method of Distribution

(This Method of Distribution is adopted as part of Oregon Administrative Rule  
(OAR) 123-080-0030 (3) by reference.)



Submitted to U.S. Department of Housing and Urban Development  
September 9, 2014

Oregon Business Development Department  
Infrastructure Finance Authority  
775 Summer Street NE, Suite 200  
Salem, OR 97301-1280

(503) 986-0123  
TTY: 1-800-735-2900  
Fax: (503) 581-5115  
<http://www.orinfrastructure.org/>

## TABLE OF CONTENTS

<i>Introduction and Instructions on how to use the Method of Distribution</i>	<i>i</i>
<i>Chapter 1 – Funding Priorities/Target/Set-asides</i>	<i>1-1</i>
<i>Chapter 2 – Eligible Applicants</i>	<i>2-1</i>
<i>Chapter 3 – National Objectives</i>	<i>3-1</i>
<i>Chapter 4 – Federal Requirements</i>	<i>4-1</i>
<i>Chapter 5 – Program Policies and Definitions</i>	<i>5-1</i>
<i>Chapter 6 – Citizen Participation Plan</i>	<i>6-1</i>
<i>Chapter 7 – Application Procedures OBDD</i>	<i>7-1</i>
<i>Chapter 8 – Program Table Requirements Summary Table (Table 8-1)</i>	<i>8-1</i>
<i>Chapter 9 – Microenterprise Assistance Public Services</i>	<i>9-1</i>
<i>Chapter 10 – Public Works</i>	<i>10-1</i>
<i>Chapter 11 – Public Community Facility</i>	<i>11-1</i>
<i>Chapter 12 – Regional Housing Rehabilitation</i>	<i>12-1</i>
<i>Chapter 13 – Community Capacity/Technical Assistance</i>	<i>13-1</i>
<i>Chapter 14 – Emergency Projects</i>	<i>14-1</i>
<i>Chapter 15 – Certified Sub-Grantee Program</i>	<i>15-1</i>
<i>Chapter 16 – Outcome and Performance Measure Reporting</i>	<i>16-1</i>

## Introduction

### Administration of State of Oregon CDBG Program

The Oregon Business Development Department (OBDD) administers the State of Oregon's annual federal allocation of Community Development Block Grant (CDBG) funds for non-metropolitan cities and counties. Urban cities and counties and tribes are not included in the state's program because they receive CDBG funds directly from the U.S. Department of Housing and Urban Development (HUD). Refer to Chapter 2 for more information regarding eligible applicants.

### Primary Objective

The primary objective of the CDBG program is the development of viable (livable) urban communities by expanding economic opportunities, providing decent housing and a suitable living environment principally for persons of low and moderate income.

### National Objective

Projects must meet one of three national objectives: 1) benefiting low- and moderate-income persons; 2) prevention or elimination of slums or blight; or 3) meeting other community development needs having particular urgency that pose a serious and immediate threat to the health or welfare of the community.

### Low and Moderate Income

"Low income" means income equal to or less than 50 percent of the area median (adjusted by family size). "Moderate income" means income equal to or less than 80 percent of the area median (adjusted by family size). Applicable income limits are determined by HUD on an annual basis for all Oregon counties and metropolitan statistical areas by HUD.

### Agency's Mission

#### Goal 1:

Help existing businesses retain jobs while growing and attracting sustainable businesses by focusing value-added services in key industries of:

- Clean Technology
- Wood & Forest Products
- Technology & Advanced Manufacturing
- Outdoor Gear & Active Wear

#### Goal 2:

Enhance Oregon's position in the global economy by assisting Oregon businesses in accessing global markets and by recruiting international companies to Oregon.

#### Goal 3:

Advocate on behalf of Oregon businesses to capitalize on those areas where Oregon has demonstrated a competitive advantage by making targeted strategic investments.

**Goal 4:**

Assist communities to build infrastructure capacity to address public health safety and compliance issues as well as support their ability to attract, retain and expand businesses.

**Method of Distribution (MOD)**

Oregon's 2014 CDBG program is offered to eligible cities and counties for a wide range of activities as authorized under Section 105(a) of the Housing and Community Development Act (HCDA) of 1974, as amended. The eligible activities for the 2015 program year that begins January 1, 2015 are described within this 2015 Method of Distribution.

The state expects to receive approximately \$11 million in new federal funds during 2015 for grants to non-entitlement cities and counties for eligible projects.

The CDBG funds covered by this Method of Distribution include: new 2015 funds, unobligated 2014 program year funds, program income and grant funds recaptured from projects funded in prior grant years.

In accordance with Oregon Administrative Rule (OAR) 123-080-030(3), the department will manage the competitive award and funding process for eligible projects under this 2015 Method of Distribution.

**Instructions on How to Use the Method of Distribution**

No single chapter is a stand alone chapter. The entire Method of Distribution must be read and used in its entirety to obtain the necessary program information and requirements.

**Oregon Administrative Rule**

This Method of Distribution provides information to assist eligible entities prepare grant applications and is adopted as part of Oregon Administrative Rule (OAR) 123-080-0030 (3) by reference.

**Contact the Department**

Contact OBDD for more information at 503-986-0123.

## Chapter 1 Funding Priorities/Targets

### Consistency with Oregon’s Consolidated Plan

Priorities for Community Development Block Grant (CDBG) funds must be consistent with the policies and priorities contained in the 2011-2015 State of Oregon Consolidated Plan for Housing and Community Development. The 2011-2015 Consolidated Plan was approved by the U.S. Department of Housing and Urban Development (HUD) on February 14, 2011. The 2015 Method of Distribution is the fifth annual update to the 2011-2015 Consolidated Plan and has been developed with participation from HUD, the OBDD Infrastructure Finance Authority and the public input received during the 30-day public comment period.

### Priorities

Section 106(d)(2)(C)(iii) of the Housing and Community Development Act (HCDA) prohibits a state from declaring certain statutorily eligible activities as ineligible for funding under the state’s program, but allows a state to establish funding priorities among the types of eligible activities. The State of Oregon’s funding priorities for 2015 are described within the 2015 Method of Distribution (MOD). In accordance with the HCDA the state will consider applications for funding consistent with the identified funding priorities within the 2015 MOD.

There is a broad range of activities that may be assisted with CDBG funds as defined in Section 105(a) of the Housing and Community Development Act (HCDA) of 1974, as amended. States that administer a non-entitlement CDBG program are required to establish procedures for distributing the funds and identification of the activities (priorities) which will be eligible for funding under the state’s program. These priorities are described within the 2015 MOD. The priorities eligible for funding under Oregon’s 2015 Community Development Block Grant program are:

### Programs offered through OBDD Infrastructure Finance Authority

1. **Microenterprise Assistance Public Services:** Recruitment, screening and providing classroom training to microenterprise owners and persons developing microenterprises.
2. **Public Works:**
  - a. **Type One:** Public water and wastewater system improvements.
  - b. **Type Two:** Off-Site Infrastructure for new affordable housing.
3. **Community/Public Facilities:** Community facilities that rarely produce a reliable or sufficient revenue stream to repay a loan.
4. **Community Capacity/Technical Assistance:** Grants for local capacity building.
5. **Emergency Projects:** Projects arising from bona fide emergencies.
6. **Housing Rehabilitation:**
  - a. **Type One** – Regional Housing Rehabilitation Revolving Loan Fund.
  - b. **Type Two** – Regional Housing Rehabilitation Grant Fund.

### Targets

The state receives an annual allocation from HUD for the CDBG program. After subtracting amounts allowed for State Administration (2% plus \$100,000) and State Technical Assistance (1%), the department intends to award available new 2015, unobligated 2014, program income and recaptured grant funds from prior year grants to projects in the categories listed below using the percentages shown.

	2014	Target %	2015 Estimated (Note 5)	Target %
<b>Annual Allocation from HUD</b>	<b>\$11,914,018</b>		<b>\$11,500,000</b>	
State Administration 2% (The required match for these funds comes from the Special Public Works Fund (SPWF).	\$238,280	2%	\$230,000	2%
State Administration \$100,000 - no match funds	\$100,000	N/A	\$100,000	N/A
State Technical Assistance Set-Aside 1%	\$119,140	1%	\$115,000	1%
<b>Annual Allocation Available for Projects</b>	<b>\$11,456,598</b>		<b>\$11,055,000</b>	
<b>Program Income (Note 1)</b>	\$3,361.11 (Note 3)		\$3,500 (Note 2)	
<b>Recaptured Funds</b>	\$39,490.12 (Note 3)		\$500,000 (Note 2)	
<b>ESTIMATED TOTAL AVAILABLE FOR PROJECTS</b>	<b>\$11,499,449.23</b>		<b>\$11,558,500 (Note 4)</b>	
Microenterprise Assistance	\$344,983.48	3%	\$346,755	3%
Public Works	\$5,634,730.12	49%	\$5,663,665	49%
Community/Public Facilities	\$2,989,856.80	26%	\$3,005,210	26%
Regional Housing Rehabilitation	\$2,529,878.83	22%	\$2,542,870	22%

Note 1 When received, program income, is allocated to projects using the target percentages identified above, after taking 2% for state administration.

Note 2 Estimated to be received in 2015.

Note 3 Actual as of July 1, 2014.

Note 4 Unobligated amounts from 2014 will be added to this figure.

Note 5 Actual HUD allocation amount will be inserted when available.

The final 2015 fiscal year allocation amount will be posted on the department’s website for access by eligible applicants and distributed to the CDBG list serve.

**Target Funding**

OBDD-IFA has no control over the type and quantity of applications submitted for funding under the program. Therefore, after each calendar quarter OBDD-IFA conducts a quarterly target review to determine if funds need to be moved from one funding category to another to address program needs. Target funding is used to give the department investment flexibility. Targeted funding does not obligate the department to award all the funds targeted for each category. **If a sufficient number of projects are not awarded in a particular category, applications in other categories may be funded. Each calendar quarter March 31, June 30, September 30 and December 31 the department will conduct a quarterly target review and determine if funds need to be moved from one category to another to address program needs.**

**Program Year**

The State of Oregon’s 2015 program year (Fiscal Year) is from January 1 thru December 31, 2015.

**Funds Remaining after December 31, 2014**

On January 1, 2015 any un-obligated or recaptured FY 2014 funds, earlier program year funds or program income will be applied in conformance with the proposed or HUD approved FY 2015 target percentages and will be awarded in accordance with either the proposed or HUD approved 2015 Method of Distribution.

### **Funds Remaining after December 31, 2015**

On January 1, 2016 any un-obligated or recaptured 2015 funds, earlier program year funds, recaptured funds or program income will be applied in conformance with the proposed or HUD approved FY 2016 target percentages and will be awarded in accordance with either the proposed or HUD approved 2016 Method of Distribution.

### **Recaptured Funds and Program Income**

The state anticipates the receipt of approximately \$500,000 of recaptured funds and \$3,500 of program income during 2015.

- **Recaptured funds** are those funds that are returned to the department through closeout of a grant, termination for cause or other means.

Recaptured funds on hand, where a grant recipient had to re-pay funds to the state, will be returned to the U.S. Treasury and recorded as such in IDIS. Once they are credited back to the state, they will be awarded/obligated in conformance with the MOD.

- **Program income** is funds received by the department from repayment of grant funds either loaned to recipients (principal and interest), proceeds from lease or disposition of real property and equipment acquired with CDBG funds, interest earned on any program income pending disposition of such income or from projects that were unable to meet the five-year change of use requirement. Refer to Chapter 4 for more information.

Program income will be disbursed before funds are requested from the U.S. Treasury.

The state has two requirements which must be met: 1) 24 CFR 570.494(b)(2) and 2) 24 CFR Part 570.494(b)(1) which requires each state to obligate and announce (excluding state administration) 100% of each annual grant within 15 months of the state signing its grant agreement with HUD to Units of General Local Government (UGLG's). To comply with the requirements OBDD prioritizes its obligation and announcement of CDBG funds as follows:

- 1) CDBG awards will be obligated and announced from the current annual grant within 15 months of the state signing the grant agreement with HUD (24 CFR Part 494(b)(1);
- 2) Any recaptured funds and program income on hand will be expeditiously obligated and announced in accordance with (24 CFR Part 570.494(b)(2).

Any recaptured funds and program income received by the state will be tracked and disbursed to projects eligible for funding under the 2015 Method of Distribution. Funds received after December 31, 2015 will be disbursed as described above. Recaptured funds remaining after the last day of the program year will be added to the next program year's total allocation and disbursed through the regular grant award process for that year.

## Chapter 2 Eligible Applicants/Limits on Applications

### Eligible Applicants

Only non-metropolitan (non-entitlement) cities and counties in rural Oregon can apply for and receive grants. Urban (entitlement) cities (Albany, Ashland, Bend, Corvallis, Eugene, Grants Pass (see note below), Gresham, Hillsboro, Medford, Portland, Redmond, Salem and Springfield) and counties (Clackamas, Multnomah, Washington) are not included in the state's 2015 Community Development Block Grant (CDBG) program because they receive CDBG funds directly from the U.S. Department of Housing and Urban Development (HUD).

*NOTE: The City of Grants Pass will become a CDBG entitlement city in 2015. The state non-entitlement CDBG program cannot fund grantees with funds from the same fiscal year in which the grantee will receive an entitlement grant from HUD. Thus, the state will not be able to provide post FY2014 state non-entitlement CDBG funds to the City of Grants Pass.*

Tribes are ineligible to directly apply for CDBG funds from the state's non-entitlement CDBG program since they receive their own CDBG allocation directly from HUD. In addition tribes are considered sovereign entities and as such are not considered a unit of general local government under the state's authority. An eligible non-entitlement city or county may apply for CDBG funds for projects that benefit both tribal and non-tribal members. However, state CDBG funds can only be used for the portion of the project that will benefit the non-tribal members.

Table A on pages 2-3 to 2-6 lists each city and county that may be eligible to apply for 2015 Oregon CDBG funds under the low and moderate income area wide national objective.

### Applications on Behalf of Another Eligible Applicant

A city or county may not apply for a project where the project to be constructed will be owned and operated by another eligible applicant, a state or a federal agency.

### Facilities Owned by Other Public Bodies

Cities and counties may undertake projects to improve existing facilities owned by other public bodies such as sanitary districts and water districts, including water supply authorities, or other political subdivisions of the state and organizations operated on a not-for-profit basis such as associations and cooperatives that provide drinking water to primarily residential areas. These other public or nonprofit organizations must own the facilities to be upgraded and need to contact the appropriate city or county to discuss application sponsorship. The respective city or county where the system is located must sponsor the application for an "other public or nonprofit organization".

Counties considering applying on behalf of another government body are encouraged to enter into an intergovernmental agreement with the government body, identifying the roles and responsibilities of each to ensure the county has proper authority to achieve compliance with the federal CDBG program requirements during the project. Counties also are encouraged to request a meeting with the department for technical assistance and to explain the county's responsibilities under a CDBG grant in projects of this nature.

### Regional Projects

Two or more local governments (for example, a city and a county, or two cities) may work on an application for a regional project. In such cases, only one jurisdiction can be the applicant and act as

the responsible party under the contract with the state. Joint applications where two or more parties are equally responsible will not be accepted. Regional projects are activities that benefit more than one jurisdiction and address a common problem in a region. Some examples of regional projects include regional housing rehabilitation programs, regional water or wastewater systems and regional microenterprise assistance programs.

### **Non-Entitlement/Entitlement Boundaries**

When an eligible non-entitlement city or county applicant applies for and is awarded CDBG funds for a project that will be located within the boundaries of a CDBG entitlement city or county whose residents are also residents of the non-entitlement applicant area (for example, Lane County sponsoring a project to be physically located within the City of Eugene), eligible project costs are limited to the estimated pro rata share of the project activity beneficiaries who reside in the non-entitlement portion of the project's service area.

### **Pass Through**

Cities and counties cannot "pass through" the awarded funds to another entity to carry out the project activities. The recipient must carry out the project activities and remain fully responsible for the grant-funded project's compliance with all federal and state requirements. In other words, the project must be under the direct control of the grant recipient at all times.

### **Project Phasing**

Projects cannot be divided into phases to obtain multiple CDBG grants for the same facility. Some examples of project phasing not allowed under the program include:

1. Separating a Public Works project into phases, such as collection system improvements in one-phase and treatment system improvements into another phase in order to apply for more than the maximum grant within a five-year period.
2. Building one portion of a Public/Community facility now, and then building the remaining portion later, in order to qualify for two grants for the same facility.

**TABLE A – 2014 LOW AND MODERATE INCOME DATA**

<b>City/County</b>	<b>New July 1, 2014 LMISD,</b>	<b>Old 2013 LMISD</b>	<b>City/County</b>	<b>New July 1, 2014 LMISD</b>	<b>Old 2013 LMISD</b>
<b>Baker County</b>	<b>42.56%</b>	<b>44.4%</b>	<b>Deschutes County</b>	<b>36.58%</b>	<b>38.7%</b>
Baker City	46.44%	47.4%	La Pine	82.74%	54.8%
Greenhorn	0%	N/A	Sisters	35.70%	49.9%
Haines	39.71%	55.5%	<b>Douglas County</b>	<b>38.73%</b>	<b>40.1%</b>
Halfway	55.84%	64.7%	Canyonville	50.00%	54.0%
Huntington	59.26%	53.3%	Drain	44.44%	46.7%
Richland	50.00%	65.8%	Elkton	37.84%	45.3%
Sumpter	37.93%	46.5%	Glendale	60.87%	55.7%
Unity	54.55%	66.3%	Myrtle Creek	49.71%	45.9%
<b>Benton County</b>	<b>48.22%</b>	<b>44.7%</b>	Oakland	30.49%	47.7%
Adair Village	35.56%	41.9%	Reedsport	47.29%	48.9%
Monroe	69.75%	60.1%	Riddle	40.19%	47.8%
Philomath	37.61%	54.5%	Roseburg	37.80%	42.8%
<b>Clatsop County</b>	<b>38.65%</b>	<b>40.0%</b>	Sutherlin	40.16%	48.8%
Astoria	42.52%	44.5%	Winston	50.00%	47.7%
Cannon Beach	47.95%	40.1%	Yoncalla	59.60%	57.3%
Gearhart	13.73%	27.5%	<b>Gilliam County</b>	<b>41.91%</b>	<b>37.6%</b>
Seaside	50.84%	46.7%	Arlington	37.00%	34.0%
Warrenton	42.03	42.6%	Condon	47.50%	39.0%
<b>Columbia County</b>	<b>38.17%</b>	<b>41.8%</b>	Lonerock	42.86%	82.1%
Clatskanie	49.29%	50.6%	<b>Grant County</b>	<b>40.88%</b>	<b>42.1%</b>
Columbia City	33.33%	25.8%	Canyon City	35.71%	43.2%
Prescott	66.67%	66.0%	Dayville	58.62%	37.2%
Rainier	46.81%	45.9%	Granite	0%	84.0%
Scappoose	34.77%	36.5%	John Day	41.28%	46.9%
St. Helens	42.94%	50.5%	Long Creek	54.55%	43.4%
Vernonia	45.34%	48.7%	Monument	24.00%	49.7%
<b>Coos County</b>	<b>38.21%</b>	<b>42.7%</b>	Mt. Vernon	32.11%	51.0%
Bandon	46.91%	44.5%	Prairie City	46.05%	42.8%
Coos Bay	41.52%	41.7%	Seneca	37.14%	53.5%
Coquille	36.04%	45.8%	<b>Harney County</b>	<b>38.42%</b>	<b>44.0%</b>
Lakeside	39.26%	46.7%	Burns	40.92%	51.2%
Myrtle Point	54.56%	49.9%	Hines	40.40%	28.4%
North Bend	33.66%	39.0%	<b>Hood River County</b>	<b>39.58%</b>	<b>37.3%</b>
Powers	36.00%	63.1%	Cascade Locks	44.50%	37.5%
<b>Crook County</b>	<b>36.54%</b>	<b>37.9%</b>	Hood River	44.08%	47.7%
Prineville	44.40%	48.2%	<b>Jackson County</b>	<b>38.20%</b>	<b>40.2%</b>
<b>Curry County</b>	<b>44.72%</b>	<b>44.5%</b>	Butte Falls	32.38%	72.3%
Brookings	44.70%	44.4%	Central Point	32.41%	33.0%
Gold Beach	34.64%	43.9%	Eagle Point	39.26%	44.7%
Port Orford	42.86%	54.4%	Gold Hill	41.10%	44.3%

Chapter 2- Eligible Applicants/Limits on Applications

City/County	New July 1, 2014 LMISD	Old 2013 LMISD	City/County	New July 1, 2014 LMISD	Old 2013 LMISD
<b>Jackson County Continued</b>			<b>Linn County Continued</b>		
Jacksonville	34.68%	29.8%	Halsey	42.31%	32.5%
Phoenix	48.74%	42.8%	Harrisburg	35.96%	37.6%
Rogue River	41.03%	54.4%	Idanha	31.58%	55.5%
Shady Cove	49.91%	42.3%	Lebanon	44.02%	48.7%
Talent	43.25%	51.4%	Lyons	27.40%	39.2%
<b>Jefferson County</b>	<b>43.22%</b>	<b>39.6%</b>	Mill City	43.73%	50.5%
Culver	64.57%	48.4%	Millersburg	22.26%	39.8%
Madras	45.65%	51.2%	Scio	43.36%	33.3%
Metolius	24.03%	44.6%	Sodaville	37.93%	35.5%
<b>Josephine County</b>	<b>39.48%</b>	<b>43.3%</b>	Sweet Home	42.40%	51.1%
Cave Junction	52.79%	72.5%	Tangent	36.70%	30.2%
<b>Klamath County</b>	<b>38.48%</b>	<b>44.7%</b>	Waterloo	53.19%	45.5%
Bonanza	52.17%	45.1%	<b>Malheur County</b>	<b>43.92%</b>	<b>47.9%</b>
Chiloquin	71.22%	73.1%	Adrian	22.22%	44.9%
Klamath Falls	48.02%	48.4%	Jordan Valley	32.26%	49.8%
Malin	52.07%	59.5%	Nyssa	35.65%	57.0%
Merrill	41.96%	60.4%	Ontario	49.75%	49.2%
<b>Lake County</b>	<b>38.97%</b>	<b>45.8%</b>	Vale	49.84%	49.8%
Lakeview	29.67%	43.2%	<b>Marion County</b>	<b>40.63%</b>	<b>41.0%</b>
Paisley	46.67%	50.7%	Aumsville	53.74%	44.6%
<b>Lane County</b>	<b>40.10%</b>	<b>40.4%</b>	Aurora	18.57%	19.8%
Coburg	22.60%	33.9%	Detroit	38.71%	48.2%
Cottage Grove	39.80%	50.6%	Donald	25.15%	33.6%
Creswell	41.05%	47.2%	Gates	52.55%	51.7%
Dunes City	35.33%	36.4%	Gervais	45.07%	42.0%
Florence	47.37%	48.2%	Hubbard	44.54%	44.1%
Junction City	40.67%	41.5%	Idanha	31.58%	55.5%
Lowell	28.66%	46.7%	Jefferson	45.90%	44.1%
Oakridge	43.91%	55.3%	Keizer	36.46%	35.5%
Veneta	32.94%	41.2%	Mill City	43.73%	50.5%
Westfir	28.30%	57.6%	Mt. Angel	39.48%	43.2%
<b>Lincoln County</b>	<b>41.87%</b>	<b>40.7%</b>	Scotts Mills	28.07%	52.4%
Depoe Bay	39.63%	32.8%	Silverton	34.42%	41.2%
Lincoln City	60.01%	54.8%	St. Paul	10.14%	31.4%
Newport	36.87%	41.0%	Stayton	41.36%	46.9%
Siletz	54.36%	39.2%	Sublimity	20.83%	29.1%
Toledo	45.44%	41.0%	Turner	42.68%	40.7%
Waldport	58.17%	43.9%	Woodburn	47.56%	55.6%
Yachats	48.39%	37.3%	<b>Morrow County</b>	<b>39.24%</b>	<b>40.3%</b>
<b>Linn County</b>	<b>36.06%</b>	<b>39.3%</b>	Boardman	46.03%	53.4%
Brownsville	46.65%	46.0%	Heppner	44.26%	40.0%

Chapter 2- Eligible Applicants/Limits on Applications

City/County	New July 1, 2014 LMISD	Old 2013 LMISD	City/County	New July 1, 2014 LMISD	Old 2013 LMISD
<b>Morrow County Continued</b>			<b>Union County Continued</b>		
Ione	28.85%	33.5%	North Powder	47.87%	64.2%
Irrigon	51.48%	41.1%	Summerville	19.44%	39.7%
Lexington	15.22%	23.7%	Union	42.41%	45.1%
<b>Polk County</b>	<b>32.93%</b>	<b>37.1%</b>	<b>Wallowa County</b>	<b>34.82%</b>	<b>40.4%</b>
Dallas	35.35%	43.5%	Enterprise	42.42%	37.4%
Falls City	45.58%	52.6%	Joseph	33.52%	45.9%
Independence	39.61%	48.0%	Lostine	37.88%	43.2%
Monmouth	48.01%	48.6%	Wallowa	31.82%	53.9%
Willamina	53.97%	59.8%	<b>Wasco County</b>	<b>39.87%</b>	<b>39.0%</b>
<b>Sherman County</b>	<b>40.11%</b>	<b>41.1%</b>	Antelope	88.89%	34.9%
Grass Valley	66.67%	52.8%	Dufur	34.51%	37.2%
Moro	58.62%	42.1%	Maupin	33.33%	40.3%
Rufus	79.07%	56.2%	Mosier	47.31%	33.5%
Wasco	46.15%	41.3%	Shaniko	40.00%	66.7%
<b>Tillamook County</b>	<b>41.92%</b>	<b>38.7%</b>	The Dalles	41.83%	38.6%
Bay City	45.14%	37.5%	<b>Wheeler County</b>	<b>41.38%</b>	<b>45.9%</b>
Garibaldi	41.48%	43.0%	Fossil	46.84%	40.1%
Manzanita	37.50%	27.5%	Mitchell	66.67%	67.4%
Nehalem	45.95%	34.5%	Spray	20.83%	66.4%
Rockaway Beach	46.40%	44.7%	<b>Yamhill County</b>	<b>42.12%</b>	<b>45.4%</b>
Tillamook	59.04%	48.1%	Amity	54.22%	54.9%
Wheeler	59.65%	45.8%	Carlton	40.23%	50.7%
<b>Umatilla County</b>	<b>40.01%</b>	<b>39.5%</b>	Dayton	43.03%	53.9%
Adams	28.81%	25.6%	Dundee	20.10%	36.4%
Athena	41.75%	39.0%	Lafayette	52.19%	57.9%
Echo	45.86%	47.6%	McMinnville	52.27%	53.9%
Helix	7.69%	43.8%	Newberg	40.27%	45.1%
Hermiston	48.09%	40.4%	Sheridan	47.59%	55.5%
Milton-Freewater	47.97%	53.2%	Willamina	53.97%	59.8%
Pendleton	33.65%	36.4%	Yamhill	29.96%	39.9%
Pilot Rock	42.02%	37.0%			
Stanfield	47.69%	43.3%			
Ukiah	53.33%	31.7%			
Umatilla	56.39%	49.6%			
Weston	31.25%	38.7%			
<b>Union County</b>	<b>40.89%</b>	<b>39.4%</b>			
Cove	48.00%	35.8%			
Elgin	55.81%	42.5%			
Imbler	24.39%	32.6%			
Island City	28.16%	23.2%			
LaGrande	46.99%	42.6%			

**Limits on Applications**

To assist the state in complying with federal requirements pertaining to the timely distribution and expenditure of funds the 2015 Community Development Block Grant program will have the following application limits for all projects assisted in whole or in part with Community Development Block Grant funds.

- **Three open grant limit**  
Applications will **not** be invited or Project Notification and Intake Forms (PNIF's) approved from a city or county with three or more open grants.
- **Age and Expenditure of Funds Requirements**
  1. City/County - Before an application is invited or a PNIF is approved by the department all cities and counties with open grants must comply with the following requirements for their existing open grants:

**Table B**

ONE YEAR GRANTS (microenterprise assistance)	Requirement	Multi – Year Grants (All other grants)	Requirement
<b>For 2015 if an open grant is:</b>			
1 year old (2014 award)	<b>Microenterprise Grants –</b> 70% of the funds must be drawn down	2 years old (2013 award)	60% of the funds must be drawn down
2 years old or more (2013 award)	<b>Microenterprise Grants –</b> The jurisdiction is ineligible to apply for any new grant unless this project is administratively closed	3 years old (2012 award)	100% of the funds must be drawn down
		4 years old or more (2011 award or earlier)	The jurisdiction is ineligible to apply for any new grant unless this project is administratively closed.

2. Housing Rehabilitation Non-Profits - An eligible non-profit's regional housing rehabilitation program, which includes the entire service area of the housing rehabilitation program, can only have one open grant from the CDBG program, unless that open grant is meeting the same age and expenditure requirements applicable to cities and counties identified above. If the one open grant is meeting the age and expenditure requirements, the eligible non-profit can work with an eligible city/county to apply for a second grant. Under no circumstances will more than two open grants per eligible non-profit's regional housing rehabilitation program, which includes the entire service area, be allowed.

- **Unresolved Performance Issues**  
Cities and counties with unresolved performance issues under prior open or closed CDBG awards may be restricted (receive sanctions, refer to Chapter 5) by the state from receiving additional CDBG awards until such time the non-performance issues are resolved to the satisfaction of the department.
- **Application Limit**

A city or county may only apply for one project per year from one of the following categories: Community Facilities and Housing Rehabilitation. Also, no more than two applications from the remaining funding categories will be considered for funding at any one time. The applicant must designate which is the higher priority application; if the applicant makes no designation, and only one application can be funded, the department will make this determination.

- **Exceptions to Limits on Applications**

- An exception to the “Age and Expenditure of Funds Requirement” may be granted if the city or county can demonstrate that timely completion and administrative closeout of a grant has been delayed by the actions of a federal or state agency.
- The three open grant limit does not apply to disaster recovery grant funding received through special allocations from the U.S. Department of Housing and Urban Development.
- New Emergency Projects (not previously awarded) are not subject to any of the “Limits on Applications” requirements.
- Counties which have received a CDBG public works grant on behalf of a public body such as a sanitary district or water district, including water supply authorities, or other political subdivisions of the state and organizations operated on a not-for-profit basis may be granted an exception to any of the "Limits on Application" requirements due to the complexity of the governing/legal jurisdictional issues encountered in administering a grant that is benefitting an outside government body over which the recipient has no governing authority. Exceptions will be granted at the sole discretion of the OBDD – IFA after a thorough review by IFA staff.

## Chapter 3 National Objectives

There are three federal national objectives for the Community Development Block Grant (CDBG) Program. However, the State of Oregon only qualifies projects for funding under two of the three national objectives. All projects and the individual activities funded in whole or in part with CDBG funds must meet one of these national objectives:

- **Benefiting Low- and Moderate-income Persons** – This is the primary program objective. The state must ensure that no less than 70 percent of the CDBG funds that it administers are spent for projects that meet this objective.
- **Urgent Need** – This must be a bona fide emergency declared by the Governor. Meeting other community development needs having particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available.

### Benefiting Low- and Moderate-income Persons

The federal regulations provide that in any case where there is substantial evidence that an activity might not principally benefit low- and moderate-income persons, even though the activity conforms to the literal reading of the low- and moderate-income benefit criteria, the presumption that the activity meets the national objective will be rebutted. The grant applicant/recipient must document how the activity will meet the low- and moderate-income benefit national objective.

There are four ways a project can meet the low- and moderate-income national objective. These are: 1) Area Wide, 2) Limited Clientele, 3) Housing and 4) Jobs. With the exception of the “Jobs” objective the remaining three objectives 1) Area Wide, 2) Limited Clientele and 3) Housing are described in the following sections.

### Area Wide Qualification (LMA)

- An activity, the benefits of which are available to all the residents in a particular area, where at least 51 percent of the residents are low- and moderate-income persons. Such an area need not be conterminous with census tracts or other officially recognized boundaries but must be the entire area served by the activity. It is critical that the service area proposed by the applicant and approved by the state is the entire area served by that activity.
- Units of general local government may, at the discretion of the state, use either U.S. Department of Housing and Urban Development (HUD) provided data comparing census data with appropriate low- and moderate-income levels or survey data that is methodologically sound.
- An activity that serves an area that is not primarily residential in character will not qualify under this criterion, as determined by the IFA.
- An activity, where the assistance is for a public improvement that provides benefits to all the residents of an area, that is limited to paying special assessments levied against residential properties owned and occupied by persons of low and moderate income.

## Area Wide Documentation Needed (LMA)

1. All applicants must provide a map with their application, which shows the proposed project's service area. This map must show the entire service area.

Community facility projects qualifying under this national objective must also provide written documentation such as a policy or other document that demonstrates that the use of the facility will be restricted to the residents within the defined service area.

2. The easiest way for applicants to document low- and moderate-income benefit for area-wide projects is to use the 2014 Low and Moderate Income Survey Data (LMISD) data. The data for counties and cities is included in Table A on page 2-3 of this handbook.

Applicants for area-wide benefit projects, which have been determined to be eligible for funding under the CDBG program by OBDD-IFA, will have to use a special income survey in the following situations:

- a. Boundary – The geographic area where beneficiaries live does not generally coincide with census geography;
- b. Economic Changes - 2014 LMISD (effective July 1, 2014) data shows that 47% to 50.9% of the persons in an area are low and moderate income but the applicant believes that local economic conditions have significantly changed i.e. mill/plant closing and current family incomes are lower than when the most recent 2006-2010 ACS data was collected;
- c. Non-Economic Changes – 2014 LMISD (effective July 1, 2014) data shows that 47% to 50.9% of the persons in an area are low and moderate income but the applicant believes that local non-economic conditions have significantly changed i.e. natural disasters or terrorist attacks and current family incomes are lower than when the most recent 2006-2010 ACS data was collected;
- d. Demographic Changes - There is evidence that community income characteristics have changed **significantly** (defined as a 30% change ) since the 2014 LMISD data was taken (2006-2010) and provided by HUD in June 2014. For example, a community with a substantial increase in population and new housing construction after 2010 cannot be assumed to have the same percentage of low- and moderate-income persons.

Population growth (increase or decrease) from the date of the 2014 LMISD data release and the current 2013 Portland State University (PSU) population estimate issued April 15, 2014, or other most recent PSU release.

- e. LMI Comparison – A comparison of the LMI data for communities that were 51% or more LMI based upon the 2013 LMISD or a previous OBDD-IFA approved local income survey and that comparison shows a 10 point difference from the new 2014 LMISD and the community is no longer 51% or more LMI.

All surveys must be conducted in compliance with HUD CPD Notice 05-06 dated July 26, 2005 and any other more current methodology developed by HUD. A copy of the survey methodology and a sample questionnaire is available by request from the department.

Applicants must secure approval from the department on the survey instrument and process in order for the department to recognize the results of local income surveys. In addition, applicants are encouraged to contract with an organization or private contractor to do the work. The cost of the survey is not eligible for CDBG assistance and cannot be recovered if a grant is awarded.

Communities planning to conduct a survey must contact their Oregon Business Development Department Regional Coordinator prior to beginning the survey.

OBDD-IFA approved income surveys will be valid and usable for 5 years, after OBDD-IFA approval.

No income survey can be approved by the department just to challenge the most current LMISD data, provided by HUD. Surveys will only be approved for the conditions identified in paragraphs a, b, c and d above.

As soon as the results of the 2015 LMISD data is made available to the state by HUD, the 2015 LMISD data must be utilized by the program, and will be immediately effective.

### **Limited Clientele Qualification (LMC)**

Note: A facility that is open to everyone within a defined service area must qualify under the low- and moderate-income area-wide national objective.

Four possible “tests” document that beneficiaries of limited clientele facilities are principally low- and moderate-income. More than one test may be required, depending upon the project to be funded.

To qualify for the limited clientele national objective, an activity must benefit a limited clientele, at least 51 percent of whom are low- and moderate-income persons. The activity must meet one or more of the following tests:

- **Test 1 – Limited Clientele Based on Presumed Benefit** - It must benefit a clientele who are generally *presumed* to be principally low and moderate-income persons. Activities that exclusively serve a group of persons in any one or a combination of the following categories may be presumed to benefit persons, 51 percent of whom are low- and moderate-income:
  - **Abused children;**
  - **Battered spouses;**
  - **Elderly persons** - Persons 60 years of age and older;

- **Severely disabled adults** - Adults meeting the Bureau of the Census' Current Population Reports definition of "severely disabled," - Persons with a severe disability must meet one of the following:
  - a. Used a wheelchair or have used another special aid for 6 months or longer;
  - b. Are unable to perform one or more functional activities or need assistance with an Activity of Daily Living or Instrumental Activity of Daily Living. (**Functional Activities include: seeing, hearing, having ones speech understood, lifting, carrying, walking up a flight of stairs and walking. Activities of Daily Living include: getting around inside the house, getting out of bed or a chair, bathing, dressing, eating and toileting. Instrumental Activities of Daily Living include: going outside the home, keeping track of money, preparing meals, doing light housework and using the telephone.**)
  - c. Are prevented from working at a job or doing housework;
  - d. Have a condition including autism, cerebral palsy, Alzheimer's disease, senility or mental retardation; and
  - e. Persons who are under 65 years of age and who are considered disabled by Medicare or receive Social Security Income are considered to have a disability (severe disability).
  
- **Homeless persons** - Persons living on the street or in an emergency shelter, or who will be living on the street or in an emergency shelter without assistance;
  
- **Illiterate adults;**
  
- **Persons living with AIDS;** and
  
- **Migrant farm workers.**
  
- **Test 2 – Limited Clientele Based on Family Size and Income and Test 3 – Limited Clientele Based on Income Eligibility** - If the facility does not serve a clientele that consists solely of presumed low- and moderate-income persons, it must:
  - For **Test 2**, require information on family size and income from every client so that it is evident that at least 51 percent of the clientele are persons whose family income does not exceed the low- and moderate-income limit. The Community Facility User Form must be completed using income limits in Table D; or
  - For **Test 3**, have income eligibility requirements that limit the activity exclusively to low and moderate-income persons; or
  
- **Test 4 – Limited Clientele Based on Nature and Location of the Facility –** It must be of such a nature, and be in such a location, that it may be concluded the activity's clientele will primarily be low- and moderate-income persons. (Note: The use of this criteria under the state's program is a rarity.)

- On February 15, 2008, the state received guidance from HUD that food bank/warehouses can qualify as meeting the LMI national objective on the basis of the nature of the service and the location where the services are provided. Food bank projects will no longer have to collect family size and income data to demonstrate compliance with the federal national objective. On May 7, 2008, the department researched and approved of this approach.
- **Microenterprise Exception** - A microenterprise assistance project is limited to owners of microenterprises and persons developing microenterprises who are low- and moderate-income persons based upon the family size and income limits contained within Table D. For purposes of this paragraph, persons determined to be low and moderate income may be presumed to continue to qualify as such for up to a three-year period.

### **Limited Clientele Documentation (LMC)**

Applicants must document how proposed activities will benefit low- and moderate-income persons in conformance with federal law. The type of documentation necessary depends upon the users of the facility. Some proposed projects may involve more than one program/activity with different clientele and different documentation. The following describes what information must be submitted for different types of limited clientele activities:

1. **Test 1 – Limited Clientele Based on Presumed Benefit**  
Documentation establishing that the facility or service is designed exclusively to serve a group of persons in any one or a combination of the following categories may be presumed to benefit persons, 51 percent of whom are low and moderate income: abused children, battered spouses, elderly persons, adults meeting the Bureau of the Census' Current Population Reports definition of "severely disabled", homeless persons, illiterate adults, persons living with AIDS and migrant farm workers; or
2. **Test 2 – Limited Clientele Based on Family Size and Income**  
Documentation that at least 51 percent of the clientele are persons whose family income does not exceed the low- and moderate-income limit (e.g., child care center that is not exclusively for low- and moderate-income persons). The current income limits can be found in Table D. Required documentation shall be one or more of the following, as appropriate:
  - a. A summary that shows how many current users have family incomes above and below the low- and moderate-income limits. The summary must be based on information about the family size and family income of each user. This information may be from existing program forms (e.g., application for day care) or it can be collected using the form included in this chapter (Community Facility User Certification form)

and reported on the “Documentation of Facility Users” form also contained within this chapter.

**The documentation cannot be a survey.** There must be information collected about the family of each beneficiary. If a family does not provide the required information, its members must be assumed to be above the income limits.

Individual information forms gathered by the applicant do not have to be included with the application but may be reviewed during a site visit by department staff and/or must be available upon request at any time from department staff.

- b. The applicant also must certify in the application that, if funded, it will ensure that family size and income data is collected on all current and future beneficiaries and that no less than 51 percent of the beneficiaries of the facility will be income qualified until at least five years after the grant project is closed; or

3. **Test 3 – Limited Clientele Based on Income Eligibility**

Documentation of the income eligibility requirements that limit, or will limit, benefits from the facility exclusively to low- and moderate-income persons. The income limits must be included with the application; or

4. **Test 4 – Limited Clientele Based on Nature and Location of the Facility**

Documentation describing how the nature and, if applicable, the location of the facility or service establishes that it is used or will be used predominantly by low- and moderate-income persons.

**Note:** Facilities must provide one year of family size and income data for the facility to be assisted. If one year of data is not available (new facility with no clientele history) the applicant must demonstrate how the services offered at the facility will be limited to low- and moderate-income persons so that the use of the facility will meet the national objective. This is done by the applicant providing the department application forms, policies and other documents and procedures that will be used to limit the use of the facility so that 51% or more of the use of the facility is for low- and moderate-income persons.

**The summary form Table E titled “Documentation of Facility Users” must be completed and included with the application for all “limited clientele” projects.**

### **Housing Activities Qualification (LMH)**

An eligible activity carried out for the purpose of providing or improving permanent residential structures which, upon completion, will be occupied by low- and moderate-income households. This would include, but not necessarily be limited to, the acquisition or rehabilitation of property, conversion of nonresidential structures and new housing construction. If the structure contains two dwelling units, at least one must be occupied by a low- and moderate-income household, and if the structure contains more than two dwelling units, at least 51 percent of the units must be occupied by low- and moderate-income households.

When CDBG funds are used for housing services eligible under section 105(a)(20) of the Act, such funds shall be considered to benefit low- and moderate-income persons if the housing units for which the services are provided are HOME- assisted and the requirements of 92.252 or 92.254 of this title are met.

### **Housing Documentation (LMH)**

For each activity carried out for the purpose of rehabilitating or constructing housing which is determined to benefit low- and moderate-income households, each applicant must provide a description of how local program policies will ensure that only income qualified households will benefit along with a copy of the client intake and screening forms and applicable income limits to be used.

**Note: Only the housing program gathers data by household size and household income. Household size and income is an aggregate of multiple families residing within the same residence. To determine LMI status, the household size and income is compared against the family size and income chart contained in Table D.**

### **Urgent Need**

To comply with this national objective a project must be designated to alleviate existing conditions which the local government certifies and the state determines:

- Pose a serious and immediate threat to the health or welfare of the community (Governor declared “State of Emergency” or Presidential declared disaster, through FEMA declaration);
- Are of recent origin or recently became urgent (i.e. Governor’s Emergency Declaration was within 12 months preceding the local government’s certification and the state’s determination.);
- The applicant is unable to finance the activity on its own; and
- Other sources of funds are not available to carryout the activity.

### **Urgent Need Documentation**

- A description of the nature and degree of seriousness of the conditions requiring assistance.
- Evidence that the state grant recipient certified that the CDBG activity was designated to address an urgent need.
- Information on the timing of the development of the serious condition.
- Evidence confirming that other financial resources to alleviate the need are not available.

Table C National Objective

Low and Moderate Income	
<p><b>Area Wide/Sub-Area</b> 24 CFR 570.483 (b)(1)(i)</p>	<p><b>Definition</b> – The activity must serve an area that is primarily a low- and moderate-income permanent residential area (at least 51% low- and moderate-income.)</p> <p><b>Examples</b> – Public Works projects, Libraries, Fire Stations, Health Clinics, Community Centers and Family Resource Center projects.</p>
<p><b>Limited Clientele – in general</b> 24 CFR 570.483 (b)(2)(ii)</p>	<p><b>Definition</b> – The activity benefits a specific group(s) of low- and moderate-income persons (excludes housing). An activity may meet this criteria if it serves a 51% low- and moderate-income clientele, exclusively serves a presumed group (see definition below), be of such a nature and location that it can be concluded to serve a low- and moderate-income clientele, or remove material or architectural barriers for the mobility or accessibility of elderly persons or adults meeting the definition of “severely disabled”. To assist an entire facility, all services in a facility must be limited to those serving a clientele that is at least 51% low and moderate income. <b>(Facilities that are open and available to everyone in the area must qualify under the area wide national objective. Under the limited clientele national objective, the facility must qualify based on services to limited clientele, not by use of the facility, and each user must be income qualified.)</b></p>
<p><b>Presumed Limited Clientele</b> 24 CFR 570.483 (b)(2)(ii)(A)</p> <p><i>Test 1 – Limited Clientele based on Presumed Benefit.</i></p>	<p><b>Definition</b> – Clientele that are generally presumed to be low- and moderate-income as determined by Housing and Urban Development. These are abused children, elderly persons, battered spouses, homeless persons, severely disabled adults, illiterate adults, persons living with AIDS, migrant farm workers.</p> <p><b>Examples</b> – Senior Centers 60+, Homeless Shelters and Domestic Violence Shelters.</p>
<p><b>Family Size and Income Eligibility Limited Clientele</b> 24 CFR 570.483 (b)(2)(ii)(C) or 24 CFR 570.483 (b)(2)(ii)(B)</p> <p><i>Test 2-Limited Clientele based on Family Size and Income and Test 3-Limited Clientele based on Income Eligibility.</i></p>	<p><b>Definition</b> – Activities require information on family size and income that confirm at least 51% of clientele are low- and moderate-income. Information on family size and income can be determined by clients completing the Community Facility User Certification Form (Test 2) or having income eligibility requirements (Test 3).</p> <p><b>Examples</b> – Head Start Centers and Microenterprise Assistance.</p>
<p><b>Nature and Location Limited Clientele</b> 24 CFR 570.483 (b)(2)(ii)(D)</p> <p><i>Test 4-Limited Clientele based on Nature and Location of the facility.</i></p>	<p><b>Definition</b> – Facility of such a nature, and be in such a location, that it may be concluded that the facility’s clientele will be primarily low- and moderate-income persons.</p> <p><b>Example</b> – Food Banks</p>

<b>Low and Moderate Income</b>	
<b>Housing/Direct Benefit</b> 24 CFR 570.483 (b)(3)	<p><b>Definition</b> – Activities carried out for purpose of providing or improving permanent residential structures, that upon completion, will be owned and occupied by low- and moderate-income persons. Must household size and income qualify all applicants.</p> <p><b>Example</b> – Housing Rehabilitation.</p>

<b>Urgent Community Needs</b>	
<b>Urgent Need</b> 24 CFR 570.483 (d)	<p><b>Definition</b> – These projects must be designed to alleviate existing conditions which the grantee certifies, pose a serious and immediate threat to the health or welfare of the community, are of recent origin, unable to finance on their own, other funding resources are not available to carry out the activity.</p> <p><b>Examples</b> – Major catastrophe such as a flood or earthquake that threatens the community residents with spread of serious disease. The community's other resources may well be depleted and other federal programs may not be sufficient to cover all costs.</p>

**TABLE D - 2014 Low and Moderate Income Limits**  
Effective December 18, 2013

County	Median Family Income estimate for 2014	Income Level Note 1	Income Limits by Family Size							
			1-Person Family	2-Person Family	3-Person Family	4-Person Family	5-Person Family	6-Person Family	7-Person Family	8-Person Family
Baker	\$53,700	Low Moderate	\$18,800 \$30,100	\$21,500 \$34,400	\$24,200 \$38,700	\$26,850 \$42,950	\$29,000 \$46,400	\$31,150 \$49,850	\$33,300 \$53,300	\$35,450 \$56,700
Benton Note 2	\$69,400	Low Moderate	\$25,950 \$41,550	\$29,650 \$47,450	\$33,350 \$53,400	\$37,050 \$59,300	\$40,050 \$64,050	\$43,000 \$68,800	\$45,950 \$73,550	\$48,950 \$78,300
Clatsop	\$55,500	Low Moderate	\$19,450 \$31,100	\$22,200 \$35,550	\$25,000 \$40,000	\$27,750 \$44,400	\$30,000 \$48,000	\$32,200 \$51,550	\$34,450 \$55,100	\$36,650 \$58,650
Columbia Note 3	\$69,400	Low Moderate	\$24,300 \$38,850	\$27,800 \$44,400	\$31,250 \$49,950	\$34,700 \$55,500	\$37,500 \$59,950	\$40,300 \$64,400	\$43,050 \$68,850	\$45,850 \$73,300
Coos	\$49,500	Low Moderate	\$17,700 \$28,300	\$20,200 \$32,350	\$22,750 \$36,400	\$25,250 \$40,400	\$27,300 \$43,650	\$29,300 \$46,900	\$31,350 \$50,100	\$33,350 \$53,350
Crook	\$52,800	Low Moderate	\$18,600 \$29,750	\$21,250 \$34,000	\$23,900 \$38,250	\$26,550 \$42,500	\$28,700 \$45,900	\$30,800 \$49,300	\$32,950 \$52,700	\$35,050 \$56,100
Curry	\$56,700	Low Moderate	\$19,850 \$31,750	\$22,700 \$36,300	\$25,550 \$40,850	\$28,350 \$45,350	\$30,650 \$49,000	\$32,900 \$52,650	\$35,200 \$56,250	\$37,450 \$59,900
Deschutes Note 2	\$62,400	Low Moderate	\$21,850 \$34,950	\$25,000 \$39,950	\$28,100 \$44,950	\$31,200 \$49,900	\$33,700 \$53,900	\$36,200 \$57,900	\$38,700 \$61,900	\$41,200 \$65,900
Douglas	\$46,600	Low Moderate	\$17,700 \$28,300	\$20,200 \$32,350	\$22,750 \$36,400	\$25,250 \$40,400	\$27,300 \$43,650	\$29,300 \$46,900	\$31,350 \$50,100	\$33,350 \$53,350
Gilliam	\$57,600	Low Moderate	\$20,200 \$32,300	\$23,050 \$36,900	\$25,950 \$41,500	\$28,800 \$46,100	\$31,150 \$49,800	\$33,450 \$53,500	\$35,750 \$57,200	\$38,050 \$60,900
Grant	\$45,500	Low Moderate	\$17,700 \$28,300	\$20,200 \$32,350	\$22,750 \$36,400	\$25,250 \$40,400	\$27,300 \$43,650	\$29,300 \$46,900	\$31,350 \$50,100	\$33,350 \$53,350
Harney	\$50,500	Low Moderate	\$17,700 \$28,300	\$20,200 \$32,350	\$22,750 \$36,400	\$25,250 \$40,400	\$27,300 \$43,650	\$29,300 \$46,900	\$31,350 \$50,100	\$33,350 \$53,350
Hood River	\$64,000	Low Moderate	\$22,300 \$35,700	\$25,500 \$40,800	\$28,700 \$45,900	\$31,850 \$50,950	\$34,400 \$55,050	\$36,950 \$59,150	\$39,500 \$63,200	\$42,050 \$67,300
Jackson Note 2	\$50,500	Low Moderate	\$18,550 \$29,650	\$21,200 \$33,850	\$23,850 \$38,100	\$26,450 \$42,300	\$28,600 \$45,700	\$30,700 \$49,100	\$32,800 \$52,500	\$34,950 \$55,850
Jefferson	\$49,400	Low Moderate	\$17,700 \$28,300	\$20,200 \$32,350	\$22,750 \$36,400	\$25,250 \$40,400	\$27,300 \$43,650	\$29,300 \$46,900	\$31,350 \$50,100	\$33,350 \$53,350
Josephine	\$45,200	Low Moderate	\$17,700 \$28,300	\$20,200 \$32,350	\$22,750 \$36,400	\$25,250 \$40,400	\$27,300 \$43,650	\$29,300 \$46,900	\$31,350 \$50,100	\$33,350 \$53,350
Klamath	\$47,500	Low Moderate	\$17,700 \$28,300	\$20,200 \$32,350	\$22,750 \$36,400	\$25,250 \$40,400	\$27,300 \$43,650	\$29,300 \$46,900	\$31,350 \$50,100	\$33,350 \$53,350
Lake	\$52,300	Low Moderate	\$18,350 \$29,300	\$20,950 \$33,500	\$23,550 \$37,700	\$26,150 \$41,850	\$28,250 \$45,200	\$30,350 \$48,550	\$32,450 \$51,900	\$34,550 \$55,250
Lane Note 2	\$55,200	Low Moderate	\$19,350 \$30,950	\$22,100 \$35,350	\$24,850 \$39,750	\$27,600 \$44,150	\$29,850 \$47,700	\$32,050 \$51,250	\$34,250 \$54,750	\$36,450 \$58,300
Lincoln	\$55,700	Low Moderate	\$19,500 \$31,200	\$22,300 \$35,650	\$25,100 \$40,100	\$27,850 \$44,550	\$30,100 \$48,150	\$32,350 \$51,700	\$34,550 \$55,250	\$36,800 \$58,850

**2014 Low and Moderate Income Limits**  
Effective December 18, 2013

County	Median Family Income estimate for 2014	Income Level Note 1	Income Limits by Family Size							
			1-Person Family	2-Person Family	3-Person Family	4-Person Family	5-Person Family	6-Person Family	7-Person Family	8-Person Family
Linn	\$51,600	Low Moderate	\$18,600 \$29,750	\$21,250 \$34,000	\$23,900 \$38,250	\$26,550 \$42,500	\$28,700 \$45,900	\$30,800 \$49,300	\$32,950 \$52,700	\$35,050 \$56,100
Malheur	\$49,000	Low Moderate	\$17,700 \$28,300	\$20,200 \$32,350	\$22,750 \$36,400	\$25,250 \$40,400	\$27,300 \$43,650	\$29,300 \$46,900	\$31,350 \$50,100	\$33,350 \$53,350
Marion Note 3	\$55,800	Low Moderate	\$19,550 \$31,300	\$22,350 \$35,750	\$25,150 \$40,200	\$27,900 \$44,650	\$30,150 \$48,250	\$32,400 \$51,800	\$34,600 \$55,400	\$36,850 \$58,950
Morrow	\$52,400	Low Moderate	\$18,350 \$29,350	\$21,000 \$33,550	\$23,600 \$37,750	\$26,200 \$41,900	\$28,300 \$45,300	\$30,400 \$48,650	\$32,500 \$52,000	\$34,600 \$55,350
Polk Note 3	\$55,800	Low Moderate	\$19,550 \$31,300	\$22,350 \$35,750	\$25,150 \$40,200	\$27,900 \$44,650	\$30,150 \$48,250	\$32,400 \$51,800	\$34,600 \$55,400	\$36,850 \$58,950
Sherman	\$60,500	Low Moderate	\$20,450 \$32,700	\$23,400 \$37,400	\$26,300 \$42,050	\$29,200 \$46,700	\$31,550 \$50,450	\$33,900 \$54,200	\$36,250 \$57,950	\$38,550 \$61,650
Tillamook	\$53,500	Low Moderate	\$18,750 \$30,000	\$21,400 \$34,250	\$24,100 \$38,550	\$26,750 \$42,800	\$28,900 \$46,250	\$31,050 \$49,650	\$33,200 \$53,100	\$35,350 \$56,500
Umatilla	\$59,700	Low Moderate	\$20,900 \$33,450	\$23,900 \$38,200	\$26,900 \$43,000	\$29,850 \$47,750	\$32,250 \$51,600	\$34,650 \$55,400	\$37,050 \$59,250	\$39,450 \$63,050
Union	\$53,100	Low Moderate	\$18,650 \$29,800	\$21,300 \$34,050	\$23,950 \$38,300	\$26,600 \$42,550	\$28,750 \$46,000	\$30,900 \$49,400	\$33,000 \$52,800	\$35,150 \$56,200
Wallowa	\$53,200	Low Moderate	\$18,650 \$29,800	\$21,300 \$34,050	\$23,950 \$38,300	\$26,600 \$42,550	\$28,750 \$46,000	\$30,900 \$49,400	\$33,000 \$52,800	\$35,150 \$56,200
Wasco	\$55,300	Low Moderate	\$19,400 \$31,000	\$22,150 \$35,400	\$24,900 \$39,850	\$27,650 \$44,250	\$29,900 \$47,800	\$32,100 \$51,350	\$34,300 \$54,900	\$36,500 \$58,450
Wheeler	\$46,400	Low Moderate	\$17,700 \$28,300	\$20,200 \$32,350	\$22,750 \$36,400	\$25,250 \$40,400	\$27,300 \$43,650	\$29,300 \$46,900	\$31,350 \$50,100	\$33,350 \$53,350
Yamhill Note 3	\$69,400	Low Moderate	\$24,300 \$38,850	\$27,800 \$44,400	\$31,250 \$49,950	\$34,700 \$55,500	\$37,500 \$59,950	\$40,300 \$64,400	\$43,050 \$68,850	\$45,850 \$73,300

Note 1: "Low Income" and "Moderate Income" are defined in the federal Housing and Community Development Act of 1974, as amended. A Low-Income person is a member of a family with a gross income of no more than 50 percent of the area median income. A Moderate-Income person is a member of a family with a gross income of no more than 80 percent of the area median income. The "area" is either the county or the non-metropolitan portion of the state, whichever has the higher median income. The 2014 estimated median family income for non-metropolitan counties in Oregon is \$60,700.

Note 2: Benton County, Deschutes County, Lane County and Jackson County are part of a Metropolitan Statistical Area (MSA). The income limits for an entire county are based upon the median family income for the MSA, even though the specific MSA area is ineligible to apply to the state-administered Community Development Block Grant program—for example, Bend in Deschutes County, Corvallis in Benton County, Eugene-Springfield in Lane County and Medford-Ashland in Jackson County.

Note 3: This county is part of a Primary Metropolitan Statistical Area (PMSA). The income limits are based on the median family income for the entire PMSA including local governments that are not eligible for the state-administered CDBG program. For example, the median family income and income limits for Columbia and Yamhill counties are the same as those for the City of Portland, Clackamas County, Multnomah County, and Washington County. Those of Marion and Polk Counties are the same as Salem PMSA.

Source: U.S. Department of Housing and Urban Development (HUD)

**Documentation of Facility Users**

Community/public facilities projects and public service projects intending to meet the low- and moderate-income limited clientele national objective will be required to submit information with the application that documents the specific historical and proposed clientele in accordance with the 2015 Method of Distribution, and in a format similar to the tables below in point #5.

Instructions:

1. Only one program should be shown in each line of Table E. If the proposed facility will offer more programs/services than can be recorded on this form, prepare additional copies of the form until each program offered by the proposed facility is accounted for.
2. Attach a copy of Community Facility User Certification Form(s) (intake or client screening forms) containing the requisite family size and income limits for the clientele in each program.
3. Classifications of persons who are presumed LMI: abused children, battered spouses, elderly persons, adults meeting the Census definition of “severely disabled”, homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers.
4. Prospective applicants are encouraged to consult with department staff at the earliest stages of project development concerning the documentation required for Limited Clientele Projects.

Note: Do not duplicate beneficiary reporting. Each user of the service can only be counted once per calendar year.

5. Identify the Race and Ethnicity of the total beneficiaries served by the facility during the reporting period:

	<b>White (non-Hispanic)</b>	<b>Hispanic</b>	<b>Total</b>
White			
Black or African American			
American Indian/Alaskan Native			
Asian			
Native Hawaiian or Pacific Islander			
Two or More races			
<b>Total</b> (Must match total reported on Documentation of Facility Users Form)			

**Table E**

Program provided at proposed facility: (e.g. Senior Center, Head Start)	Low- and Moderate-income (LMI) Limited Clientele National Objective to be met by each program/activity (Check only one for each program)	Current Clientele (Served in prior 12 months) Data collected ( mm/dd/yy): _____ to _____		Proposed Clientele (Estimated to be served during the first 12 months after project completion)	
		Total Number of Persons	Total Number of LMI Persons	Total Number of Persons	Total Number of LMI Persons
	<input type="checkbox"/> Family size and income information are collected from all clientele and at least 51% are LMI. (2) <input type="checkbox"/> Clientele must be LMI to receive service. (2) <input type="checkbox"/> Clientele are presumed to be LMI. Classification _____. (3) <input type="checkbox"/> Clientele are LMI by Nature and Location of Facility.				
	<input type="checkbox"/> Family size and income information are collected from all clientele and at least 51% are LMI. (2) <input type="checkbox"/> Clientele must be LMI to receive service. (2) <input type="checkbox"/> Clientele are presumed to be LMI. Classification _____. (3) <input type="checkbox"/> Clientele are LMI by Nature and Location of Facility.				
	<input type="checkbox"/> Family size and income information are collected from all clientele and at least 51% are LMI. (2) <input type="checkbox"/> Clientele must be LMI to receive service. (2) <input type="checkbox"/> Clientele are presumed to be LMI. Classification _____. (3) <input type="checkbox"/> Clientele are LMI by Nature and Location of Facility.				
	<input type="checkbox"/> Family size and income information are collected from all clientele and at least 51% are LMI. (2) <input type="checkbox"/> Clientele must be LMI to receive service. (2) <input type="checkbox"/> Clientele are presumed to be LMI. Classification _____. (3) <input type="checkbox"/> Clientele are LMI by Nature and Location of Facility.				
<b>TOTALS -</b>					
<b>PERCENTAGE (LMI users)/(total users) X 100 = %</b>		<b>% LMI</b>		<b>% LMI</b>	

**COMMUNITY FACILITY USER CERTIFICATION FORM**

The information below is being requested because the \_\_\_\_\_ [recipient] \_\_\_\_\_ received an Oregon Community Development Block Grant (CDBG) and, as part of the operation of a CDBG funded community facility, must provide the family size and income and ethnicity/race of the persons who use the \_\_\_\_\_ [insert name of facility] \_\_\_\_\_. Your answers will be treated confidentially.

**FAMILY SIZE** – The HUD definition of family is, all persons living in the same household who are related by blood, marriage or adoption, this includes any related dependent persons over 65 or working dependent children over 18.

NOTE: A family is not a household. A household is defined as all persons occupying the same housing unit regardless of their relationship to each other. If there is more than one family residing within the housing unit, each family must complete a separate Community Facility User Certification Form.

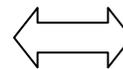
Check the appropriate box for your family size:

- |  |  |
|--|--|
| <input type="checkbox"/> Single individual | <input type="checkbox"/> Family of 5         |
| <input type="checkbox"/> Family of 2       | <input type="checkbox"/> Family of 6         |
| <input type="checkbox"/> Family of 3       | <input type="checkbox"/> Family of 7         |
| <input type="checkbox"/> Family of 4       | <input type="checkbox"/> Family of 8 or more |

**ANNUAL FAMILY INCOME** – Annual family income is defined as, the total income earned before taxes by all family members, including job earnings (wages, salary, tips, bonuses, commissions), interest, dividends, child support, alimony, welfare, social security, disability, unemployment, retirement payments, net income from business activities, farms, rents, royalties, trusts, estates and any other income received regularly by all family members.

Check the appropriate box for your family’s annual total gross income before taxes in 2014.

- |   |   |
|---|---|
| <input type="checkbox"/> \$ 0 to 27,050     | <input type="checkbox"/> \$41,751 to 44,800 |
| <input type="checkbox"/> \$27,051 to 30,900 | <input type="checkbox"/> \$44,801 to 47,900 |
| <input type="checkbox"/> \$30,901 to 34,800 | <input type="checkbox"/> \$47,901 to 51,000 |
| <input type="checkbox"/> \$34,801 to 38,650 | <input type="checkbox"/> \$51,001 or more   |
| <input type="checkbox"/> \$38,651 to 41,750 |   |



*The family income figures must be updated for the county in which the project is to occur, using Table D.*

**ETHNICITY AND RACE** - As a person who uses a Community Facility funded by an Oregon Community Development Block Grant, you are asked to voluntarily respond to the Ethnicity and Race items below. If you do not provide responses, the operator of the community facility is required to supply responses based on their determination of your ethnicity and race.

Check the appropriate box of your *ethnicity*:  Hispanic  Not Hispanic.

Check the appropriate box of your *race*:

- White
- Black/African American
- Asian
- American Indian/Alaskan Native
- Native Hawaiian/Other Pacific Islander
- Two or more races
- Other

**SIGNATURES AND CERTIFICATIONS** - This information is subject to verification by the grant recipient, Oregon Business Development Department – Infrastructure Finance Authority or the U.S. Department of Housing and Urban Development officials.

- **Community Facility User** (Person that completed this form) - By my signature below on this Community Facility User Certification Form, I am certifying that the information provided is valid and accurate.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

- **Community Facility Organization** (Entity that collected the information from the user.) - The [\_\_\_\_\_] Insert the name of organization collecting family size and income information [\_\_\_\_\_] has reviewed the supporting documentation provided by the community facility user and has determined that the user:
  - \_\_\_\_\_ **MEETS** the HUD requirements contained in the most current Method of Distribution.
  - \_\_\_\_\_ **DOES NOT** meet the HUD requirements contained in the most current Method of Distribution.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## Chapter 4 Federal Requirements

**Note:** Refer to Chapter 7 for a description of the environmental and uniform relocation and real property assistance (URA) trigger guidance.

The Community Development Block Grant (CDBG) Program is subject to many federal requirements that cover a wide range of activities. Some of the requirements are briefly summarized below. More detailed information can be found in the Grant/Project Management Handbook and other resources available from the Oregon Business Development Department (department). The CDBG Grant Management Handbook (2013 Edition) or most current edition, can be found on the department's web site: <http://www.orinfrastructure.org/Learn-About-Infrastructure-Programs/Interested-in-a-Community-Development-Project/Community-Development-Block-Grant/> OBDD-IFA encourages potential applicants to review the Grant Management Handbook prior to committing to submit an application in order to familiarize themselves with the wide array of program requirements.

### Conflicts of Interest

Oregon Government Standards and Practices laws ORS Chapter 244 apply to procurement of supplies, equipment, construction and services to be paid for in whole or in part with CDBG funds. In addition, the provisions of the federal code of regulations (CFR), 24 CFR Subpart I, 570.489(h) also apply to the following activities assisted in whole or in part with CDBG funds: procurement of supplies, equipment, construction and services; acquisition and disposition of real property; and the provision of assistance to individuals, businesses and other private entities.

- **Persons Covered by the Conflict of Interest Requirements** – The conflict of interest provisions in this section apply to any person who is an employee, agent, consultant, officer, elected official or appointed official of the unit of general local government or of any designated public agencies that are receiving CDBG funds.
- **Conflicts Prohibited** – Generally, except for eligible administrative and personnel costs, none of the persons covered by the Conflict of Interest Requirements who exercise or have exercised any functions or responsibilities with respect to CDBG assisted activities or who are in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the activity. Also, such persons may not have any interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties during their tenure or for one year thereafter.
- **Exceptions to the Conflict of Interest Requirements** – OBDD may grant an exception to the provisions of this section upon written request of the unit of general local government provided the state can fully document its determination in compliance with all federal requirements in 24 CFR Subpart I, 570.489 (h)(4) and (5).

### Continued Use Requirement/Change of Use Requirements

Any change in use of a facility or disposition of property acquired or improved in whole or in part with CDBG funds within five years after closeout (NOTE: OBDD-IFA's definition of closeout is

administrative closeout) of the grant project must be made in accordance with the standards provided in 24 CFR 570.489 (j). If the facility or real property cannot meet a national objective during the five year continued use period the grant must be repaid to the state. In the event of a possible change of use of the funded facility, the grant recipient must contact OBDD-IFA prior to taking any action. More specifically, the requirements are:

- All projects which have improved or acquired real property within the grant recipients direct control (including activities undertaken by sub recipients) which was improved or acquired in whole or in part with CDBG funds in excess of \$100,000 must comply with the continued use requirements of 24 CFR subpart I, Section 570.489 (j).
- The grant recipient may not change the use or planned use of any such property (including the beneficiaries of such use) from that which the acquisition or improvement was made, unless they follow the requirements listed in Section 570.489 (j).
- **Direct Control** - Projects under the direct control of the grant recipient (publicly owned improvements) or eligible sub recipient (nonprofit) must ensure the CDBG funded improvements remain in compliance with the federal national objective for which they originally qualified for funding.
- **Not Under the Direct Control** - Projects not under the direct control of the grant recipient or eligible sub recipient (private property owners for housing rehabilitation) do not have to comply with the continued use requirement. However, these projects must still meet the national objective requirements until the grant is closed out with the state.
- **Trust Deed** - In cases where the recipient is not and will not be the owner of the real property or facility being improved with CDBG funds, the recipient shall cause the owner of such real property or facility to duly execute and record a trust deed against the real property or facility in favor of the recipient. Said trust deed shall be in form and substance satisfactory to the state.

The state has prescribed language that must be included in any contract, which transfers the property from the recipient to another party. This language and more information regarding these requirements are contained in the Grant Management Handbook.

### **Environmental Review**

Recipients are required to obtain appropriate environmental clearances for their project and to maintain an “environmental review record” for each project. More detail on how to comply with these requirements and the necessary forms are contained in the Grant Management Handbook.

**The grant recipient shall not commit/obligate or expend funds on any project activity before completion of the appropriate level of environmental review and, when applicable, the approval by the state of a Request for Release of Funds (RROF). This restriction applies to all project funds, even non-CDBG funds in the project.**

### **Excessive Force Policy**

All city and county recipients must adopt and enforce a policy prohibiting excessive force by law enforcement agencies within their jurisdiction against any individuals engaged in non-violent civil rights demonstrations. Enforcement of all applicable state and local laws against physically barring entrance to or exit from a facility or location that is the subject of such non-violent civil rights demonstrations within its jurisdiction also is required.

The excessive force policy is in the federal law for the Community Development Block Grant program. The effect of the law is that the state cannot legally award a grant to a city or county that does not adopt the policy.

### **In-Kind Value of Volunteer Labor**

For the purpose of documenting local match, the department has established that volunteer labor is to be valued as follows:

- The time of a person who donates their professional skills shall be credited at their standard hourly fee. For example, an electrician that donates time to install wiring.
- The time of a person that provides labor for which they are not normally paid shall be credited at the state's current minimum wage. For example, a teacher that volunteers to perform carpentry work.

### **Minority, Women and Emerging Small Businesses**

The department encourages recipients to provide opportunities for minority, women and emerging small businesses. The state's Vendor Information Program can be used for advertising procurement contracts.

### **Non-Discrimination Against Persons with Handicaps**

Federal law prohibits discrimination against any otherwise qualified individual from participating in or benefiting from a federally funded program solely on the basis of handicap. Community Development Block Grant recipients must comply with U.S. Department of Housing and Urban Development regulations which implement this federal law (Section 504 of the Rehabilitation Act of 1973). Cities and counties who are working toward compliance with the federal Americans with Disabilities Act (ADA) will easily meet the requirements of Section 504.

### **Other Requirements**

The recipient shall comply and cause its agents, contractors and sub grantees to comply with 30 F.R. 12319 (1965) as amended by Executive Order No. 11375, 32 F.R. 14303 (1967), reprinted in 42 U.S.C. 2000e (1994), and the regulations promulgated pursuant thereto, 41 C.F.R. 60-1.1 to 60-999.1 (1997).

Recipient shall conduct and administer the department financing in conformity with the Civil Rights Act of 1964, 42 U.S.C. 2000a-2000e (1994).

Many more federal requirements are contained within the recipient's contract with the state and the Grant Management Handbook.

## **Federal Prevailing Wages and Federal Labor Standards Provisions and Bureau of Labor and Industries (BOLI) Prevailing Wage Requirements**

Construction projects assisted in whole or in part with CDBG funds must be carried out in compliance with the federal Davis Bacon and Related Acts and the Oregon Bureau of Labor and Industries (BOLI) requirements. This means that both Oregon Prevailing Wage Rates and the federal prevailing wage rates and Federal Labor Standards provisions will apply, effective for all projects advertised for bid on or after January 1, 2006. Extensive labor standards requirements must be followed. More detailed information can be found in the current Grant Management Handbook.

### **Program Income**

Program Income includes, but is not limited to, the following:

- Payments of principal and interest on loans made from CDBG funds;
- Proceeds from the lease or disposition of real property and equipment acquired with CDBG funds;
- Interest earned on CDBG funds held in a revolving fund account; and
- Interest earned on any program income pending disposition of such income.

Funds derived from CDBG funded activities are considered Program Income except when:

- The total amount of funds, which does not exceed \$35,000 received in a single year from activities, other than revolving loan funds that is retained by a unit of general local government and its sub-grantees (all funds received from revolving loan funds are considered program income, regardless of amount);

Note: Oregon defines a single year as (July 1 to June 30).

Note: All income received from any closed housing rehabilitation grant that is not utilizing the authority of 105(a)(15) of the HCDA and is still being tracked for program income by OBDD-IFA is considered program income. The miscellaneous income rule does not apply to these prior housing rehabilitation grants, effective May 23, 2012.

- The funds are generated by housing rehabilitation revolving loan fund activities eligible under Section 105(a)(15) of the Housing and Community Development Act and carried out by an entity under the authority of section 105(a)(15) of the Act. Such entities are limited to public nonprofit organizations which (1) meet the Internal Revenue Service requirements for nonprofit status; (2) are serving the development needs of non-entitlement areas; and (3) carry out community economic development, neighborhood revitalization and/or energy conservation projects. Such projects can include management of revolving funds for the purpose of housing rehabilitation and economic development.

The full definition of program income and federal rules governing its use are found in 24 CFR 570.489(e) and the preamble to the final rule and guidelines published by the U.S. Department of Housing and Urban Development in the Federal Register on May 23, 2012.

All requirements of 24 CFR 570 Subpart I apply to the use of program income retained by a unit of general local government. Failure to use program income as required may result in sanctions against the recipient.

Recipients shall not expend any income anticipated to be less than \$35,000 until after the end of the applicable annual period unless it is spent in compliance with CDBG rules.

Program income shall be paid to the state except where the income is to be used by the recipient to continue the activity from which such income is derived. For example, an older housing rehabilitation grant where the grant funds are loaned by the grantee to private property owners, the loans repaid to the grantee can be used to conduct more housing rehabilitation work.

Housing rehabilitation grants awarded under the authority of 105(a)(15) of the HCDA exemplify the exception to program income rules if all the following conditions exist: 1) the state's grant to the city or county must be subgranted to an eligible nonprofit, 2) the nonprofit must loan funds directly to income-eligible homeowners, and 3) loan repayments made by those homeowners must be dedicated to subsequent eligible homeowners for housing rehabilitation.

### **Property Acquisition, Relocation and Tenant Assistance Requirements**

All temporary construction easements and real property acquisition, including the acquisition of permanent easements for construction projects assisted in whole or in part with CDBG funds, must be carried out in compliance with the requirements of the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA or Uniform Act) and Section 104(d) of the Housing and Community Development Act of 1974. The federal rules apply even if CDBG funds will not be used to pay for the acquisition.

Due to the specialty calculations and detailed requirements for relocation activities, any applicant with a proposed project that involves relocation will be required by OBDD-IFA to hire a specialist acceptable to OBDD-IFA to complete the required URA relocation process.

**Note:** Refer to the “Note” in Chapter 7 for a brief description of the environmental and uniform relocation and real property assistance (URA) trigger guidance. More detailed information can be found in the current Grant Management Handbook.

### **Proportional Funding**

Proportional funding for any project is not allowed.

### **Record Keeping**

Recipients must maintain records that are complete and cover program and financial use of the CDBG funds for monitoring by the department. Records retention requirements for the CDBG program is three years from the date the state's grant is closed with the U.S. Department of Housing and Urban Development (HUD) as required by 24 CFR Subpart I, 570.490. The department will provide technical assistance and a Grant Management Handbook, which contains detailed record keeping information and information covering other aspects of the program's requirements.

### **Residential Antidisplacement and Relocation Plan**

Recipients must comply with the State of Oregon's “Residential Antidisplacement and Relocation Plan”.

## **Title I**

These grants and any sub-grants of these federal grants are subject to Title I of the Housing and Community Development Act of 1974, and any regulations promulgated pursuant thereto and as may be amended from time to time.

## **Volunteers or Prison Inmates**

Applicants planning to use volunteer or prison inmates for a project must consult with the department and receive department approval prior to submitting an application. Donated labor can help reduce the cost of the project. However, the use of volunteers also may result in coordination problems with contractors, quality of work issues, and potential local government liability for personal injury and property damage. Applicants should consider both the benefits and the drawbacks of volunteer labor before finalizing any project budget.

## **Volunteers**

In general the following rules apply to volunteers:

- A person cannot be a volunteer if the person is otherwise employed at any time on the project activity in the construction or maintenance work for which the person volunteers.
- Volunteers cannot be paid to provide materials or supplies unless the recipient has obtained the materials/supplies through a competitive process under the appropriate procurement rules.
- Persons providing work subject to the Davis-Bacon Act (laborers and mechanics in the construction trades) must be paid the applicable federal prevailing wage unless they meet the requirements for volunteers contained in 24 CFR Part 70.3 entitled “Use of Volunteers on Projects Subject to Davis-Bacon and HUD-Determined Wage Rates”. This rule is available, upon request, from the department.

## **Prison Inmates**

There is no prohibition against the use of prison inmate labor on CDBG funded construction work. Prisoners are generally not considered volunteers because they have no choice in the matter, so they must be paid Davis-Bacon wage rates. In rare situations, prisoners may be participating in a voluntary program and they are truly volunteering their services to the local government.

## Chapter 5 Program Policies and Definitions

**Note:** Refer to Chapter 7 for a description of the environmental and uniform relocation and real property assistance (URA) trigger guidance.

### POLICIES

#### Eligible/Ineligible Costs

##### Activity Delivery Costs

Activity delivery costs are expenses directly related to carrying out eligible activities such as property acquisition. These costs are not considered to be CDBG grant/project administration expenses. Professional appraiser's fees and attorney charges necessary to complete the acquisition of property are eligible as part of the acquisition activity cost.

##### Audit Cost

Community Development Block Grant (CDBG) funds can pay for A-133 audit costs in proportion to the federal CDBG funds received by the city or county. The eligible share of the A-133 audit cost cannot exceed the ratio of these federal grant funds received to the recipient's total annual expenditures and incurred obligations – times – the cost of the audit. For example:

CDBG receipts	\$ 100,000
Total Expenditures and Incurred Obligations	\$1,000,000

##### Ratio:

(CDBG Receipts)/(Total Expenditures and Incurred Obligations)	
(\$100,000)/(\$1,000,000)=0.1	0.1

Total Cost of A-133 Audit	\$ 5,000
---------------------------	----------

##### Eligible CDBG reimbursable portion of the audit cost

(Total Audit Cost) x (Ratio)	
(\$5,000) x (0.1) = \$500	\$ 500

##### Equipment

Grant funds may be used to buy equipment for grant/project administration purposes. Examples include computers, file cabinets and other office equipment. These expenses are included in the maximum amount allowed for grant/project administration.

**Entertainment/Refreshments** – The cost of food, beverages, snacks and any related expenses for utensils etc, are not eligible for reimbursement under the program.

### **Grant (Project) Administration/ Environmental Review/ Labor Standard Compliance/Program Management Services**

For all categories that allow grant administration as an eligible activity, up to 10 percent of the grant award, but not more than \$25,000, may be used to pay for grant/project administration costs, including overall project management, coordination, monitoring, and evaluation.

Recipients may use some of the grant/project administration allowance to conduct activities to further Fair Housing in their communities. Grant administration is not an eligible activity under the Microenterprise Assistance category.

In addition to the grant administration allowance the following limitations apply:

- **Federal Labor Standards Compliance** - Up to a maximum of \$15,000 per project is allowed if needed. Any amount of funds in excess of the \$15,000 must be paid for with local or non-CDBG funds. The cost associated with Bureau of Labor and Industry (BOLI) labor standards compliance must be paid for with local or non-CDBG funds.
- **Environmental Review** – Up to a maximum of \$15,000 per project is allowed to prepare and complete a full environmental review record including any associated wetlands delineations, 8-step floodplain/wetlands processes, biological assessments, pedestrian survey's, SHPO/THPO communication etc. to meet all the requirements of the most current Grant Management Handbook and approved by OBDD-IFA, if needed. The complete record must be ready for public comment. Any amount of funds in excess of the \$15,000 must be paid for with local or non-CDBG funds.
- **Legal Fees** - There is no maximum limit on costs associated with attorney fees.
- **Audit** – See Page 5-1 for details.
- **Property Appraisal Fees** – There is no maximum limit on costs associated with property appraisal fees related to property acquisition.
- **Limited English Proficiency (LEP) Translation Services** – Up to a maximum of \$3,000 per project is allowed to translate documents into other language(s), to meet the LEP requirements. The documents which are translated must be directly needed for the successful completion of the CDBG funded project, such as procurement notices, CDBG public meeting notices, etc.
- **Cultural Resource Monitoring** – Cultural resource monitoring required by Tribes in the completion of the environmental review record and during construction is an allowable expense. There is no maximum limit on the cost associated with cultural resource monitoring to satisfy Tribal compliance.
- **Funding Application Preparation** – Up to a maximum of \$7,500 per project is allowed under the Public Works Type 1, Public Water and Sewer System category to prepare funding applications to the department or other state and federal agency(s) for the next phase of the project. This does not apply to Type 2 Publicly Owned Off-Site Infrastructure.

- Program Management Services** (Only applies to housing rehabilitation projects.) – Up to 20 percent of the grant award may be used for the combined costs associated with grant administration and program management. Of this amount no more than \$15,000 may be used for grant administration costs. Program management costs are expenses directly related to carrying out eligible program activities such as working with low and moderate income eligible clients. These costs are not considered to be grant/project administration costs because they provide a direct service to clients eligible under the low and moderate income national objective.

In 2015 recipients that are subject to the 20 percent cap on grant administration and program management, will be allowed an additional \$10,000 on top of the 20 percent cap for grant administration and program management, allowing a maximum of \$25,000 for grant administration expenses.

Refer to Table F for identification of the eligible grant administration, environmental review, labor standards compliance review, attorney fees, appraisal costs, program management costs and other costs.

ACTIVITY	ALLOWANCE
Grant Administration (does not apply to microenterprise assistance projects)	10% up to a maximum of \$25,000
Federal Labor Standards Compliance	Up to a maximum of \$15,000 per project
Environmental Review	Up to a maximum of \$15,000 per project
Legal Fees	There is no maximum limit
Audit Costs	Refer to Page 5-1 for details
Limited English Proficiency Translation Services	Up to a maximum of \$3,000 per project
Cultural Resource Monitoring	There is no maximum limit
Funding Application Preparation (Public Works Water and Sewer only)	Up to a maximum of \$7,500 per project
Property Appraisal Fees	There is no maximum limit
Construction Contingency	Capped at 10% of the estimated construction cost
Architectural	12 percent of project construction and construction contingency costs combined
Engineering	20 percent of project construction and construction contingency costs combined
Program Management (Only applies to housing rehabilitation projects)	Up to 20% of the requested grant, plus \$10,000. This includes the \$25,000 allowance for grant administration.
Under rare circumstances, for projects involving biological assessments, archeological surveys or other required environmental studies, the department may allow the recipient to use a portion of the grant administration allowance to complete these activities. The costs must be required and reasonable, approved by OBDD-IFA and are limited by the amount of funds available in the recipient's grant award.	

Refer to Table F on page 5-11 for more details.

### Indirect Costs

Indirect costs are not allowed under the state program.

### Ineligible Activities

CDBG funds cannot be used for any debt financing or takeout, fines, fees or penalties. System development charges, hook-up fees, and connection charges are also not eligible for reimbursement under the federal regulations for the CDBG program. Bureau of Labor and Industry (BOLI) fees are ineligible under the program. The use of a Construction Manager/General Contractor (CMGC) also known as the design/build construction technique is prohibited under the program.

### **Limitations on Architectural and Engineering Costs**

The department will not approve without explanation grant awards that include budgets that contain more than the following percentages for architectural and engineering work regardless of whether the item is paid for with grant funds or other funding resources:

**Architectural** – 12 percent of project construction and construction contingency costs; and  
**Engineering** – 20 percent of project construction and construction contingency costs.

Proposed amounts in excess of the above percentages are generally not allowed and must be fully explained in the application. Approval to exceed the percentages can be granted on a case by case basis by OBDD-IFA. The work included in these percentages generally includes: project design, surveying, preparation of bid and contract documents, review of bids, project/construction oversight, preparation of as-built drawings and operation and maintenance plans. Professional services contracted out by the engineering/architectural firm for geotechnical evaluation, surveying, core samples, exploratory well drilling or other extra services are not generally included in the above stated limit for engineering and architectural costs. For further assistance contact the department's staff.

Preliminary engineering/planning documents, final design engineering documents and construction oversight in projects funded in full or in part with CDBG funds must be prepared and stamped or conducted by a registered professional engineer or architect licensed to do work within the State of Oregon.

### **Limits on Construction Contingencies**

Construction contingencies are limited to a maximum of 10 percent of the projected construction line item cost.

### **Pre-Award Costs**

Costs incurred prior to award of the grant are not eligible for reimbursement in any project assisted in whole or in part with CDBG funds.

### **Pre-Agreement Costs**

In any project assisted in whole or in part with CDBG funds, costs incurred after a grant award has been made but prior to execution of a grant contract are not eligible for reimbursement unless there are provisions in the grant contract allowing for payment of specific pre-agreement costs. The activities must also be eligible and undertaken in accordance with the requirements of the Community Development Block Grant program/future contract requirements and the federal environmental review rules at 24 CFR Part 58. Consult with department staff during project development for pre-agreement cost activities.

If pre-agreement costs are to be requested, the applicant must provide a written letter with the application, requesting pre-agreement costs that clearly explains and identifies:

- The amount of funds needed, by budget line item.
- An explanation as to why pre-agreement costs are necessary for the completion of the project.
- The timeline in which the funds will be expended.

- Documentation the federal environmental review rules at 24 CFR Part 58 have been met.

The application must describe the pre-agreement costs within the project description and show the costs in the project budget.

### Grant Contract Execution

Grant contracts must be signed by the highest elected official of the recipient and returned to the department.

### Grant Contract Amendments

The department must approve and process a formal written grant contract amendment if any of the following changes occur on a project: change in cost, scope of work, location, objectives, time frame, budget, or budget line items of the approved activities, program beneficiaries or project completion dates. The recipient's failure to obtain an approved grant contract amendment from the department when necessary may result in sanctions. Failure to gain prior approval, when needed, could result in the recipient having to pay for the costs associated with the amendment. The grant recipient must request, in writing, an amendment from the department and the documentation must contain the reasons why the amendment is needed and identify the proposed revisions to the budget, timeframes, scope of work etc.

- **Project Completion Date** – Project completion date extension requests must be submitted in writing to the department by the recipient. The written request must contain: 1) the reason(s) for the extension including identification and justification of the reasons beyond the recipients control that caused the delay; 2) the actions taken by the recipient to overcome the reasons for the delay; and, 3) propose a date when all grant activities will be completed i.e. the extension request cannot be more than six months and must include a timeline/work plan showing that the grant can be administratively closed within the six months.
- **Budget** – A formal written grant contract amendment is required to draw funds differently than authorized in the approved CDBG grant contract budget. However, if at the time of the last/final disbursement request, the recipient needs to vary from the approved budget the following procedure can be used, only for the final disbursement request:
  1. The amounts being changed and a brief explanation justifying the need to change or move line item amounts must be documented, with notations on the final disbursement request. The documentation can either be filed under the grant contract amendment tab or with the disbursement request in the OBDD-IFA project file;
  2. The final changes must be in conformance with the grant administration, engineering, environmental, program management etc. allowances identified on page's 5-2 and 5-3 of this MOD;
  3. The costs are eligible under the CDBG program; and,
  4. There is a written communication from the Regional Coordinator to the grant recipient in the project file, attached to the final disbursement request that *"IFA agrees to waive the requirements in [insert precise sections in both the contract to follow the approved*

*budget] in this instance.*” The documentation can either be filed under the grant contract amendment tab or with the disbursement request.

The Department Director or Deputy Director has the authority to designate/assign grant contract amendment approval authority to the Infrastructure Finance Authority.

### **Matching Funds**

There is no minimum project match requirement. Any matching funds necessary to complete the proposed CDBG project must be in the form of a cash contribution or project debt service. All project funds necessary to complete the proposed project must be available and committed at the time the application is received by the department. Refer to the “Readiness to Proceed” definition in this section for more details.

### **Mixed Use Facilities**

A community/public facility that contains activities both eligible under the Method of Distribution and activities ineligible under the Method of Distribution is a mixed use facility. These types of facilities are not eligible for funding under the program.

### **“Pass Through” Grants**

The city or county grant recipient is fully responsible for the grant-funded project and compliance with all applicable federal and state requirements. Recipients may not “pass through” any of the grant funds to another entity to undertake the project activities, except for regional housing rehabilitation revolving loan fund activities where the department has reviewed and/or approved a sub recipient agreement or sub-grant agreement. However, the original grant recipient remains responsible for compliance with the federal and state program requirements.

### **Procurement**

When procuring property or services to be paid for in whole or in part with CDBG funds, city and county recipients shall comply with the requirements of Oregon Revised Statutes (ORS) Chapter 279 and Oregon Administrative Rules (OAR) Chapter 137, as applicable. If the grant recipient has professional engineers, architects or other consultants already under contract, the recipient must provide documentation from their legal counsel showing that the procurement met state law and the procurement requirements for each grant. All such contracts must be amended to include the required federal clauses.

### **Project Period (Project Completion Date)**

All grants must be administratively closed within the time frame specified in Table 8-1 found in Chapter 8, unless formally amended. The project completion period begins the date the grant contract is fully executed. Projects that are not completed within the specified project period may be terminated and any unexpended grant funds may be recaptured by the state.

### **Publicly Owned Improvements/Facilities**

All categories:

When a project requires public ownership, the improvements/facility to be constructed must be owned by the applicant or the applicant has a minimum 50-year long-term lease on the

improvements/facility. **Note:** The eligible applicant must have no intention of turning over/selling the improvements or facility to another entity within 50 years.

Public infrastructure improvements must be constructed on land owned by or where proper long-term easements have been obtained by the applicant.

Public/Community facilities can be owned or operated by a non-profit if there is a trust deed covering the five-year restriction on change of use/continued use requirements.

**Note:** All temporary construction easements and real property acquisition, (including long-term leases of 50 years or more) including the acquisition of permanent easements for construction projects assisted in whole or in part with CDBG funds, must be carried out in compliance with the requirements of the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA or Uniform Act) and Section 104(d) of the Housing and Community Development Act of 1974. The federal rules apply even if CDBG funds will not be used to pay for the acquisition.

### **Readiness to Proceed**

All projects must meet the following readiness to proceed criteria:

- Other funds needed to complete the project are available and committed to the proposed project, at the time of application for CDBG funds. Applications must contain letters of commitment/or conditional commitment from all matching resources to be used for the proposed project, bank statements, loan agreements, bond authorizations, etc. There must be clear and convincing evidence that the match is secured and readily available for project expenses; or
- If any necessary other funds are not committed, the CDBG PPC's will conduct a thorough analysis of any conditional commitment(s) and the IFA Director may grant an exception to this requirement to accommodate funding from other federal, state, philanthropic or private funding sources such as: USDA Rural Utilities Services, the Oregon Department of Environmental Quality, foundations or funding to be received from other programs offered by the IFA such as the Water/Wastewater Financing Program or the Safe Drinking Water Revolving Loan Fund program. This exception must be requested and approved by OBDD-IFA prior to application submission.

(Note: The expected date of funding determination is not considered a "commitment" as there is no guarantee that a project will be funded.) If all project funds are not committed, and the funds are anticipated to come from a private funding source, the applicant must provide a back-up financing plan.

- The project will commence within four (4) months following the date of grant contract execution; and
  - The proposed project will be administratively closed within two years of execution of a contract between the recipient and the state or administratively closed within 36 months for combined final design and construction Public Water/Sewer or Public/Community Facilities grants.

- All land use approvals needed for the project have been secured.
- A microenterprise assistance public service project must be administratively closed with 12 months of execution of a contract between the recipient and the state.
- Housing rehabilitation applicants must provide a written certification that all the initial loans/grants will be made within 24 months after execution of the grant contract with OBDD.

**Note:** If the project is not able to proceed within four months following the date of grant contract execution, the state may terminate the grant and re-obligate the funds.

### **Sanctions**

The state may bar a recipient from applying for CDBG funds, withhold unallocated funds, require return of unexpended funds or require return of program income, if during the grant period, the state finds that:

- The recipient has not signed the grant contract and returned it to the department.
- None of the grant activities have commenced within 4 months after execution of the grant contract.
- Federal or state regulations have not been met.
- There is significant deviation from the grant contract-funded activities.
- There has been a monitoring finding that significant corrective actions are necessary to protect the integrity of the project funds, and those corrective actions are not, or will not be implemented within 30 days.

No sanction will be issued by the state until the recipient has been notified in writing and has been given 30 days to appeal the decision and to correct the deficiencies. Only the local government (grant recipient) has standing to submit an appeal. During this 30-day period, the grant recipient can submit documentation to the IFA disputing the appropriateness of the proposed sanction determination by the state. After the 30-day period is concluded and assuming the IFA is not persuaded to rescind the potential sanction, IFA will issue a letter to the grant recipient formally issuing the sanction. Once the formal sanction letter is issued, it will not be rescinded by OBDD-IFA.

### **Unexpended Grant Funds**

Grant funds not used for activities as shown in the approved contract budget will be recaptured by the state and made available to other communities in accordance with the rules contained within this Method of Distribution.

### **Use of CDBG Funds for Facilities Owned and/or Maintained by a State or Federal Agency**

Grants will not be awarded for facilities owned and maintained by another state or federal agency. CDBG funds cannot be used to offset locally budgeted funds or to replace state or federal funds.

All CDBG projects must comply with OMB Circular A-87 “Cost Principals for State and Local Governments”. In addition 24 CFR 570.489(d) requires that CDBG funds are not used for general expenses required to carry out other responsibilities of state and local governments. Maintenance and upgrades to roadways or property of the Oregon Department of Transportation (ODOT) and federally owned property (or maintenance agreements) is not eligible under the CDBG program.

### **Waivers**

The Director of the Oregon Business Development Department IFA may waive non-statutory program requirements. A request for a waiver will be approved only when it is determined necessary to further the objectives of the Community Development Block Grant (CDBG) program and the mission of the department.

The OBDD-IFA Director cannot waive an Oregon CDBG program requirement if the requested waiver conflicts with the Housing and Community Development Act statutes, the HUD regulations, or the state’s community development objectives.

Waivers requested by the grant recipient or applicant must be requested in writing. The written request must contain: 1) the reason(s) for the waiver including justification of the reasons beyond the recipients control to warrant a waiver; 2) the actions taken by the recipient to overcome the problem(s); 3) the specific CDBG requirements that are proposed to be waived; and, 4) identification of the plan to complete the project. The written request must be submitted to the departments Regional Coordinator. Waivers must be prepared by the CDBG Program and Policy Coordinator and approved by OBDD-IFA management prior to the action needing the waiver is completed.

Waivers initiated by OBDD-IFA must contain written supporting documentation identifying: the reason(s) that warrant a waiver; 2) the actions taken to overcome the problem(s); 3) the specific CDBG requirements that are proposed to be waived; and, 4) identification of the plan to complete the project/activity. Waivers must be prepared by the CDBG Program and Policy Coordinator and approved by OBDD-IFA management prior to the action needing the waiver is completed.

### **Work Performed by Staff of the City or County Recipient (Force Account)**

Applicants should be aware that federal law governing the program states, “It is the intent of Congress that the Federal assistance made available under this title may not be utilized to reduce substantially the amount of local financial support for community development activities below the level of such support prior to the availability of such assistance” (Public Law 93-383.101(c)).

This means that if the applicant intends to use existing budgeted staff to administer the grant or to work on other grant activities (such as construction), Community Development Block Grant funds cannot be used to pay for that staff. Grant funds should only be used to increase local community development activities.

**Note:** Cities and counties planning to pay their own staff with grant funds for administration and/or force account work including, but not limited to, engineering, design and inspection services, construction labor and operation of locally owned equipment must consult with department staff and receive department approval **prior** to submitting an application.

## DEFINITIONS

### **Combination Facility**

A combination facility is a building in which all activities offered are eligible under the CDBG Method of Distribution. Please refer to Chapter 11, page 11-1 for more information on combination facilities.

### **Family**

All persons living in the same household who are related by blood, marriage or adoption, this includes any related dependent persons over 65 or working dependent children over 18.

### **Financial Review**

When required by the specific funding category applicable to each project type, applications will undergo a financial review to determine that the grant, if awarded, is the minimum amount necessary, when combined with other resources, to ensure the completion of the project. Refer to the specific project type chapters for more details of the financial review required for each type of project.

### **Household**

All persons occupying the same housing unit regardless of their relationship to each other.

### **Income**

**Annual Family Income** – The total income earned before taxes by all family members, including job earnings (wages, salary, tips, bonuses, commissions), interest, dividends, child support, alimony, welfare, social security, disability, unemployment, retirement payments, net income from business activities, farms, rents, royalties, trusts, estates and any other income received regularly by all family members.

**Annual Household Income** – The total income earned before taxes for everyone that lives within the residence whether they are related or not including job earnings (wages, salary, tips, bonuses, commissions), interest, dividends, child support, alimony, welfare, social security, disability, unemployment, retirement payments, net income from business activities, farms, rents, royalties, trusts, estates and any other income received regularly by all household members.

### **Low and Moderate Income**

“Low income” means income equal to or less than 50 percent of the area median (adjusted by family size). “Moderate income” means income equal to or less than 80 percent of the area median (adjusted by family size). Applicable income limits are determined by HUD on an annual basis for all Oregon counties and metropolitan statistical areas.

### **Permanent Resident**

A person that resides within a residential dwelling unit for six months or more out of the year.

**TABLE F**  
**Guide for Grant Administration/Activity Delivery Costs/Program Management Costs**

Activity	Grant Administration Cost (yes/no)	Activity Delivery Cost (yes/no)	Program Management Cost (yes/no)	Maximum amount allowed
Preparing budgets, schedules, contract amendments	Yes	No	No	10% of the grant award but not more than \$25,000.
Drafting Requests for Proposals and agreements with consultants for grant administration or other consulting work (Architect and Engineer)	Yes	No	No	
Setting up systems to assure compliance with state and federal program requirements. For example: labor standards files and a grant accounting system.	Yes	No	No	
Monitoring project progress against the grant contract scope of work and budget and reporting to elected officials.	Yes	No	No	
Preparing disbursements/cash requests, reports, and other documents for submission to the Department.	Yes	No	No	
Participating in Department monitoring visits and responding to monitoring findings and concerns.	Yes	No	No	
Preparing a project completion report, assisting an auditor with required grant information.	Yes	No	No	
Costs of publishing the Fair Housing Resolution.	Yes	No	No	
Purchase of capital equipment, such as computers and file cabinets for grant administration.	Yes	No	No	
Training on CDBG grant administration requirements.	Yes	No	No	
Limited English Proficiency translation services to translate documents directly needed for the CDBG project.	No	Yes	No	Maximum \$3,000 per project.
Cultural Resource Monitoring	No	Yes	No	No maximum – reasonable and necessary to complete the activity.
Preparation of the environmental assessment or other environmental documents and publishing required notices.	No	Yes	No	Maximum \$15,000 per project.
Federal Labor Standards Compliance work related to conducting on-site employee interviews, verifying payroll data, reviewing payrolls, attending pre-construction conferences, and obtaining compliance with these requirements.	No	Yes	No	Maximum \$15,000 per project.
Attorney fees for preparing or reviewing contract documents or property acquisition activities.	No	Yes	No	No maximum – reasonable and necessary to complete the activity.
Audit Costs.	No	Yes	No	Refer to page 5-1 for details
Funding application preparation to ensure the planned Public Water or Wastewater project is designed and constructed.	No	Yes	No	Maximum \$7,500 per project
Professional appraiser fees related to property acquisition.	No	Yes	No	No maximum – reasonable and necessary to complete the activity.
Construction Contingency	No	Yes	No	10% of the estimated construction cost
Architectural	No	Yes	No	12% of project construction and construction contingency costs combined

**Chapter 5 - Program Policies and Definitions**

Engineering	No	Yes	No	20% of project construction and construction contingency costs combined
Marketing Grant Activities to clients.	No	No	Yes	Up to 20% of the grant award for the combined costs associated grant administration and program management. Grant administration is limited to \$25,000.  <b>Refer to Chapter 5 for more information.</b>
Collecting client applications, verifying application to determine eligibility.	No	No	Yes	
Making referrals for products or services.	No	No	Yes	
Providing education or counseling to clients.	No	No	Yes	
Site-specific environmental review, on-site inspections, bid preparation, contracting, client/contractor troubleshooting, compiling cost data on individual rehabilitation homes.	No	No	Yes	

## Chapter 6 Citizen Participation Plan

Every applicant and recipient of State of Oregon Community Development Block Grant (CDBG) funds must comply with the citizen participation requirements provided in federal law and described in this chapter. Some of the requirements will be checked by the OBDD-IFA during application review; others will be verified when grant projects are monitored.

Applications from jurisdictions that fail to comply with the citizen participation requirements will not be accepted. **Applicants must use the required first public notice included in this chapter. The first public hearing notice must be advertised or posted at least 7 days in advance of the time the public hearing is to be held by the local government.**

### Requirements

Every applicant must provide evidence and certify in the application and, if funded, in the grant agreement that it is following a citizen participation plan which includes at least the seven elements required in 24 CFR Part 570.486. These seven elements are presented below. Each is followed by the state standard that will be used to determine if the applicant is complying with federal requirements.

1. **Low and Moderate income Citizen Participation** - The local government must provide for and encourage citizen participation, particularly by low- and moderate-income persons who reside within the city or county in which the grant funds are proposed to be used.

**State standard:** Applicants must inform low- and moderate-income residents, and/or groups which represent them, of the opportunity to apply for CDBG funds. The purpose of this effort is to involve the residents in the identification of community development and housing needs including the needs of low-income and moderate-income families. The information shall include the following, at a minimum:

- c. The amount of funds available for proposed community development and housing activities;
- d. The range of activities that may be undertaken; and
- e. The location of additional information about the Oregon Community Development Block Grant program.

The department encourages the grant recipient to invite at least one organization that represents low- and moderate-income persons to the public hearing. Department staff should be contacted for suggestions if a city or county cannot identify an appropriate organization for its area.

2. **Access To Information** - The local government must ensure that citizens will be given reasonable and timely access to local meetings, information and records relating to the local government's proposed and actual use of CDBG funds.

**State standard:** The Oregon Public Meetings law (ORS 192.610 to 192.690) will be used by the state and local governments to assure that citizens have reasonable notice of public meetings and access to records of those meetings. The grant application must

include copies of public notices and minutes from meetings about the local community development program. Local governments must provide citizens with access to information and records about their community development program and any proposed application in accordance with the Oregon Public Records law (ORS 192.001 to 192.505).

- 3. Required Information** - The local government must furnish citizens information, including, but not limited to:
- a. The amount of CDBG funds expected to be made available for the current fiscal year (including the grant and anticipated program income);
  - b. The range of activities that may be undertaken with the grant funds;
  - c. The estimated amount of grant funds proposed to be used for activities that will meet the national objective of benefit to low- and moderate-income persons; and
  - d. The proposed activities likely to result in displacement and the local government's antidisplacement and relocation plans required under 24 CFR Part 570.488, Part 570.606, and Part 42.

**State Standard:** The "Public Notice and Notice of Public Hearing" included within this chapter must be used for this first hearing and for meeting this federal regulation. **The first public hearing notice must be advertised or posted at least 7 days in advance of the time the public hearing is to be held by the local government.**

Some detail in the required notice will need to be inserted by the applicant (e.g., amount of grant funds proposed to be used). Information in the notice about the amount of CDBG funds available and the range of activities that may be undertaken may vary during the program year.

The final signed, approved meeting minutes must record/document that items a-d above were addressed during the public meeting. On July 20, 2012 OBDD-IFA Management determined that the final approved meeting minutes could be submitted in one alternate format, MP3. Otherwise the final approved meeting minutes must be submitted in writing.

- 4. Technical Assistance** - The local government must provide technical assistance to groups representing persons of low and moderate income that request assistance in developing proposals in accordance with the procedures developed by the department. Such assistance need not include providing funds to such groups. The level and type of assistance can be determined by the jurisdiction.

**State standard:** The applicant must also describe in the application how it has responded to requests for technical assistance from groups representing low- and moderate-income persons, such as community action agencies. The level of assistance provided can be determined based on the applicant's staff and budget limitations.

- 5. Public Hearings** - The local government must provide for a minimum of two public hearings, each at a different stage of the project, for the purpose of obtaining citizen's views and responding to proposals and questions. Together, the hearings must cover

community development and housing needs, development of proposed activities and a review of program performance.

The public hearing to cover community development and housing needs must be held before submission of an application to the state. There must be reasonable notice of hearings and they must be held at times and locations convenient to potential and actual beneficiaries, with accommodations for the handicapped. To meet the reasonable notice requirement **the first public hearing notice must be advertised or posted at least 7 days in advance of the time the public hearing is to be held by the local government.** Public notices and hearings shall be presented and conducted in a manner to meet the needs of non-English speaking residents who can reasonably be expected to participate.

**State standard:** The governing body of the applicant (city council or county board of commissioners) must provide for a minimum of two public hearings at different stages of the grant project. Together, the hearings must cover community development and housing needs, development of proposed activities and a review of program performance.

**Hearing #1** - The purpose of the first hearing is for the city council or county board of commissioners to take comments from citizens about **both** community development needs and the project proposed for grant funding prior to submitting an application to the department.

The notice form included in this chapter must be used for the first hearing. **The first public hearing notice must be advertised or posted at least 7 days in advance of the time the public hearing is to be held by the local government.** The first public hearing must be no more than 12 months old and preferably conducted during the same program year using the appropriate notice contained within this Method of Distribution. The final signed and approved meeting minutes must be submitted with the application. On July 20, 2012 OBDD-IFA Management determined that the final approved meeting minutes could be submitted in one alternate format, MP3. Otherwise the final approved meeting minutes must be submitted in writing.

**Hearing #2** - The purpose of the second hearing is for the city council or county board of commissioners to review the results of the project with citizens and to take comments about the local government's performance as part of the grant closeout process. A model notice for the second hearing is included in the Grant Management handbook.

Each hearing must be held with enough advance notice to ensure adequate opportunity for interested citizens and groups to participate. Public hearing notices must be **advertised or posted at least 7 days in advance of the time the public hearing is to be held by the local government.** Applicants must provide copies of the public notice, affidavit of publication or certification of posting, and final signed and approved copy of the hearing minutes from the first public hearing with the grant application and the second hearing prior to project completion. The final draft of the application must be made available to the public once it is submitted, if not before.

NOTE: On July 20, 2012 OBDD-IFA Management determined that the final approved meeting minutes could be submitted in one alternate format, MP3. Otherwise the final approved meeting minutes must be submitted in writing.

In the grant application, the city or county must describe how it determined whether or not non-English speaking residents were expected to participate. This information can be accessed on the American Fact Finder web site. The information includes statistics about the languages spoken at home, ability to speak English, and linguistic isolation of persons living in each city and county. If any non-English language population constitutes five percent or more of the population, then the public hearing notices are required to be published or posted in those languages.

The Spanish language version of the first required public hearing notice is included in this chapter. Applicants needing assistance in reaching other language groups should contact department staff for advice.

**Note:** Refer to the “Note” in Chapter 7 for a description of the environmental and uniform relocation and real property assistance (URA) trigger guidance. More detailed information can be found in the current Grant Management Handbook.

- 6. Opportunity to Comment on Proposed and Actual Activities** - The local government shall provide citizens with reasonable advance notice of, and opportunity to comment on, proposed activities in an application to the state and, for grants already made, activities which are proposed to be added, deleted or substantially changed from the local government’s application to the state. Substantially changed means changes made in terms of purpose, scope, location or beneficiaries as defined by criteria established by the state.

**State standard:** The public must be provided the opportunity to comment on a proposed application at the public hearing held for that purpose (“first” hearing) and/or to submit written comments in accordance with instructions provided in the hearing notice.

Recipients must provide a similar opportunity for the public to comment on significant changes in an approved project. Generally, this means that if the grant recipient seeks to move grant funds to an activity that was not part of the approved project budget in the grant contract, a public hearing must be held with appropriate notice. Department staff will help the recipient determine when a proposed change is significant enough to require a hearing.

- 7. Timely Response to Complaints** - The local government shall provide citizens the address, phone number, and times for submitting complaints and grievances, and provide timely written answers to written complaints and grievances, within 15 working days when practical.

**State standard:** If awarded a grant, the local government will be monitored by department staff for compliance with all applicable federal and state regulations. Part of this monitoring will include checking to see that the grant recipient provides a prompt,

written response to all written complaints concerning the community development program and grant project.

**Required Notice For Public Hearing #1**

**Note:** The notice on the next page is for the first required public hearing. The purpose of the hearing is to take comments from citizens on **both** the community development and housing needs in the city or county and the project proposed for grant funding. The final signed and approved meeting minutes must record/document that this requirement was met.

NOTE: On July 20, 2012 OBDD-IFA Management determined that the final approved meeting minutes could be submitted in one alternate format, MP3. Otherwise the final approved meeting minutes must be submitted in writing.

**The notice must be published or posted by the applicant at least 7 days in advance of the time the public hearing is to be held by the local government.**

## Public Notice and Notice of Public Hearing

The (city/county) is eligible to apply for a 2015 Community Development Block Grant from the Oregon Business Development Department. Community Development Block Grant funds come from the U.S. Department of Housing and Urban Development. The grants can be used for public facilities and housing improvements, primarily for persons with low and moderate incomes.

Approximately \$11.5 million will be awarded to Oregon non-metropolitan cities and counties in 2015. The maximum grant that a city or county can receive is \$3,000,000.

The (city/county) is preparing an application for a 2015 Community Development Block Grant from the Oregon Business Development Department for (name of project, location, and purpose). It is estimated that the proposed project will benefit at least (number) persons, of whom (percentage) will be low or moderate income.

A public hearing will be held by the (city council/board of commissioners) at (time) on (day) at the (location). The purpose of this hearing is for the (city council/board of commissioners) to obtain citizen views and to respond to questions and comments about: community development and housing needs, especially the needs of low- and moderate-income persons, as well as other needs in the community that might be assisted with a Community Development Block Grant project; and the proposed project.

Written comments are also welcome and must be received by (date) at (address). Both oral and written comments will be considered by the (city council/board of commissioners) in deciding whether to apply.

The location of the hearing is accessible to persons with disabilities. Please contact (name of contact person/office) at (telephone number) if you will need any special accommodations to attend or participate in the meeting.

More information about Oregon Community Development Block Grants, the proposed project, and records about the (city/county's) past use of Community Development Block Grant funds is available for public review at (location) during regular office hours. Advance notice is requested. If special accommodations are needed, please notify (name of contact person/office) at (telephone number) so that appropriate assistance can be provided.

Permanent involuntary displacement of persons or businesses is not anticipated as a result from the proposed project. If displacement becomes necessary, alternatives will be examined to minimize the displacement and provide required/reasonable benefits to those displaced. Any low- and moderate-income housing which is demolished or converted to another use will be replaced.

## Aviso Público y Noticia de Audiencia Pública

La (ciudad/condado) es elegible para aplicar a un Subsidio en 2015 del Community Development Block Grant que a su vez viene del Oregon Business Development Department.

Los Subsidios del Community Development Block Grant (Bloque Subsidiario para el Desarrollo Comunitario) vienen desde el U.S. Department of Housing and Urban Development (Departamento de Vivienda y Desarrollo Urbano de los Estados Unidos). Los subsidios pueden ser usados para instalaciones públicas y remodelación de casas, primariamente por personas con ingresos moderados o bajos.

Aproximadamente \$11.5 millones serán otorgados en 2015 a ciudades y condados no-metropolitanos de Oregon. El máximo de subsidios que la ciudad o el condado puede recibir es \$3,000,000.

La (ciudad/condado) está preparando una aplicación en 2015 para el subsidio del Community Development Block Grant que viene del Oregon Business Development Department para (nombre del proyecto, ubicación y propósito). Está estimado que el proyecto propuesto beneficiará a por lo menos (número) personas, de los cuales (porcentaje) serán de ingresos moderados o bajos.

Una audiencia pública se llevará a cabo por el (consejo de la ciudad/junta de comisionados) a las (tiempo) del (día) en la (ubicación).

El propósito de esta audiencia es para que el (consejo de la ciudad/junta de comisionados) obtenga puntos de vista de los ciudadanos y para responder preguntas acerca de:

Desarrollo comunitario y necesidades de vivienda, especialmente las necesidades de personas con ingresos moderados y bajos, así como también otras necesidades en la comunidad que podrían ser asistidas con un subsidio del proyecto Community Development Block Grant; and El proyecto propuesto.

Los comentarios escritos son también bienvenidos y deben ser recibidos el (día) en la (dirección). Ambos comentarios, escritos y orales serán considerados por el (consejo de la ciudad/junta de comisionados) en decidir si aplican.

La ubicación de la audiencia es accesible para personas con incapacidades. Por favor dejar (nombre de la persona de contacto/oficina) el (número de teléfono) para saber si usted necesitará cualquier tipo de acomodaciones especiales para asistir o participar en la reunión.

Más información sobre el Oregon Community Development Block Grants, el proyecto propuesto y los pasados registros sobre la (ciudad/condados) en el uso de los subsidios del Community Development Block Grant están disponibles para la revisión pública en la (ubicación) durante las horas regulares de oficina. Se requiere del aviso anticipado. Si las acomodaciones especiales son necesitadas, por favor notifíquelo (nombre de la persona de contacto/oficina) el (número de teléfono) de modo que la asistencia apropiada pueda proveerse.

La desalojamiento involuntaria permanente de personas o negocios no es esperada como un resultado del proyecto propuesto. Si la desalojamiento llegara a ser necesaria, serán examinadas alternativas para minimizar la desalojamiento y proveer beneficios requeridos/razonables para aquellos removidos. Calquier casa de ingreso moderado y bajo la cual sea demolida o convertida en otro uso será reemplazada.

## Chapter 7 OBDD-IFA CDBG Application Procedures

These procedures apply to CDBG applications submitted to the Oregon Business Development Department (OBDD or Department). These procedures do not apply to the following types of CDBG projects:

- Community Capacity/Technical Assistance Projects; and
- Emergency Grant Projects.

**DEADLINE(s):** Applications will be accepted year round on a quarterly basis. Applications will be rated and ranked and awards announced in accordance with the following schedule. The department will not conduct a quarterly round if remaining CDBG funds are insufficient. Notice of insufficient funds for quarterly rounds will be provided to all known eligible applicants via website postings, e-newsletters and listserv distributions.

2015 TIMELINE	ACTION
<b>FIRST QUARTER</b> January 1 – March 31	Applications will be accepted.
May 2015	Awards announced for applications submitted between January 1 – March 31
<b>SECOND QUARTER</b> April 1 – June 30	Applications will be accepted.
August 2015	Awards announced for applications submitted between April 1 – June 30
<b>THIRD QUARTER</b> July 1 – September 30	Applications will be accepted.
November 2015	Awards announced for applications submitted between July 1 – September 30
<b>FOURTH QUARTER</b> October 1 – December 31	Applications will be accepted.
February 2016	Awards announced for applications submitted between October 1 – December 31 (Note: Applications will be scored, if necessary, under the 2015 Method of Distribution)

In general, the application and award process for CDBG funding consideration shall follow the established application policies and practices established by Oregon Business Development Department – Infrastructure Finance Authority, for its funding programs, as modified for the CDBG program below:

### STEP 1 Initial IFA Contact/Pre-Project Development

The project proponent contacts the department prior to being invited to submit an application. The project proponent contacts the respective Regional Coordinator (RC) serving their region to review the proposed project concept and to obtain pre-project development assistance. Contact information for the Regional Coordinators can be found on the Departments web site at <http://www.oregon4biz.com/showcontacts.php?d=3>

The RC will work with the proponent and the department’s Program and Policy Coordinators to provide pre-project development and to determine if the proposed project will meet the

CDBG funding eligibility criteria and is ready to proceed with a well defined statement and scope of work, including the following:

- There is every reasonable likelihood that the proposed project will meet a federal national objective;
- The applicant is not otherwise ineligible to apply under the program, refer to Chapter 2 for more information;
- The proposed sub-grantee's for housing rehabilitation and microenterprise assistance grants are a certified non-profit meeting the requirements found in the respective chapters of this 2015 Method of Distribution;
- The proposed matching funds, if any, will be secured and readily available at time of application; and
- A preliminary financial review of any proposed water and wastewater final design and/or construction project show that the project is eligible for funding and the monthly user rates are at or will exceed the Threshold Rate Criteria at construction completion of the proposed project. Refer to Chapter 10 for more details.

A "One Stop" meeting may be scheduled, if warranted, or upon request by the proponent. The "One Stop" meeting will provide broad funding perspective and multiple program eligibility considerations and may include several federal and state agencies. "One Stop" meetings are generally held after the project proponent has completed a master plan or facilities plan and/or has estimated costs for final design and construction of the desired improvements.

## STEP 2 Project Notification and Intake Form (PNIF)

If the RC in consultation with the CDBG Program and Policy Coordinators determine that the proposed project appears ready to proceed and comply with the CDBG program eligibility requirements, the RC will prepare a Project Notification and Intake Form (PNIF) with information supplied by the potential applicant. The project proponent must provide sufficient information for the RC to complete the form.

*NOTE: Contact the department's Regional Coordinator for assistance. Refer to the current Grant Management Handbook for more detailed information. An abbreviated summary of the requirements are identified below:*

***Environmental:*** *According to the NEPA (40 CFR 1500-1508) and Part 58, the responsible entity (RE) (grant recipient) is required to ensure that environmental information is available before decisions are made and before actions are taken. In order to achieve this objective, Part 58 prohibits the commitment or expenditure of CDBG funds until the environmental review process have been completed and if required, receives a Release of Funds from OBDD-IFA.*

*The RE is advised to begin the environmental review process as soon as they determine the projected use of HUD assistance (58.30(b)). Therefore, the date on which a project becomes subject to the environmental review requirements is the date the potential applicant commences with STEP 2 of the required application process identified within the Method of Distribution or: 1) the initial indication of the Recipient's approval of a specific site for assistance under the program; or 2) OBDD's receipt of the "Off-Site Infrastructure for Affordable Housing Request for Pre-Screening". For other actions that will trigger the environmental review requirements, please refer to the Grant Management Handbook.*

**UNIFORM RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITION**

**REQUIREMENTS (URA):** *In accordance with 49 CFR 24.2(a)(22) URA requirements apply to any project where federal financial assistance is received or anticipated in any phase. Therefore, the date on which a project becomes subject to the environmental review requirements is the date the potential applicant commences with STEP 2 of the required application process identified within the this Method of Distribution. Intent could also be triggered by OBDD's receipt of the "Off-Site Infrastructure for Affordable Housing Request for Pre-Screening". From this point forward all the federal and state CDBG program requirements apply to the project.*

*In accordance with HUD Handbook 1378, Chapter 1-4-I-2, please note that other actions will also trigger the URA requirements and need for GIN notices, which are explained in more detail in the Grant Management Handbook.*

**STEP 3 Invitation to Apply for Funding Consideration**

The RC will route the PNIF form for internal agency review and comment. After internal comment, if the proposed project is determined to qualify for CDBG funding by the Program Services Manager, the proposed eligible applicant will be invited in writing by the RC to submit a complete application for CDBG funding consideration. All applicants must have been invited to apply for CDBG funding at least 3 weeks prior to the application deadline.

Project proponents receiving an invitation to apply for CDBG funding within 3 weeks prior to the application deadline will be invited to submit their application in the subsequent quarterly round, not the current quarterly round.

If the PNIF is not approved, the project proponent may be asked to improve the project information, or be considered for other IFA programs or referred to other agencies' programs for potential funding consideration.

**STEP 4 Application Threshold Review**

One signed original and two complete copies (3-total) of the application must be received by the department no later than 5:00 pm on the application deadline. The application must be signed by the applicant's highest elected official. Applications transmitted electronically or by fax will not be accepted.

Once an application is received, OBDD-IFA staff will date stamp the application and provide all copies to the RC. The RC will review the application to determine if the application contains all the required information, and that the proposed project meets the CDBG threshold requirements, including but not limited to:

- All parts of the application have been properly completed and all attachments were provided;
- Requested amounts are within the program limits i.e. max grant limit, grant administration, engineering/architectural, environmental review, labor standards, construction contingency etc;
- Applicant is eligible;
- Outcome and performance data was provided;
- National objective and readiness to proceed data was provided; and
- All activities are eligible under the CDBG program.

This review shall be conducted within fifteen (15) calendar days from the department's receipt of the application. If the application is found to be:

- Complete - If the application is determined to be complete the RC will mail the applicant a “complete application letter” and forward the application to the Program and Policy Coordinators for processing.
- Incomplete - If the application is determined to be incomplete, the RC will provide written notification to the applicant that they have 15 calendar days to submit any necessary information to make the application complete. Once the applicant submits the additional information to OBDD-IFA, the RC has 5 calendar days to complete the threshold review. If the application is found to be:
  - Complete - If the application is determined to be complete the RC will mail the applicant a “complete application letter” and forward the application to the Program and Policy Coordinators for processing.
  - Incomplete – If the application is determined to be incomplete, the application will be returned to the applicant for re-submittal during the next quarterly application cycle. The RC will mail the applicant a letter with the returned application that identifies the incomplete status. The RC will provide project development assistance to the applicant with completing the missing parts/information so the application can be resubmitted in the next quarterly application cycle.

## STEP 5 Application Review – Rating and Ranking

The CDBG PPC's will rate and rank all complete applications in accordance with the criteria contained in the 2015 Method of Distribution.

If during the rating and ranking process, the PPC's find that the project does not meet the threshold review requirements or that it needs further development (i.e. to meet the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act or the Federal Environmental Review requirements), a recommendation will be made to the Infrastructure Finance Authority Director to suspend the rating and ranking process and to schedule a meeting with the applicant. At this meeting, staff will provide project development technical assistance so that an updated application can be submitted during the next quarterly competitive application round. The Infrastructure Finance Authority Director has the final decision to suspend rating and ranking and to return the project application to the applicant.

During the review process, the state will determine that the applicant is an eligible sub-recipient in accordance with OMB circular A-133 and Section 0.102 of Oregon Accounting Manual 04 03 00.P0 (effective June 1, 1998). If a recipient accepts a CDBG award from the state they agree to monitor any local government or nonprofit organization sub-recipient to whom it may pass the funds to.

In the event, that demand exceeds available funding, the rating and ranking recommendation may include a backup funding list and may include, for each category, a recommended award

“cutoff” line, below which the staff recommends that awards not be made. The “cutoff” line for a particular category will be accompanied by written findings prepared by the PPC’s to support the recommendation.

## RATING AND RANKING CRITERIA

Applications from one category will not compete with applications from another category. For example: Public works applications will only compete against other public works applications not against housing rehabilitation applications.

### **Need for Project - 100 Points**

**Project Need and Solution - 80 Points:** Point scores will be determined in part by 1) the severity of the identified problem compared to those of other applications received within that funding category; and 2) an analysis of the need for the project i.e. the severity of identified impact of the problem and the proposed solution. A strong application will show that the proposed use of funds will address the identified need(s) and that the applicant has anticipated and planned for the many factors that can affect successful completion of the project. For example:

- The reasonable likelihood the proposed project will meet a national objective: provide principle benefit to low and moderate income persons; or address a situation of particular urgency that poses a threat to community health and welfare.
- The proposed project is the best available solution, based upon an analysis of other alternatives.
- The facility will be of adequate size to provide the proposed level of service.
- The facility will not duplicate other services provided in the area.
- The project budget is adequate.
- The applicant has identified all the steps necessary to achieve successful completion and has a reasonable work plan.
- Applications for construction and final engineering (architectural services) will be evaluated on the overall project and engineering feasibility. Engineering feasibility reports, final engineering designs, and project cost estimates will be reviewed by the PPC and if needed an engineer on staff.
- Applicants for housing rehabilitation funds must provide a list of potential homeowners to support the need within the sub-grantees jurisdiction, which must include the following: addresses, primary items of repair, date of most recent contact from the non-profit, estimated amount to be requested from the revolving loan fund, a description of any preliminary eligibility work performed and the total estimated dollar amount of the rehabilitation loans on the list.

**Financial Need – 20 Points:** To document financial review, refer to the applicable chapter of this MOD for details: Chapter 9 Microenterprise; Chapter 10 Public Works; Chapter 11 Community Facilities; and Chapter 12 Housing Rehabilitation. The PPC’s and the Public Finance Officer complete this review. Below is some general guidance on the documents needed, and review requirements:

- If direct and clear evidence is obtained by the department that the grant funds are not needed and that the project can or will be carried out by the applicant whether or not the grant is awarded, the application will not be recommended for funding.
- If an applicant is the owner and operator of the facility, the applicant’s financial records will be analyzed for ability to service debt.
- If an applicant is applying on behalf of a nonprofit or other public entity and the nonprofit or other public entity will be the owner and operator of the facility and the applicant has no responsibility for providing said service, then that nonprofit’s or other public entity’s financial records will be analyzed for the ability to service debt.
- If an applicant is responsible for providing said service (such as mental health), whether or not the applicant is contracting out the operation of the facility to a nonprofit or another public entity, the applicant’s financial records will be analyzed for the ability to service debt.
- Water and wastewater final design and construction grant applicants undergo a financial review to ensure that the monthly user rate at construction completion of the proposed project meets the threshold rate criteria.
- Housing rehabilitation projects will be evaluated by the gap identified between the non-profit’s balance of available funds consisting of cash on-hand (including any prior open CDBG grants) and any other funds readily available to carry-out the proposed owner occupied housing rehabilitation program and the grant request to meet the identified need.
- The regional housing rehabilitation programs will also be evaluated by the number of open CDBG grants the sub-grantee (non-profit) is currently managing and the total unexpended balance. Applications for regions with unexpended CDBG funds will not compete as well as applications for regions with no unexpended CDBG funds.

***For example:***

Community Facility: An application for assistance and/or shelter needed for victims of life threatening situations such as domestic violence and homelessness will score higher than applications submitted which serve the community as a whole or specific groups such as community centers or senior centers.

Public Utility: An application submitted to bring a water or wastewater system into compliance with the Safe Drinking Water Act or Clean Water Act will score higher than an application submitted for a water or wastewater system with no non-compliance issues.

PUBLIC/COMMUNITY FACILITIES		
Project Category	Project Type	Maximum Possible Points
Projects that reduce homelessness and hunger or pertain to life threatening situations	Homeless Shelters, Food Banks, Shelters for victims of domestic violence	100 points
Essential community services	Shelters/workshops for people with disabilities, Health Clinics, Mental Health treatment centers, Drug and Alcohol treatment facilities, Fire Stations, Senior Centers, Head Start facilities	80 points

Other community projects	Libraries, Community Centers, Family Resource Centers	25 points
Combination Facilities	A combination facility will not be considered two separate projects and the applicant will only be eligible for the maximum grant associated with the highest use of the facility. Applications will be rated and ranked based upon the highest use of the facility. Use is defined as "clients served". If the number of clients served by each type of facility included in the combination facility are equal, the highest use will be determined by the facility type that most closely meets HUD's priority of ending chronic homelessness and hunger.	
<b>PUBLIC WORKS</b>		
<b>Project Category</b>	<b>Project Type</b>	<b>Maximum Possible Points</b>
Water and Wastewater	Projects necessary to bring the system <b>into compliance</b> with the Safe Drinking Water Act or Clean Water Act requirements and to provide safe, healthy drinking water and wastewater services to the entire community.	100 points
Water System	Water system planning, design and construction projects necessary to eliminate water rationing. The applicant must demonstrate past (within last 2 years) and/or consistent water rationing events due to insufficient drinking water quality or supply.	90 points
Water and Wastewater	Projects necessary for the provision of safe, healthy, reliable drinking water and proper sanitary wastewater service to the entire community.	75 points
Off-Site Infrastructure for New Affordable Housing	Publicly owned infrastructure projects necessary for the provision of permanent housing.	50 points
<b>Microenterprise Assistance Public Services</b>		
<b>Project Category</b>	<b>Project Type</b>	<b>Maximum Possible Points</b>
Microenterprise Assistance	3 communities participating in microenterprise assistance project.	100 points
Microenterprise Assistance	2 communities participating in microenterprise assistance project.	75 points
Microenterprise Assistance	1 community participating in microenterprise assistance project.	50 points
<b>Housing Rehabilitation</b>		
<b>Project Category</b>	<b>Project Type</b>	<b>Maximum Possible Points</b>
Housing Rehabilitation	<b>Priority #1</b> - Eligible health and safety activities including lead, septic tanks and private sewer lines and drainfields, private water lines and wells and asbestos tests, inspections and assessments.  Improvements necessary to fulfill reasonable accommodation requests.	100 points
Housing Rehabilitation	<b>Priority #2</b> – Construction, rehabilitation, reconstruction, or the installation of improvements to upgrade substandard electrical, plumbing, roofing, siding, insulation, weatherization, heating systems; hot water heaters and dry rot repairs.	75 points
Housing Rehabilitation	<b>Priority #3</b> – Purchase and installation of equipment that is an integral structural fixture. (Items not normally removed from the home, light fixtures and built-in appliances.)	50 points
Housing Rehabilitation Bonus Points	Applicants for housing rehabilitation grants to construct private water or wastewater service laterals, in conjunction with a public works water or wastewater grant will receive bonus points.	25 points
<b>All Other Project Types</b>		
All Other Project Types		0 points

**Readiness to Proceed – 50 Points**

To document readiness to proceed:

- Other funds needed to complete the project are available and committed to the proposed project, at time of application for CDBG funds. Applications must contain letters of commitment/conditional commitment from all matching resources to be used for the proposed project, bank statements, loan agreements, bond authorizations, etc. There must be clear and convincing evidence that the match is secured and readily available for project expenses; or
- If any necessary funds are not committed, the CDBG Program and Policy Coordinators will conduct a thorough analysis of any conditional commitments(s) and the IFA Director may grant an exception to this requirement to accommodate funding from federal, state or philanthropic funding sources such as: USDA Rural Utilities Services; the Oregon Department of Environmental Quality, foundations; or funding to be received from other programs offered by the department such as the Water/Wastewater Financing Program or the Safe Drinking Water Revolving Loan Fund program. This exception must be requested and approved by OBDD prior to application submission.

(NOTE: The expected date of funding determination is not considered a “commitment” as there is no guarantee that a project will be funded.) If all of the funds are not committed, and the funds are anticipated to come from a private funding source, the applicant must provide a back-up financing plan.

- The project will commence within four (4) months following the date of grant contract execution; and
  - The proposed project will be administratively closed within two years of execution of a contract between the recipient and the state or administratively closed within 36 months for combined final design and construction public water/sewer or public/community facilities grants. A project timeline must be submitted with the application.
  - All land use approvals needed for the project have been secured.
  - A microenterprise assistance public service project must be administratively closed within 12 months of execution of a contract between the recipient and the state. A project timeline must be submitted with the application.
  - **Housing rehabilitation** applicants must also provide a written certification that all the initial loans/grants will be made within 24 months after execution of the grant contract with OBDD.

Readiness to Proceed	Maximum Possible Points
Funds needed to complete the project are available and committed. Applicant has clearly documented that the project <b><u>will commence within four (4) months from grant contract execution.</u></b>	30 points
Necessary funds are not committed but applicant has received an exception from OBDD. Applicant has clearly documented that the project <b><u>will commence within four (4) months from grant contract execution.</u></b>	15 points

Applicants will receive points based upon the percentage of the committed/secured matching funds in the project, compared to the CDBG grant requested. For example:

Total Project Cost: \$1,200,000  
 Less Requested CDBG Grant: \$800,000  
 Committed Matching Funds: \$400,000

$\$400,000/\$800,000 \times 100 = 50\%$  This project would be assigned 10 points.

Percent Matching Funds in the Project	Maximum Possible Points
75-100%	20 points
51-75%	15 points
26-50%	10 points
1-25%	5 points
0%	0 points

**Persons to be served by the facility/project - 50 points**

Points will be assigned for the number of unduplicated individuals the proposed facility can reasonably be expected to serve during the first year after project completion. Projects which are available to all the residents of a particular area (area wide benefit projects) will be ranked separately from projects that serve a limited clientele.

Existing Limited Clientele Facilities - Projects which involve expansion or improvement of an existing facility will provide actual use records for a period of no less than 12 months. A justified number of new users may then be added to the actual number of users based on additional services or capacity resulting from the project. The numbers cannot include family members of individual clients or counts of repeated visits or use by the same person.

New Facilities – For projects that will create a new facility, the estimate must be based upon available and verifiable data that documents the need for, and capacity of, the facility, such as the number of persons on waiting lists for existing services or referrals of potential clients to facilities in other locations. The numbers cannot include family members of individual clients or counts of repeated visits or use by the same person.

Senior Centers – The measurement of use will be the number of meals served per week to unduplicated individuals. In other words, the applicant must provide information that shows how many persons per week will eat at least one meal at the facility. Individuals receiving home-delivered meals prepared at the facility may also be counted (once each).

All Projects	
# of Beneficiaries	Max Points
1,500 or more	25
1,499 – 1,000	20
999 – 500	15
499 – 250	10
249 – 100	5
99-1	2

Non Housing Rehab Projects	
% LMI of Target Population	Max Points
100%-90%	25
89%-80%	20
79%-70%	15
69%-60%	10
59%- 51%	5
Project does not meet the low and moderate income national objective	0

**Housing Rehabilitation** – Housing rehabilitation projects will be scored by the total number of proposed owner occupied housing rehabilitation units to be rehabilitated as follows:

Housing Rehabilitation Projects	
# Units	Maximum Points
40 or more	25
30 – 39	20
20 – 29	15
10 – 19	10
0-9	5

**Points for no recent CDBG awards - 10 points**

The applications are reviewed for geographic distribution and the number of awards the applicant has received from the program. Ten points will be received by any applicant that has not had a grant from the CDBG program since 2011 or earlier.

Recent CDBG Awards	Maximum Points
No awards from OBDD since 2011 or earlier	10 points
No awards from OBDD since 2012 or earlier	7 points
No awards from OBDD since 2013 or earlier	4 points
Applicant has received awards from OBDD in 2014	0 points

**Grant Administration Capacity – 50 points**

A maximum of 50 points is available to applicants with a grant administration plan and history that demonstrates that the grant award and project will be managed effectively. The review will include:

- Applicant is currently administering other CDBG grant(s) within the allotted time frames.
- Applicant has demonstrated successful completion and closeout procedures with prior CDBG projects. This includes an analysis of the applicants CDBG program history and past programmatic performance.
- Applicant has experienced staff in grant administration or will secure a grant administrator with successful grant administration experience of CDBG projects.

**Applicant Capacity – 20 points**

Each applicant must provide a list of all OPEN Community Development Block Grant awards. This includes all projects that are currently exempt from the three open grant rule, or were previously exempt from the three open grant rule, such as: microenterprise assistance,

disaster recovery and community capacity/technical assistance grants. The list must include: award date, award amount, and project number.

Total dollar amount of grants	Maximum Points	Total Number of open grants	Maximum Points
\$3,000,000 and up	0	10 and up	0
\$2,999,999 - \$2,500,000	2	8-9	2
\$2,499,999 - \$2,000,000	4	6-7	4
\$1,999,999 - \$1,500,000	6	4-5	6
\$1,499,999 - \$1,000,000	8	2-3	8
\$999,999 - \$500,000	9	0-1	10
\$499,999 or less	10		

**Sub-Grantee (non-profit) Capacity – 20 points – Housing Rehabilitation Only**

In addition to applicant capacity, each housing rehabilitation applicant must provide a list of all the open CDBG funded housing rehabilitation CDBG grants within the non-profit’s region where the non-profit is the sub-grantee responsible for carrying out the grant activities. This list MUST include the following for each open grant: the name of the grant recipient, the project number and the total award amount.

Total dollar amount of open grants	Maximum Points	Total Number of open grants	Maximum Points
\$1,250,001 and greater	0	10 and up	0
\$1,000,001 - \$1,250,000	2	8-9	2
\$750,001 - \$1,000,000	4	6-7	4
\$500,001 - \$750,000	16	4-5	6
\$250,001 - \$500,000	18	2-3	8
\$1 – \$250,000	9	1	9
\$0	10	0	10

## SUMMARY OF MAXIMUM RATING AND RANKING POINTS

	<b>Max Points</b>
1. Need for project – Impact of problem	100 points
2. Readiness to Proceed	50 points
3. Persons to be served by the facility	50 points
4. Points for no recent CDBG awards	10 points
5. Grant Administration Capacity	50 points
6. Applicant Capacity	20 points
7. Sub-Grantee Capacity (Housing Rehabilitation only)	20 points
<b>TOTAL</b>	<b>280 pts non-housing</b> <b>300 pts housing rehab</b>

### STEP 6 Senior Management, Association of Oregon Counties (AOC) and League of Oregon Cities (LOC) Review

Funding recommendations prepared by the CDBG PPC's will be forwarded to the Program Services Manager and IFA Director for review. Once the recommendations are finalized the CDBG PPC's will forward the recommendations to representatives of the League of Oregon Cities (LOC) and Association of Oregon Counties (AOC) for concurrence.

- A summary of the approved funding awards will be presented to the IFA Board for their information. The IFA Board has delegated their decision making authority to the IFA Director, AOC and LOC representatives, and senior management review process described in this step.
- All funding decisions made through the Board delegated process are final. The department reserves the right to not fund any application which it deems not eligible, properly developed, not ready to proceed or supported by the available program resources.
- OBDD-IFA may award a CDBG grant amount that is different from the amount requested by the applicant. Applicants are not penalized for requesting the maximum grant amount but the department reserves the right to award a grant amount it deems appropriate to complete the project.

### STEP 7- Notice of Decision

The department will notify applicants in writing of their funding status approximately 60 days after the deadline for applications. The award letter for each project will be signed by the Regional Coordinator.

SUMMARY OF CDBG APPLICATION PROCESS			
Step #	Step – Title	Timeline	Lead
Step 1	Initial IFA Contact/Pre-Project Development	No defined timeline	Project Proponent and RC are the lead, and they may consult with other IFA staff as needed
Step 2	Project Notification and Intake Form	No defined timeline	RC and project proponent
Step 3	Invitation to Apply for CDBG Funding	No defined timeline	RC - Sends invitation to apply and application forms to project proponent  NOTE: Project proponents receiving an invitation to apply for CDBG funding <u>within 3 weeks prior</u> to the application deadline will be invited to submit their application in the subsequent quarterly round, not the current quarterly round.  Applicant (project proponent)- Completes the application forms and submits to OBDD-IFA by application deadline
Step 4	Application Threshold Review	15 calendar days	RC is lead, consulting as needed with PPC's and Finance Officer
	Incomplete applications – applicant provision of additional information	15 calendar days	Applicant
	Second threshold review to review applicants revised submission	5 calendar days	RC
Step 5	Application Review – Rating and Ranking	18-35 days	PPC is lead, consulting as needed with Finance Officer, RC, or PSM and IFA Director
Step 6	Funding Recommendations Developed and Approved		PPC, IFA Director, PSM, AOC and LOC
STEP 7	Notice of Decision	Awards announced within 60 days after application is received in Step 4 above.	RC

**Chapter 8 Table 8-1- Requirement/Summary Table Maximum Grant/Project Completion/Financial Review/ Allowed National Objective**

Grant Category	Project Type	Maximum Grant	Project Completion Period (From date of execution of contract with the State)	Financial Review Required	Applications Accepted	Allowed National Objective
Microenterprise Assistance	N/A	\$100,000	12 months	No	QAP	LMI – Limited Clientele
Public Works	Water/Wastewater preliminary engineering/planning – Phase 1	Total all three phases over a five-year period cannot exceed \$3,000,000. There is a cap on the preliminary/engineering planning grant of \$175,000.	24 months	No	QAP	LMI – Area Wide
	Water/Wastewater final design – Phase 2		24 months	Yes	QAP	LMI – Area Wide
	Water/Wastewater construction - Phase 3		24 months	Yes	QAP	LMI – Area Wide
	Water/Wastewater (Combined design & construction award)		36 months	Yes	QAP	LMI – Area Wide
	Off-Site Infrastructure for New Affordable Housing	\$225,000	24 months	Yes	QAP	LMI-Area and Direct
Public/Community Facilities	Combined design & construction award	\$2,000,000	36 months	Yes	QAP	LMI - Area wide LMI - Limited Clientele
Housing Rehabilitation	Regional Rehabilitation Revolving Loan Funds	\$400,000	24 months (The original grant must be loaned/granted within 24 months or unused funds <u>will</u> be recaptured by the state.)	No	QAP	LMI - Housing – direct benefit
	Emergency Home Repair Grant Program					
Community Capacity/Technical Assistance	Community Technical Assistance	No Limit	12 months	No	Year round	Dependent upon project type.
Emergency Grants	N/A	\$500,000	24 months	Yes	Year round – Must be received within 12 months of the event that created the emergency	Urgent Need

## Chapter 9 Microenterprise Assistance (Public Services)

Oregon Community Development Block Grant funds are used by non-entitlement cities and counties to implement the Microenterprise Assistance Services Program to provide recruitment, screening and classroom training to microenterprise owners and persons developing microenterprises. This program enables low- and moderate-income owners of microenterprises and persons developing microenterprises access to information and resources for their individual circumstances.

The non-entitlement city or county grant recipient will secure the services of a statewide or local microenterprise support organization to provide microenterprise assistance within the grant recipient's jurisdiction by either subgranting the funds to a nonprofit or by procuring a for-profit entity.

### Maximum Grant

The maximum grant in this category is \$100,000.

### Definition

Microenterprise means a commercial enterprise that has five (5) or fewer FTE, including one (1) or more who owns the enterprise.

### Work Plan

Each application must contain a work plan that provides for a minimum performance measure of assisting at least one (1) microenterprise for every \$2,500 awarded to the applicant. If at project completion, this performance measure is not attained, the department will recapture a sufficient amount of the grant awarded in order for the project to meet the minimum performance measure.

### National Objective

Public services for microenterprise assistance must meet the federal national objective of benefiting low- to moderate-income persons based on family size and income, 24 CFR 570.483(b)(2)(ii)(B). National objective compliance is based on the actual number of persons served by the microenterprise assistance provider. Each grant must serve at least 51 percent or more low- to moderate-income persons who are owners of, or are developing, a qualifying microenterprise consisting of 5 or fewer employees including one or more persons who own the microenterprise. Refer to Chapter 3 for details.

### Statewide Microenterprise Support Organization

A statewide microenterprise support organization is a community development corporation, a nonprofit development organization, a nonprofit social services organization or another nonprofit entity that serves as an intermediary between the department and local microenterprise support organizations.

### Local Microenterprise Support Organization

A local microenterprise support organization is a community development corporation, a nonprofit development organization, a nonprofit social services organization or another locally operated nonprofit entity or a for profit entity that provides services to disadvantaged entrepreneurs.

## Area of Use

The services provided by the microenterprise grant are restricted in use within the grant recipient's jurisdiction or with the jurisdictions participating in the regional microenterprise assistance project. The residential address for each potential microenterprise owner or person developing a microenterprise must be used for this determination and documented in the recipient's file(s).

## Eligible Projects

- Provide general classroom training in business strategy, planning a business, marketing plans, business plans, needs assessments, financial education and access to markets to owners of microenterprises and persons developing microenterprises.

## Eligible Activities

The permitted activities of providing general classroom training and support to microenterprises, as allowed under Section 105(a)(8) of the HCDA, includes:

- Limited one-on-one assistance directly associated with the initial recruitment and screening to evaluate entrepreneurial readiness and to determine degree of business feasibility or if a student has questions for the instructor immediately following the general classroom training session.
- The **direct** costs associated with the provision of general classroom training to microenterprise (5 or fewer employees, including one or more who own the microenterprise) of which 51% must be documented to be low and moderate income, as allowed under Section 105(a) of the HCDA.
- Limited English Proficiency Translation Services – Refer to Chapter 5 for details.

## General Classroom Training:

- **Business Strategy Training** - Core trainings and assistance focused on developing and refining business feasibility and the creation of a business plan (strategy) that will guide the business venture. Develop demand based trainings and technical assistance including group trainings, based upon participant needs.
- **Planning a Business Training** - Developing a marketing plan, understanding financial statements and customer service.
- **Specific Training** - Developing a business plan, access to capital, access to markets and financing. Technical assistance shall also help micro-entrepreneurs develop specific information needed to implement their business plan and better understand their business, including the following:
  - Needs Assessment - Provide training that includes Financial Fitness, Introduction to Entrepreneurship, Internet marketing and specific training in their specific industry.
  - Provide business and financial education classes to groups of low/mod income rural high school students.
  - Provide business and financial education classes to adults.

- **Market Research Training** - Conduct market research to determine target markets and identify ways to penetrate each market, to assist microentrepreneurs in shaping their unique “message” and determine most effective means to deliver their message.

### **Ineligible Costs**

- Indirect costs. Refer to Chapter 5 for details.
- Assistance to small businesses that do not meet the definition of a microenterprise on page 9-1.
- Assistance to microenterprises that are relocating or who have relocated. To maintain compliance with the federal anti-pirating rule, the state’s CDBG program will not allow or assist with any business/microenterprise relocation.
- Assistance to microenterprise owners or persons developing a microenterprise that reside within an Entitlement area.
- Direct one-on-one assistance/mentoring in excess of the initial recruitment and screening, or if a student has questions for the instructor immediately following the general classroom training session.
- Pre-award costs. Refer to Chapter 5 for details.
- Unauthorized pre-agreement costs. Refer to Chapter 5 for details.
- The use of CDBG funds to replace any already budgeted federal, state, local or community college funds. Refer to Chapter 5 for details.
- The use of CDBG funds to pay for already budgeted full-time staff of the Small Business Development Centers or community colleges. Refer to Chapter 5 for details.
- The cost of food, beverages, snacks or related equipment and eating utensils.
- Grant administration and/or program management costs. Refer to Chapter 5 for details.

### **Entitlement Area Review**

State Community Development Block Grant resources cannot be used to benefit entitlement counties and cities. If the service area of the Microenterprise Assistance Support Organization contains an entitlement area, screening policies and procedures along with documentation of percent of the entitlement versus non-entitlement residents/beneficiaries that will be served is required. The 2015 CDBG Method of Distribution lists the entitlement areas in Chapter 2.

### **Matching Funds Requirement**

There is no minimum match requirement. Any matching funds necessary to complete the proposed CDBG project must be available and committed at the time the application is received by the department. Funds necessary to complete the project must be in the form of cash. No in-kind services or costs are allowed as match.

### **Financial Review**

Microenterprise assistance project applications are not subject to financial review.

**Outcome and Performance Measures**

Each applicant must address how their project meets the objective(s), outcome(s), indicators and performance measures identified below:

Objective	Outcome	Indicators	Performance Measures	State Measurement
Creating Economic Opportunities	Sustainability/ Promoting Livable or Viable Communities	Number of persons assisted: <ul style="list-style-type: none"> <li>• With new access to a service.</li> <li>• With improved access to a service.</li> <li>• Where the project is used to meet a quality standard or measurably improve quality, report the number of households that no longer only have access to a substandard facility or infrastructure (as defined by the local community).</li> </ul>	Amount of money leveraged from other federal, state, local and private resources.	The amount of money leveraged from all other funding sources.
			Number of persons assisted.	Number of persons having access to more microenterprise assistance services including the percentage of low and moderate income persons which benefit.
			Number of communities assisted.	Number of persons benefiting from new
			Race, ethnicity, disability (current categories for beneficiary reporting still apply).	microenterprise services including the percentage of low and moderate income persons which benefit.

**Minimum Information Needed with application:**

- A draft sub-grantee agreement between the city/county grant recipient and the microenterprise service provider.
- A copy of the written agreement between all participating communities, signed by all parties involved.
- A clear and concise description of the items to be paid for in whole or in part with CDBG funds, and the amount of CDBG funds budgeted for each activity.
- The written procedures identifying how the low and moderate income national objective will be complied with, monitored and maintained throughout the project, which must include procedures for identifying how each potential microenterprise owner or person developing a microenterprise will be screened for:
  - a. Meeting the definition of a microenterprise contained on page 9-1;
  - b. Residing within the defined service area;
  - c. Are not residing within an Entitlement area; and
  - d. Are not relocating or have not relocated their microenterprise.
- A draft of the family size and income forms that include the data collection necessary to meet the requirements of a-d listed above.

## Chapter 10 Public Works

The OBDD-IFA will finance or help finance, publicly owned, public works projects using Community Development Block Grants (CDBG) and other sources of funds. Publicly owned water and wastewater system improvement projects are necessary for the health and economic well being of every community. Federal laws, the Clean Water and Safe Drinking Water Acts in particular, require municipalities to make extensive improvements to existing systems to comply with the national standards. The funding sources and grant amounts for each project will depend on the type of facility and other circumstances of the project.

The CDBG program will only fund the planning, design and or construction of comprehensive system wide improvements addressing a 20 year time frame. All design and construction projects must be in accordance with a regulatory agency approved water master plan or wastewater facilities plan and be comprehensive system improvement projects meeting the needs of the community for the next 20 years.

**Type 1 - Public Water and Sewer Systems** – necessary for the health and economic well being of every community. Maximum grant amount \$3,000,000.

**Type 2 - Publicly Owned Off-Site Infrastructure** – necessary for the construction of affordable, permanent, new, multi-family rental housing or “single family home ownership” homes to be primarily occupied by low- and moderate-income persons. Maximum grant amount \$225,000.

### OBDD-IFA Water Meter and User Rate Policy

OBDD-IFA encourages water utilities to conserve water. It is our policy to require the installation of water meters within the project area as part of an infrastructure improvement project funded by our agency. Once the project is completed, the utility must routinely read the meters installed with the project and bill those customers, in part, according to their water consumption. IFA encourages the water utility to adopt an ascending rate water fee structure.

### Matching Funds Requirement

There is no minimum match requirement. Any matching funds necessary to complete the proposed CDBG project, must be in the form of cash or debt service. All project funds necessary to complete the proposed project must be available and committed at the time the application is received by the department. Refer to the “Readiness to Proceed” definition in Chapter 5 for more details.

### Financial Review

All applications for public works projects, except water and wastewater preliminary engineering/planning; asset management plans; and water management and conservation planning grants will undergo a financial review. The grant, if awarded must be the minimum necessary, in combination with other resources, to ensure the completion of the project. Any project determined by the department to not be financially feasible will not be funded.

- **If an applicant (city or county) is the owner and operator** of the facility, the applicant’s financial records will be analyzed for ability to service debt.

- **If an applicant (city or county) is applying on behalf of a nonprofit or other public entity (water or wastewater district)** and the nonprofit or other public entity will be the owner and operator of the facility and the applicant has no responsibility for providing said service, then the nonprofit's or other public entity's financial records will be analyzed for the ability to service debt, if any is a part of the project.
- The financial review must determine that the operating entity of the proposed facility, whether it be a non-profit, other government entity or the city/county applicant has adequate and consistent annual revenue projections to cover the annual operation and maintenance expenses associated with the facility, throughout the five year continued use period.
- **If, during staff review of the application, direct and clear evidence is obtained by the department that the grant funds are not needed and that the project can or will be carried out by the applicant whether or not the grant is awarded, the application will not be processed.**
- All financial information in the application must be prepared for the proposed activity, unless another funding source (e.g., USDA Rural Utilities Service) has already reviewed similar financial information and made a funding commitment based upon their review. In such cases, the financial feasibility analysis of the other funding source shall be submitted with the application in lieu of the requested documentation.

**Type 1, Water and wastewater final design** - In addition to the financial review described above, ALL, Type 1 water and sewer applications for final design and construction will undergo a financial review to ensure that the monthly user rate at construction completion of the proposed project meets the threshold rate criteria.

**Threshold Rate Criteria** - The projected annual utility rate for the respective system (water or wastewater), with the requested CDBG assistance, at construction completion of the proposed project must be at or exceed the current percentage (1.25%) of the current Median Household Income (MHI) as defined by the most recent American Community Survey 5 year estimate. The user rate must provide adequate operations, maintenance and debt service. If the proposed project annual utility rate meets this figure, the project will be eligible for funding.

The annual (water/sewer) rate is 12 times the monthly fee that the system would need to charge its residential service connections, on average per connection for usage up to 7,500 gallons of water consumption and similar wastewater disposal per month, as calculated by the applicant and verified by the department after taking into account the projected operations, maintenance, debt repayment and capital outlay for 10 years or less assets, and all other reasonable system expenses, including the funded project.

As applicable, this annual user rate will incorporate fee-equivalents derived from other local funding sources that are or will be used to pay specifically for the system/facility that is being

upgraded/constructed with this project. This could include special levies on taxable property within the system's service area being used to pay for the system. The figure does not include system development charges.

The median household income is based on the most recent American Community Survey (ACS) 5 year estimate corresponding for the city or a more appropriate census statistical unit (e.g., census tract) that contains and is representative of the system's residential users, as approved by the department. The recipient should consult with the department if the ACS figure significantly overstates the relative level of current household income in the local area. In such cases, a special survey that either exists already or is newly commissioned, consistent with the department's usual procedures may be used to establish a comparable, up-to-date median household income figure, which is then not inflated by the department's customary practice.

NOTE: If the user rate actually needed, and projected by the project proponent, to adequately cover operation, maintenance and replacement (OM&R) at construction completion is higher than the department's threshold rate, the higher rate shall apply to the project and will be required within any grant contract issued for this project.

### **Type 1 – Public Water and Sewer Systems**

The OBDD-IFA is committed to helping Oregon communities make the necessary improvements to their water and sewer systems by providing state and federal funds according to financial need.

### **Land Use Information**

Construction of new water and sewer facilities in areas outside urban growth boundaries is subject to the State Planning Goal 11: Public Facilities and Services, as amended on July 16, 1998, and the Department of Land Conservation and Development requirements in the Oregon Administrative Rules Chapter 660, Division 11 (Public Facilities Planning), Chapter 660, Division 4 (Interpretation of Goal 2 Exception Process) and Chapter 660, Division 22 (Unincorporated Communities). Projects outside urban growth boundaries must access funding through a city or county and must include verification from the appropriate county that the proposed activities are allowed under current state law.

### **Maximum Grant**

Grants can be made for each of the three phases (preliminary engineering/planning, final design and construction) of an applicant's single water system or sewer system project. The maximum grant available for a single water or sewer system project is \$3,000,000. The \$3,000,000 per project limitation covers all aspects of the single project for a period of five years.

### **\$20,000 Maximum Grant Amount Per Residential Connection**

The maximum grant per project also is subject to an additional limit of not more than \$20,000 per permanent residential connection to be served by the water or sewer improvement project. This means that at construction completion there must be a minimum of 150 residential connections served by the water or sewer system project in order for the applicant to be considered for the maximum grant of \$3,000,000. Water or sewer systems currently serving, or at construction completion will be serving less than 150 residential connections may only be awarded a maximum of \$20,000 per available residential connection, subject to the other program requirements.

**Maximum Award During a Five-Year Period**

The \$3,000,000 per project limitation covers all components of a major capital improvement project for a period of five years. The five-year period is commensurate with a current regulatory agency approved/accepted water system master plan or wastewater facilities plan. A city or county may not separate a project into phases, such as collection system improvements in one phase and treatment system improvements in another, in order to apply for more than \$3,000,000 in grant funds within a five-year period. The department’s financing goal is to award the minimum amount of grant funds necessary to complete the project activity successfully.

For example: Greentree applied for a \$3,000,000 design/build grant for their Phase II water system improvements on March 31, 2011. Greentree is not eligible for an additional \$3,000,000 grant because they have already received \$2,825,000 in prior grants for their water system improvements (Phase I) over the last five years. They would not be eligible for another \$3,000,000 for their water system improvements until 2013. However, after March 31, 2011 they could apply for \$175,000 from the program for their water system. This would assume they have a project meeting the eligibility requirements for the preparation of a water system master plan or design of the Phase II improvements.

**Example Schedule of Events**

2006	2007	2008	2009	2010	2011	2012	2013
Phase I Distribution				Phase II Treatment			
Planning	Design	Construction			Final Design and/or Construction		
Awarded 3-31-06 <b>\$175,000</b>	Awarded 6-28-2007 <b>\$200,000</b>	Awarded 8-8-2008 <b>\$2,625,000</b>			Application received 3-31-2011 \$3,000,000 <b>NOT ELIGIBLE</b> (But, they are eligible for \$175,000)		Eligible for another \$3,000,000 (or \$2,825,000 if they received \$175,000 in 2011)

**Maximum Grant Exception for Water and Wastewater Projects**

It is the department’s sole discretion to exceed the maximum grant amount if the projected monthly user rate at construction completion will exceed 150 percent of the CDBG threshold rate. In making these determinations the department will consider: CDBG fund availability; the status of committed matching funds; whether increased grant funding will buy down the monthly user rate; and any other information the department considers relevant. This review will be conducted by the CDBG Program and Policy Coordinators during the CDBG quarterly competitive application process. Under no circumstances shall any increased grant award from the department exceed \$4,000,000 per project.

**National Objective**

All projects must meet a national objective of the Community Development Block Grant Program regardless if CDBG funds will or will not be used in the future phases of the same project. The low- and moderate-income area benefit national objective is the only one that is available to applicants for public water and sewer system improvements.

In order to document that the area served by the system is providing area wide LMI national objective benefit everyone served by the system must be physically connected to the water or wastewater system and being served by the system that was assisted in whole or in part with CDBG funds to meet the national objective, by construction completion.

**Capacity**

Federal Community Development Block Grant rules limit program assistance to activities that are necessary to benefit current residents in a primarily residential area. This means that if the main reason for doing the project is to provide capacity for population and economic growth, other funding sources must be sought. Community Development Block Grant funds are intended to solve problems faced by current residents, such as poor drinking water quality or inadequate sewage treatment. Community Development Block Grant funds may be used for projects needed to benefit current residents (e.g., water treatment improvements to comply with Safe Drinking Water Act requirements) but which will be built with capacity for future development. In these cases, the Community Development Block Grant participation will be limited to that portion of the project cost that is necessary to serve the current population.

Applicants must complete and submit the following tables to the department for a project eligibility/capacity review determination. It is recommended that this eligibility/capacity review determination be made prior to the submission of a PNIF or prior to conducting a one stop during project development.

Population projections must be consistent with the local County Planning Department’s allocated population projections that have been approved by the Department of Land Conservation and Development for the service area within the defined boundary of the project.

USE	Current		Future (20-year projected capacity)	
	EDU's	Flow	EDU's	Flow
Residential Permanent				
Commercial & Business				
Industrial				
Other				
Total				
Percent Residential	%	%	%	%

EDU – Equivalent Dwelling Unit (EDU)

These numbers can be found in the water system master plan or wastewater facilities plan.

**Capacity Building** - Total Current (EDU’s x 2) Is it more than the Total Future EDU’s?

Yes      oN

**Capacity Building** - Total Current (Flow x 2) Is it more than the Total Future Flow?

Yes      oN

**Percent Residential** - (Residential/Total) x 100% Is the residential component more than 51%?

Yes      oN

	Population at date of income qualification (2000 census or other approved survey)	Current Population Estimate	Future Population Estimate
Total Persons			

After completing the tables above the project will be eligible for funding if it meets the following four criteria:

- The project must serve an area that is comprised of more than 51 percent permanent residents (both currently and in the future) i.e. permanent residents must reside within their residence 6 months or more out of the year;
- The permanent residents must be comprised of more than 51 percent low- and moderate-income persons;
- The facility must serve primarily permanent residential needs as determined by flow (both currently and in the future); and
- The facility is not needed primarily for capacity building purposes (over 100 percent growth as determined by population or flow over the 20 year planning period).

**Eligible projects include**

- Projects necessary to bring municipal water and sewer systems into compliance with the requirements of the Safe Drinking Water Act or the Clean Water Act administered by the Oregon Health Authority – Drinking Water Program (OHA-DWP) and the Oregon Department of Environmental Quality (DEQ);
- Projects where the municipal system has not been issued a notice of non-compliance from the Oregon Health Authority-Drinking Water Program, Safe Drinking Water Program or the Department of Environmental Quality, but the department determines that a project is eligible for assistance upon finding that; a recent letter, within the previous twelve months, from the appropriate regulatory authority (OHA-DWP, DEQ) or their contracted agent, indicating a high probability that within two years the system will be notified of non-compliance, and department staff deems it reasonable and prudent that program funding will assist in bringing the water or sewer system into compliance with current regulations or requirements proposed to take effect within the next two years.
- Water system planning, design and construction projects necessary to eliminate water rationing. The applicant must demonstrate past (within last 2 years) and/or consistent water rationing events due to insufficient drinking water quality or supply.
- Planning, design and construction projects necessary for the provision of dependable and efficient water storage, treatment and/or transmission to meet domestic drinking water needs;
- Planning, design and construction projects necessary for the provision of dependable and efficient wastewater collection, treatment and disposal/re-use, and
- The preparation of water management and conservation plans as required by the Oregon Water Resources Department through permitting processes. These may be combined with projects for the preparation of Water System Master plans

required by Oregon Health Authority – Drinking Water Program, Safe Drinking Water Program.

### **Ineligible Projects**

- Projects primarily needed for capacity building purposes. (Explained in more detail on Page 10-4);
- Projects that are needed solely to drill/develop wells. However, projects where well drilling/development is only a component of a much larger project and not the primary purpose will be eligible for funding. For example, a project that consists of distribution, treatment and well drilling improvements all in one phase would be eligible for funding;
- Deferred maintenance and/or and operational expenses.
- Work on private property.
- Projects primarily needed for fire suppression.

### **Eligible Activities**

- Wastewater treatment facilities including all facilities necessary for collecting, pumping, treating and disposing of sanitary sewage. Included is correction of infiltration and inflow (I&I) through replacement of lines or slip lining;
- Separation of storm drainage from sanitary sewers, if necessary to meet federal or state water quality statutes, rules, orders or permits;
- Domestic water systems including all facilities necessary for supply development, storage, filtration, treatment, transmission and metering;
- Equipment that is an integral and permanent part of a water or wastewater facility. Purchase or lease of other equipment, including vehicles is not eligible;
- The acquisition of real property, including permanent easements, necessary for the proposed water or wastewater project;
- Television inspection and internal grouting of wastewater collection lines if approved in advance by the department. Since this work also can be a method of maintaining the lines, case-by-case determinations must be made because operation and maintenance expenses are considered not eligible under federal regulations for the Community Development Block Grant program;
- Preliminary planning (wastewater facilities plans, asset management plans, water system master plans and water management and conservation plans) and preliminary and final engineering, surveying, architectural and other support activities necessary to the construction of a water or wastewater project;
- Administrative costs necessary to ensure that federal requirements for the grant project are met. Refer to Chapter 5 for more information; and
- Construction contingencies. Refer to Chapter 5 for more information.
- Refer to Chapter 5 for additional information on eligible and ineligible costs under the program.

## **Coordinated Solutions**

To the greatest extent possible, public works funds will be awarded to projects that will result in coordinated solutions to water quality management problems.

## **Water Meter Requirement**

Projects for water supply, storage and/or treatment facility improvements will be considered only if the service connections are metered, or the project will include installation of active meters. Projects including the installation of new water lines also must include installation of water meters at all active service connections to those lines. The water meter requirement provides the applicant or system-operating entity a useful tool for operating and maintaining the community water system. Meters are used for fair and accurate billing, water-use monitoring, conservation purposes and as a means of problem detection.

## **Water Quality Limited Streams**

Additional review will be done for applications involving sewage treatment facilities that discharge into “water quality limited” streams for which the Oregon Department of Environmental Quality (DEQ) has not yet established TMDLs (Total Maximum Daily Loads). Consultation with DEQ will take place to determine if the project can or should be designed and constructed without established TMDLs. The applicant will be kept informed as this review takes place. The consultation will consider the following:

- DEQ’s anticipated schedule for completion of the TMDL study for the affected stream;
- Specific water quality standards being violated in the affected stream and how this information may affect the nature and extent of work needed for the treatment system;
- If the project is designed and constructed prior to establishment of TMDLs, whether it is likely the community will face another design and construction project soon after completion of the grant-funded improvements; and
- If funding the design and construction of the proposed project prior to establishment of TMDLs for the affected stream is a wise investment of public funds.

## **Limitations on Engineering Costs**

Applicants may select their engineering consultant prior to award of grant funds if they carry out a competitive selection process in accordance with state statutes and obtain department approval of the scope of work and draft contract. However, Community Development Block Grant funds cannot be used to pay for engineering costs incurred prior to the grant award or prior to clearance of the environmental review requirements. Communities will have to use their own funds to cover all engineering costs associated with the project if these conditions are violated. Refer to Chapter 5 for more information.

## **Engineering Requirements**

**For Applications** – All applicants must provide the following documents prepared, stamped and signed by a registered professional engineer licensed to do work within the State of Oregon.

- **Preliminary Engineering and Planning Grants** – A scope of work and a detailed cost estimate of the project to be funded. The scopes of work must be prepared in accordance with either the “Guidelines for the Preparation of Planning Documents for Developing Community Water System Projects” or the Guidelines for “Preparing Wastewater Planning Documents and Environmental Reports for Public Utilities”.
- **Final Design Only** – A water system master plan or wastewater facilities plan reviewed and approved by the appropriate regulatory agency and a detailed cost estimate, and diagram that identifies the improvements of the project to be funded.
- **Construction Only** – Plans, specifications and bid and contract documents reviewed and approved by the appropriate regulatory agency and a detailed cost estimate of the project to be funded. **Note:** Construction only grant applicants must also submit a complete environmental review record prepared in accordance with Chapter 3 of the Grant Management Handbook. Publication of environmental notices should not take place before a funding decision is made on the application.
- **Final Design and Construction** - A water system master plan or wastewater facilities plan reviewed and approved by the appropriate regulatory agency and a detailed cost estimate and diagram that identifies the improvements of the project to be funded.

**For Funded Projects** - Preliminary engineering/planning documents, final design engineering documents and construction oversight in projects funded in full or in part with CDBG funds must be prepared, stamped and signed or conducted by a registered professional engineer licensed to do work within the State of Oregon.

**Note:** Using the preliminary engineering/planning grant category does not obligate the grant recipient to construct the project if it is determined to not be feasible. Using any one of three public works funding categories does not obligate the department to fund any other portion of the project.

**Table N**

Oregon Community Development Block Grant Program Public Works Improvements Activities Eligibility, Project Activity Type, and Maximum Grant Awards			
	Preliminary Engineering and Planning	Final Engineering	Construction
<b>Grant Maximum</b>	\$175,000	The only limitation to the size of these grants is the limit of \$3,000,000 (including all Community Development Block Grant awards for preliminary engineering & planning, final engineering, and construction) within a five-year period. *	
<b>Project Activities to be Funded</b>	Water Management and Conservation plans. Asset Management Plans, Water Master plans and Wastewater facilities plans for municipal systems which include: <ul style="list-style-type: none"> <li>• Problem identification studies</li> <li>• Preliminary engineering report</li> <li>• Preliminary cost estimates</li> <li>• Identification of funding options</li> <li>• Preparation of a financing application to the department or other agencies for final engineering</li> <li>• Grant administration and audit</li> <li>• Rate Studies</li> <li>• Environmental Reports</li> <li>• Legal Fees</li> </ul>	<ul style="list-style-type: none"> <li>• Final engineering designs, bid specifications, and updated cost estimates</li> <li>• Project financial feasibility information</li> <li>• Environmental review of project (does not include publishing of notices for public comment)</li> <li>• Preparation of application for construction financing to department or other agencies for construction funding</li> <li>• Grant administration and audit</li> <li>• Rate Studies</li> <li>• Land Appraisals</li> <li>• Legal fees</li> <li>• LEP Translation Services</li> </ul>	<ul style="list-style-type: none"> <li>• Construction</li> <li>• Construction engineering</li> <li>• Acquisition of property, including easements</li> <li>• Grant administration and audit</li> <li>• Legal fees</li> <li>• Cultural Monitoring</li> <li>• LEP Translation Services</li> <li>• Federal Labor Standards compliance</li> </ul>
<b>Project Period</b>	All activities must be completed and the Project Completion Report submitted to the department, within this time from contract execution with the department:		
	24 months	24 months	24 months
	36 months if these two phases are combined in one grant		
*Community Development Block Grants awarded prior to 2011 do not count against the \$3,000,000 limit.			
<b>Note:</b> Contracts with recipients combining final design and construction into one grant will have a contract condition prohibiting the department from releasing construction funds until the recipient provides evidence that all necessary construction funding, to complete the activity, has been secured and, if applicable, regulatory agency approvals have been received. These grants are not considered (design/build) grants.			

**Type 1 - Preliminary Engineering and Planning Grants**

**Note:** The grant contract will require that the completed planning/engineering document must contain a complete rate study for the system.

These grants will help communities pay for water system master plans, wastewater facilities plans, capital improvement plans, asset management plans and problem identification studies (e.g., sanitary surveys, value engineering, inflow and infiltration studies). Funding for the future project may come from other sources, but the future project must meet a national objective.

Funds may be requested for preliminary engineering and planning that will result in a comprehensive assessment of a community’s entire water or sewer system and that can reasonably be expected to result in a construction project within two years of the grant award for preliminary engineering and planning. The maximum grant for preliminary engineering and planning is \$175,000 given that the community has not exceeded the \$3,000,000 per project limitation of Community Development Block Grant assistance for a community’s overall project within a five-year period. Based upon the five year project limitation the community may not be eligible for the maximum grant of \$175,000.

The applicant must demonstrate that the specific future construction project will meet the Community Development Block Grant low- and moderate-income area-wide national objective.

This rule applies even if the applicant does not intend to use CDBG funds for future phases of the same project.

Examples of preliminary engineering and planning work include, but may not be limited to:

- The facilities plan for a wastewater system required by the Oregon Department of Environmental Quality prior to its funding of a capital construction project;
- The preliminary engineering report and other information required by USDA-Rural Development prior to issuance of a Letter of Conditions by that agency for a water or sewer system project;
- The master plan for municipal drinking water system required by Oregon Health Authority - Drinking Water Program;
- Water Management Plans or Conservation Plans required by the Oregon Water Resources Department;
- Planning projects necessary for the provision of dependable and efficient water and wastewater needs;
- Rate Studies;
- Environmental reports;
- Legal fees;
- Design and/or construction funding application preparation for the department or other funding agencies; and
- Asset Management Plans.

Preliminary engineering and planning grants for comprehensive system assessments must result in a plan with at least a 20-year time frame addressing the public facility (wastewater or water) needs of the jurisdiction and matching the costs of future improvements to anticipated revenues. Applicants must contact department staff about the contents that must be included in the specific scope of work in all circumstances. Applicants are required to develop scopes of work that follow the “Guidelines for the Preparation of Planning Documents for Developing Community Water System Projects” and the Guidelines for “Preparing Wastewater Planning Documents and Environmental Reports for Public Utilities” available from department staff. Plans resulting from these grants must be coordinated with the local planning and budget processes. They must include a timetable for completing future improvements with a determination of project priorities, project timing, cost estimates and consideration of methods of financing.

For each project, the scope of work and final product description will be determined on a case-by-case basis by the recipient or its representative, the OBDD-IFA and the appropriate state or federal regulatory agency.

The grant contract will require recipients of preliminary engineering and planning grants to obtain a review of draft reports and documents by the appropriate regulatory agencies. The regulatory agency(s) comments must be obtained before the recipient accepts a final product. If the preliminary engineering and planning grant is for a wastewater facilities plan or a water system master plan, the draft must be accepted by the regulatory agency. The department will not make the final disbursement of grant funds for these projects until the above approvals/acceptance have been received from the appropriate regulatory agency.

Some of the preliminary engineering and planning grant may be used to pay for:

- The preparation of a funding application to the department or other state or federal agency for the next phase of the project. Refer to Chapter 5 for details; and
- Grant Administration/Audit. Refer to Chapter 5 for more information.

### **Type 1- Final Engineering Grants**

Grant funds are available to help the applicant obtain the products listed below which will be required elements of a construction application. The only limit to the size of these grants is the limit of no more than \$3,000,000 in Community Development Block Grant assistance for a community's overall project within a five-year period. A single grant may be awarded for both final engineering and construction. Eligible projects must be in accordance with a regulatory agency approved water system master plan or wastewater facilities plan. A copy of the planning document and the regulatory agency approval must be submitted with the application.

The most common eligible activities include but are not limited to:

- Project description, including an explanation of the basis for the size and/or capacity of the proposed facility;
- Pre-design reports, final engineering design and bid specifications. Refer to Chapter 5 for more information on the limits of engineering costs;
- Detailed cost estimates, including all items necessary to complete the project;
- Identification of all permits and approvals necessary to construct the project with a schedule showing a realistic review and approval process for each;
- Financial feasibility information, including information regarding the applicant's or utility system's financial situation. For projects where a financial review was prepared by another funding source (e.g., USDA Rural Development) a copy must be provided to the department for review with the application;
- Maps showing the general location of the project, tax lots or parcels in the project area and the specific location of the project, including, if applicable, line sizes, road widths, etc.;
- Environmental review of the proposed project that complies with the National Environmental Policy Act (NEPA), other applicable federal authorities and the implementing regulations of the U.S. Department of Housing and Urban Development. The review would not include issuance of a Finding of No Significant Impact or publishing of a Request for Release of Funds, since these are not appropriate until construction financing is obtained. For applicable situations, publishing flood plain notices as part of the "8 step" process must be done as part of the final engineering grant project. Refer to Chapter 5 for details;
- Grant Administration/Audit. Refer to Chapter 5 for more information;
- Construction funding application preparation to the department or other funding agencies. Refer to Chapter 5 for details;
- Rate studies;
- Legal fees;
- LEP Translation Services. Refer to Chapter 5 for details;
- Land appraisals; and

- Refer to Chapter 5 for additional information on eligible and ineligible costs under the program.

In addition to the above products, the applicant may use some of the final engineering grant to pay for preparation of a construction application or an application to another federal or state program for construction financing.

Final engineering projects may not include the use of grant funds to pay for the actual acquisition of property, whether sites or easements. Costs for activities leading up to acquisition, such as appraisals, are allowable. Grant recipients for final engineering only must have regulatory agency approval of final plans and specifications before the grant is administratively closed and before a Community Development Block Grant construction application is submitted.

**Note:** An applicant may apply for a final engineering grant without having been awarded a grant for preliminary engineering and planning. Applicants who already have completed the work involved in what these rules term a preliminary engineering and planning project may apply directly for a final engineering grant. The department may determine upon review of the application that an award for a preliminary engineering and planning grant is necessary to obtain information to justify a final engineering award.

## **Type 1 - Construction Grants**

### **Maximum Grant**

\$3,000,000, minus any prior CDBG award for preliminary engineering and planning or final engineering grants that have been awarded to the applicant within the five-year period for the same project. This is also subject to the maximum overall limit calculated at \$20,000 of CDBG funds per residential connection within the water or sewer system. Grants will be awarded for the minimum amount considered necessary to provide the improvements needed to benefit current residents. A single grant may be awarded for both final engineering and construction. Eligible projects must be in accordance with regulatory agency approved final design documents and plans. A copy of the final design documents and plans and the regulatory agency approval must be submitted with the application.

### **Eligible Activities**

Community Development Block Grants for construction may be used to pay for:

- Preparation of the environmental review. Refer to Chapter 5 for details;
- Bid process;
- Construction of improvements;
- Engineering oversight and construction management. Refer to Chapter 5 for more information;
- Construction contingencies. Refer to Chapter 5 for more information;
- Federal Labor Standards Compliance. Conducting on-site employee interview/verifying certified payroll report data. Refer to Chapter 5 for details;
- Appraisal and acquisition of real property including permanent easements, preparation of as-built drawings, operation and maintenance manuals;
- Grant administration/audit. Refer to Chapter 5 for more information;

- Cultural Monitoring;
- LEP Translation Services;
- Legal Fees; and
- Refer to Chapter 5 for additional information on eligible and ineligible costs under the program.

Applicants may apply for a construction grant without having been awarded a preliminary engineering and planning or a final engineering grant from the Community Development Block Grant program. Applicants who have completed the work involved, described by the rules as preliminary engineering and planning and final engineering projects, may apply for a construction grant. Following review of the application, the department may determine an award for preliminary engineering and planning or final engineering is necessary to obtain information to justify a construction award.

**Type 2 - Grants for Publicly-Owned Off-Site Infrastructure Projects**

All potential projects must be pre-screened by OBDD-IFA staff before the applicant will be invited to submit a project notification and intake form. To initiate the pre-screening process the potential applicant must submit the following pre-screening request form to the department.

**Off-Site Infrastructure for Affordable Housing  
Request for Pre-Screening**

<p><b>CDBG Applicant [City/County]</b></p> <p>Name: Address:</p> <p>Telephone: Fax: E-mail:</p> <p>Contact Person: Address:</p> <p>Telephone: Fax: E-Mail:</p>	<p><b>Housing Sponsor</b></p> <p>Name: Address:</p> <p>Telephone: Fax: E-mail:</p> <p>Contact Person: Address:</p> <p>Telephone: Fax: E-Mail:</p>
<p><b>Project Name:</b></p> <p><b>Project Location:</b> (Address)</p> <p><b>Number of Units to be constructed:</b></p>	

**Public Infrastructure Needed** [Provide diagram identifying the development location, the location of the existing public infrastructure and needed public infrastructure extensions:

( ) Water    ( ) Wastewater    ( ) Streets    ( ) Sidewalks    ( ) Other \_\_\_\_\_

**Has the proposed project been discussed with Oregon Housing and Community Services Department or other funding agency?** [If yes, identify whom and provide their contact information.]

**Name of person who completed this form:**

**Date:**

The pre-screening will consist, at a minimum of:

- 1) An on-site review by OBDD-IFA staff;
- 2) A review of the housing funding relationships and documentation that this grant is key to the success of the housing project; and
- 3) A meeting with the applicant to discuss roles and responsibilities.

Upon completion of the pre-screening, OBDD-IFA staff will determine whether a project notification and intake form should be invited. The decision to invite a project notification and intake form is at the sole discretion of the OBDD-IFA. All OBDD-IFA decisions are final. If an applicant is invited to submit a project notification and intake form the project must be developed in accordance with the requirements contained in this section.

The department is working with Oregon Housing and Community Services and other federal programs to promote balanced community development through the coordination of funding for affordable housing in the non-metropolitan areas of the state, by providing funding for publicly owned off-site infrastructure necessary for the construction of affordable, permanent, new, multi-family rental housing or “single family home ownership” homes to be primarily occupied by low- and moderate-income persons.

### **Maximum Grant Amount**

The maximum grant is \$225,000.

### **Matching Funds Requirement**

There is no minimum match requirement. Any matching funds necessary to complete the proposed CDBG project, must be in the form of cash or debt service. All project funds necessary to complete the proposed project must be available and committed at the time the application is received by the department. Refer to the “Readiness to Proceed” definition in Chapter 5 for more details.

### **National Objective**

These projects must meet the following national objective requirements. A map of the entire service area must be provided with the application.

**A)** The housing development being served by the off-site infrastructure must be comprised of 51 percent or more LMI units. The applicant must obtain information from the respective housing developer to determine the units to be constructed will be held for and occupied by LMI persons/families meeting the criteria in Chapter 3.

**B)** If the project serves other benefited properties besides the housing site itself, any property that also receives benefit from the off-site public infrastructure improvements such as: water lines; wastewater collection; street; storm drainage; sidewalk; curb; gutter; fire hydrants; lighting, etc., must be surveyed for family size and income data. Property owners that do not meet the LMI requirement must be assessed to pay their proportional share of the benefit from the off-site infrastructure project improvements.

Income surveys must be conducted on all other benefited properties to ensure their income meets the criteria in Chapter 3. The applicant must work with department staff to ensure the income survey is properly conducted and meets federal requirements. This information must be submitted with the application.

### **Other Benefited Properties**

If the proposed public works improvements serve any other properties, in addition to the one on which the new housing is located, the non-LMI property owners of the other benefited properties must pay their fair share of the public works improvements. The applicant must calculate the non-LMI property owner share and identify how these funds will be collected from the non-LMI benefited property owners with the application.

Failure to have the funds collected or a back-up interim construction-financing plan at time of application will result in the application not meeting the readiness to proceed criteria contained in Chapter 5 and Chapter 7.

### **Eligible Activities**

Construction, rehabilitation, reconstruction or installation of publicly owned water, sewer, county roads and city streets, sidewalk, curbs and storm drainage improvements. All improvements must be owned and operated by the applicant. Work on the housing site (for example: the extension of water and sewer lines from the property boundary line to the buildings, parking areas or other improvements designated for the exclusive use of the housing project residents) is not eligible for CDBG funding assistance.

Community Development Block Grant funds may be used solely for the following activities necessary for the publicly owned off-site infrastructure improvements:

- Acquisition of real property and permanent easements;
- Final engineering, surveying, and other support activities, procured by the local government (Refer to Chapter 5 for more information);
- Construction costs and construction contingencies, procured by the local government (Refer to Chapter 5 for more information);
- Refer to Chapter 5 for more details about eligible activities; and

- Grant administration (Refer to Chapter 5 for more information).

System development charges, hook-up fees, impact fees and connection charges are not eligible for reimbursement under the federal regulations for the CDBG program.

### **Engineering Feasibility Review**

**For Applications** – All applicants must provide the following documents prepared, stamped and signed by a registered professional engineer or architect licensed to do work within the State of Oregon.

- **Final Design Only** – A detailed cost estimate, and diagram that identifies the improvements, of the project to be funded.
- **Construction Only** – Plans, specifications and bid and contract documents reviewed and approved by the appropriate regulatory agency(s) and a detailed cost estimate of the project to be funded. **Note:** Construction only grant applicants must also submit a complete environmental review record prepared in accordance with Chapter 3 of the Grant Management Handbook. Publication of environmental notices should not take place before a funding decision is made on the application.
- **Final Design and Construction** - A detailed cost estimate and diagram that identifies the improvements of the project to be funded.

**For Funded Projects** - Any construction engineering documents/plans and specification and construction oversight in projects funded in full or in part with CDBG funds must be prepared and stamped or conducted by a registered professional engineer licensed to do work within the State of Oregon.

**Local Construction Code** - Each proposed project will be subject to review of the applicant’s existing local construction codes. The requested infrastructure must be the minimum necessary to comply with required local codes and to accommodate the new affordable housing complex. A copy of any applicable construction codes must be submitted with the application, for example, street construction requirements, sidewalk requirements etc. If a funding request for asphalt streets and concrete sidewalks is made to the department, and there are no existing local construction codes requiring asphalt streets or concrete sidewalks, the applicant will not be awarded funds for these activities.

### **Affordable Rent**

Federal program regulations require the state to define “affordable rent.” The following definition of affordable rent shall be used unless the applicant receives approval from the department for a different local definition:

The maximum “affordable rent” (rent plus utilities) cannot exceed 30 percent of the gross monthly income of a household whose annual income equals 80 percent of the median income for the area, as determined by HUD, with adjustments for the number of bedrooms in the unit. The rent for a unit occupied by a household receiving a subsidy (for example: Section 8 rental assistance) may be higher than that charged to a non-subsidized household.

### **Outcome and Performance Measures**

Each applicant must address how their project meets the objective(s), outcome(s), indicators and performance measures identified below:

**Public Works Water and Wastewater Projects**

Objective	Outcome (Pick One)	Indicators	Performance Measures	State Measurement
Suitable Living Environment	<ul style="list-style-type: none"> <li>• Availability/ Accessibility</li> <li>• Sustainability/ Promoting Livable or Viable Communities</li> </ul>	Number of households assisted with: <ul style="list-style-type: none"> <li>• New access to service or benefit</li> <li>• Improved access to service or benefit</li> <li>• Where the project is used to meet a quality standard or measurably improve quality, report the number of households that no longer only have access to a substandard facility or infrastructure (as defined by the local community)</li> </ul>	Amount of money leveraged from other federal, state, local and private resources	The amount of money leveraged from all other funding sources
			Number of persons, households or units assisted (pick the one most appropriate to your project – pick only one)	Number of persons having access to more affordable facilities and services including the percentage of low- and moderate-income persons who benefit from the improvements
			Number of low- and moderate-income persons served by the project.	Number of systems brought up to environmental/safety standards or upgraded
			Number of communities assisted	Number of persons benefiting from new or improved facilities including the percentage of low- and moderate-income persons who benefit from the improvements
			Race, ethnicity, disability (current categories for beneficiary reporting still apply)	

**Publicly Owned Off-Site Infrastructure**

Objective	Outcome (Pick One)	Indicators	Performance Measures	State Measurement
Decent Affordable Housing	Sustainability/ Promoting Livable or Viable Communities	Number of renter and owner occupied units created: <ul style="list-style-type: none"> <li>• Number subsidized by federal, state, or local program</li> <li>• Number occupied by elderly (head of household or spouse age 60 or older)</li> <li>• Number of units made handicapped accessible</li> </ul>	Amount of money leveraged from other federal, state, local and private resources)	The amount of money leveraged from all other funding sources
			Number of persons, households or units assisted (pick the one most appropriate to your project – pick only one)	Number of persons having access to more affordable facilities and services including the percentage of low- and moderate-income persons who benefit from the improvements
				Number of units created
			Number of communities assisted	Number of persons benefiting from new or improved housing including the percentage of low- and moderate-income persons who benefit from the improvements
			Race, ethnicity, disability (current categories for beneficiary reporting still apply)	

## Chapter 11 Public Community Facilities

Oregon Community Development Block Grant (CDBG) funds can be used for the acquisition, rehabilitation and construction of facilities needed to provide shelter or deliver services to persons with special needs.

### Maximum Grant Amount

The maximum grant amount for a single community facility project is \$2,000,000. The \$2,000,000 per project limitation covers both final design and construction necessary to complete community facility projects. A city or county may not separate a single project into phases, such as building one portion of the facility now, and then building the remaining portion later, in order to exceed the grant limit per project.

### Combination Facilities

Under special circumstances the department may consider funding combination facilities. An applicant must demonstrate the following to be considered for such funding:

- The applicant has successfully administered prior CDBG projects (e.g. complied with federal and state program requirements, few monitoring findings and concerns and no unresolved findings or concerns).
- The combination facility must **only** house eligible community facility projects, listed on page 11-2, and eligible activities identified within this 2015 Method of Distribution.

A combination facility will not be considered two separate projects and the applicant will only be eligible for the maximum single community facility award of \$2,000,000. Applications will be rated and ranked, if necessary based upon the highest use of the facility. Use is defined as “clients served.” If the number of clients served by each type of facility included in the combination facility are equal, the highest use will be determined by the facility type that most closely meets HUD’s priority of ending chronic homelessness and hunger.

**Grants for combination facilities will only be awarded at the department’s discretion.**

### National Objective

All public/community facility projects must meet one of the three National Objectives. All proposed projects are expected to meet the national objective of providing “principal benefit to low- and moderate-income persons”. When using the low- and moderate-income national objective, applicants must submit the supportive documentation identified in Chapter 3.

Maximum Grants of \$2,000,000 are available only for the facilities contained within the list below.

Facility/Project Type	National Objective the Project must qualify under
Shelters for Victims of Domestic Violence	Low and Moderate Income – Limited Clientele
Homeless Shelters	Low and Moderate Income – Limited Clientele
Head Start Centers	Low and Moderate Income – Limited Clientele
Shelters or workshops for people with disabilities	Low and Moderate Income – Limited Clientele
Health clinic operated by a nonprofit organization	Low and Moderate Income – Area Wide Benefit
Mental Health Treatment centers	Low and Moderate Income – Limited Clientele
Drug and Alcohol Treatment facilities	Low and Moderate Income – Limited Clientele
Full Service Senior Centers (Includes kitchen and minimum meal service five days/week) The senior center must exclusively serve persons 60 years of age and older.	Low and Moderate Income – Limited Clientele
Community Centers - (Only cities are eligible to apply for community center projects. These facilities are open to the entire population of a defined area and contain kitchen facilities for serving meals. The facility must be owned by the applicant city and constructed on land owned by the applicant city. Refer to Chapter 5 for a definition of publicly owned.)	Low and Moderate Income – Area Wide Benefit
Family Resource Centers – These multi-service centers must operate as a community center in that they must be open to the entire population of a defined service area that is comprised of 51% or more LMI persons.	Low and Moderate Income – Area Wide Benefit
Food Banks – Food Banks collect, sort, store and distribute surplus food products and edible but unmarketable food that has been acquired from growers, grocers and other sources in food boxes to food pantries and low and moderate income persons for free.	Low and Moderate Income – Nature and Location
Fire Stations	Low and Moderate Income – Area Wide Benefit
Libraries	Low and Moderate Income – Area Wide Benefit

**Definitions**

- Head Start Programs - Persons 0-5 years of age.
- Child – Persons 6-12 years of age.
- Youth – Persons from 6-18 years of age.
- Adult – Persons 18 years of age and older.
- Senior/Elderly – Persons 60 years of age and older.

**Eligible Activities**

CDBG funds may be used for the following activities. Refer to Chapter 5 for more details about the eligible costs under the program:

- Property acquisition (including appraisal costs), clearance and disposition by the city or county grant recipient;
- Construction, rehabilitation, reconstruction or installation of improvements;
- Purchase and installation of equipment that is a fixed and integral structure to the building;
- Architectural and Engineering services. Refer to Chapter 5 for limits;
- Environmental Review Record Preparation;
- Relocation assistance to meet federal requirements. [Due the specialty calculations and detailed requirements for relocation activities, any applicant with a proposed project that involves relocation will be required by OBDD-IFA to hire a specialist acceptable to OBDD-IFA to complete the required URA relocation process.;
- Federal labor standards compliance. Conducting on-site employee interviews/verifying certified payroll report data;

- Administrative services needed to ensure federal requirements for the grant project are met. Refer to Chapter 5 for more information;
- Legal/Audit;
- Cultural Monitoring;
- LEP Translation Services; and
- Construction contingencies. Refer to Chapter 5 for more information.

Note: Any preliminary engineering/planning documents, construction engineering documents (plans and specifications) and construction oversight in projects funded in full or in part with CDBG funds must be prepared and stamped or conducted by a registered professional architect or engineer licensed to do work within the State of Oregon.

### **Matching Funds Requirement**

There is no minimum match requirement. Any matching funds necessary to complete the proposed CDBG project must be in the form of cash or debt service. All project funds necessary to complete the proposed project must be available and committed at the time the application is received by the department. Refer to the “Readiness to Proceed” definition in Chapter 5 for more details.

### **Financial Review**

All applications will undergo a financial review. All financial reviews will be conducted to determine the funding package to be offered. The grant, if awarded must be the minimum necessary, in combination with other resources, to ensure the completion of the project. Any project determined by the department to not be financially feasible will not be funded.

If an applicant (county or city) is the owner and operator of the facility, the applicant’s financial records will be analyzed for ability to service debt and ability to operate and maintain the facility.

If an applicant (county or city) is applying on behalf of a nonprofit or other entity and the nonprofit or other entity will be the owner and operator of the facility and the applicant has no responsibility for providing said service, then that nonprofit’s or other entity’s financial records will be analyzed for the ability to service debt and ability to operate and maintain the facility.

If an applicant (county or city) is responsible for providing said service (such as mental health), whether or not the applicant is contracting out the operation of the facility to a nonprofit or another entity, the applicant’s financial records will be analyzed for the ability to service debt and ability to operate and maintain the facility.

The financial review must determine that the operating entity of the proposed facility, whether it be a non-profit, other government entity or the city/county applicant has adequate and consistent annual revenue projections to cover the annual operation and maintenance expenses associated with the facility, throughout the five year continued use period.

**If, during staff review of the application, direct and clear evidence is obtained by the Department that the grant funds are not needed and that the project can or will be carried out by the applicant whether or not the grant is awarded, the application will not be processed.**

All financial information in the application must be prepared for the proposed activity, unless another funding source (e.g., USDA Rural Utilities Service) has already reviewed similar financial information and made a funding commitment based upon their review. In such cases, the financial feasibility analysis of the other funding source shall be submitted with the application in lieu of the requested documentation.

**Table O**

<b>Public/Community Facilities Activities Eligibility, Activity Type, and Maximum Grant Awards</b>	
<b>Final Design and/or Construction</b>	
<b>Grant Maximum</b>	The only limitation to the size of these grants is the limit of \$2,000,000 (Includes all prior Community Development Block Grant awards for final design and construction for the same project.)
<b>Project Activities to be Funded</b>	Final Engineering/Architectural designs, bid specifications and updated cost estimates Financial Feasibility Information Environmental Review of project Construction and Construction contingencies Construction engineering/architectural services Acquisition of property/permanent easements Grant administration and audit Legal fees Cultural Monitoring LEP Translation Services Federal Labor Standards Compliance
<b>Project Completion Period</b>	All activities must be completed and the Project Completion Report submitted within <b>36 months</b> from contract execution with the department.
<b>Note:</b> Contracts with recipients who are combining final design and construction grants into one award will have a contract condition prohibiting the department from releasing construction funds until the recipient provides evidence that all necessary construction funding to complete the project has been secured and, if applicable, regulatory agency approvals have been received. These grants are not considered (design/build) grants.	

**Architectural/Engineering Requirements**

Preliminary engineering/planning documents, final design engineering documents and construction oversight in projects funded in full or in part with CDBG funds must be prepared and stamped or conducted by a registered professional engineer or architect licensed to do work within the State of Oregon.

**Final Design and/or Construction Grants**

(These grants are not considered design/build grants.)

Grant funds are available to help the applicant prepare the final design and to construct the proposed public/community facility project. Grants will be awarded for the minimum amount considered necessary to provide the improvements needed.

The most common activities for design and construction grants are:

- Project description, including an explanation of the basis for the size and or capacity of the proposed facility;
- Final Engineering/Architectural design and bid specifications. Refer to Chapter 5 for more information;
- Detailed cost estimates;
- Identification of permits and approvals necessary to construct the project, including a schedule with a realistic review and approval process for each;

- Financial Feasibility Information;
- Maps showing both the general and specific location of the project and tax lots or parcels in the project area;
- Environmental review of the proposed project, compliance with the National Environmental Policy Act (NEPA) and other applicable federal authorities. Implementation of the U.S. Department of Housing and Urban Development regulations;
- Grant Administration/Audit. Refer to Chapter 5 for more information;
- Construction;
- Bid Process;
- Engineering/Architectural construction management. Refer to Chapter 5 for more information;
- Construction Contingencies. Refer to Chapter 5 for more information;
- Acquisition of real property or permanent easements, appraisals;
- Preparation of as-built drawings;
- Legal fees; and
- Preparation of operation and maintenance manuals.

**Outcome and Performance Measures:**

Each applicant must address how their project meets the objective(s), outcome(s), indicators and performance measures identified below:

**Public/Community Facility Projects**

Objective (Pick One)	Outcome (Pick One)	Indicators	Performance Measures	State Measurement
<ul style="list-style-type: none"> <li>• Decent Housing</li> <li>• Suitable Living Environment</li> </ul>	<ul style="list-style-type: none"> <li>• Availability/Accessibility</li> <li>• Affordability</li> </ul>	Number of households assisted with: <ul style="list-style-type: none"> <li>• New access to service or benefit</li> <li>• Improved access to service or benefit</li> <li>• Where the project is used to meet a quality standard or measurably improve quality, report the number of households that no longer only have access to a substandard facility or infrastructure (as defined by the local community)</li> </ul>	Amount of money leveraged from other federal, state, local and private resources	The amount of money leveraged from all other funding sources
		Homeless Shelter activities: <ul style="list-style-type: none"> <li>• Number of homeless persons given overnight shelter</li> <li>• Number of beds created in overnight shelter</li> </ul>	Number of persons, households or units assisted (pick the one most appropriate to your project – pick only one)	Number of persons having access to more affordable facilities and services including the percentage of low- and moderate-income persons who benefit from the improvements
		Number of low- and moderate-income persons served by the project	Number of systems brought up to environmental/safety standards or upgraded	
		Number of communities assisted	Number of persons benefiting from new or improved facilities including the percentage of low- and moderate-income persons who benefit from the improvements	
		Race, ethnicity, disability (current categories for beneficiary reporting still apply)		

## Chapter 12 Housing Rehabilitation

OBDD-IFA will finance low and moderate income, owner occupied, single family housing rehabilitation projects through awards granted to city/county applicants. The applicant will sub-grant the funds to eligible non-profits who serve a locally determined regional service area. The department offers two types of housing rehabilitation assistance:

**Type 1 – Regional Housing Rehabilitation Revolving Loan Fund** – A regional revolving loan fund that provides loans to low and moderate income homeowners to repair their owner-occupied homes, using construction contractors licensed by the Oregon Construction Contractors Board (CCB) and the Oregon Corporate Division.

**Type 2 – Regional Housing Rehabilitation Grant Fund** – A fund that provides grants to low and moderate income homeowners to repair their owner-occupied homes, using construction contractors licensed by the Oregon Construction Contractors Board (CCB) and the Oregon Corporate Division.

Note: A sole proprietor does not have to be registered with the Oregon Corporate Division’s Business Registry unless they are using an assumed business name.

### General Description

City/County applicants must sub-grant the funds to a 501(c)(3) or (c)(4) nonprofit organization that is eligible under 105(a)(15) of the Housing and Community Development Act (HCDA) to carry-out housing rehabilitation activities.

**Under Type 1-** The original eligible non-profit that receives the CDBG sub-grant from the local government must own and administer all the loan repayments and interest earnings, associated with the CDBG funded housing rehabilitation revolving loan fund program. Income generated by the CDBG loans originated from the award (repayments and interest earnings) must be repaid to the same original eligible non-profit which met the requirements of 105(a)(15) of the HCDA. The generated income must be used for the continuance of the housing rehabilitation activities or other eligible neighborhood revitalization, community economic development, or energy conservation projects in accordance with 105(a)(15) of the HCDA.

**Under Type 2 –** There will be no income generated to be monitored by OBDD since the funding assistance to the low and moderate income homeowners will be in the form of a grant, not a loan.

### Joint Projects

A combination of cities and counties can be involved in a regional or joint project. However, only one jurisdiction can be the applicant in the given CDBG program year. The jurisdiction that applies and receives an award incurs the responsibility for the CDBG funds. Joint applications submitted for review in which two or more units of local government are equally responsible will not be accepted. Either jurisdiction may take the lead and still allow the funds to be used in all jurisdictions as outlined in the Intergovernmental Agreement (IGA) or other IFA approved form of local government agreement for the region.

### **Intergovernmental Agreement (IGA)**

The service area of the proposed housing rehabilitation project must be clearly defined and acknowledged by all the participating jurisdictions through an IGA or other IFA approved form of local government agreement. The IGA must be signed by all participating jurisdictions.

At a minimum the applicant must partner with at least two other city/county jurisdictions to form a regional housing rehabilitation program. At a minimum the agreement must clearly define:

- 1) The lead applicant;
- 2) The participating city/county jurisdictions;
- 3) The eligible 105(a)(15) non-profit organization that will be carrying-out the housing rehabilitation program on behalf of the lead applicant; and
- 4) A clear description of the area to be served with the requested grant. All activities funded with CDBG funds must be within the defined service area contained in the IGA.

NOTE: The IGA does not apply to any income (repayments and interest earnings) generated by the loans under the Type 1 grants.

### **Maximum Grant Amount**

The maximum CDBG grant in this category is \$400,000. A regional housing rehabilitation program area may only apply for one Type 1 or Type 2 award once per year.

### **Project Timeline**

All the initial loans/grants from the CDBG funded housing rehabilitation award must be made within 24 months after execution of the funding contract with OBDD. Any unobligated funds, in the CDBG award will be recaptured by the state after 24 months.

### **Matching Funds Requirement**

There is no minimum match requirement. Any matching funds necessary to complete the proposed CDBG project, must be in the form of cash or debt service. All project funds necessary to complete the proposed project must be available and committed at the time the application is received by the department. Refer to the “Readiness to Proceed” definition in Chapter 5 for more details.

### **National Objective**

All housing rehabilitation projects must meet the housing/direct benefit federal national objective as identified in 24 CFR 570.483(b)(3). One-hundred percent (100%) of the benefitted owner occupied household occupants must have incomes below the federal low- and moderate-income limit (80% of the median family income as adjusted by family size). Refer to Chapter 3 for more information.

### **Financial Review**

During staff review of the application, if direct and clear evidence is obtained by the department that the CDBG funds are not needed and that the project can or will be carried out by the applicant or non-profit sub-grantee, whether or not the funding is awarded, the application will not be rated and ranked or recommended for an award.

### **Program Structure**

Community Development Block Grant funds are regulated by 24 CFR Part 570.489(e)(2)(ii). The city/county grant recipient is required to:

- Enter into a sub-grant agreement with an eligible nonprofit organization meeting the requirements of the Housing and Community Development Act 105 (a) (15) to carry out the housing rehabilitation activities.
- The (sub-grantee) eligible non-profit organization must carry out the housing rehabilitation activities on behalf of the grant recipient. The city/county grant recipient retains ultimate responsibility for compliance with all state and federal program requirements and must ensure the (sub-grantee) eligible non-profit adheres to these requirements.
- The eligible non-profit is in control of all decisions regarding the Community Development Block Grant funds. The nonprofit may undertake all activities or may utilize a professional services agreement to accomplish grant administration and limited program management work.
- **Type 1** - The original (sub-grantee) eligible non-profit organization must be the owner and lender of all loans against the property title, responsible for all loan and program decisions and must comply with all federal and state rules and statutes. All loan repayments must be received and re-conveyed by the original (sub-grantee) eligible non-profit certified under 105(a)(15) of the HCDA. The (sub-grantee) eligible non-profit will use the funds to support housing needs in accordance with the requirements of 105(a)(15) of the HCDA for continuance of the housing rehabilitation activities or neighborhood revitalization, community economic development, or energy conservation projects.
- **Type 2** – The (sub-grantee) eligible non-profit must award all funds in the form of grants to qualified homeowners.

**Eligible Homes**

All of the single family, owner occupied housing units must have had a HUD, Section 8, housing quality standards evaluation that resulted in substandard conditions.

Under the Type 2 Regional Housing Rehabilitation Grant Fund, the (sub-grantee) eligible non-profit may award grant funds to low and moderate income homeowners who own their manufactured home and reside in mobile home parks (except as noted below for pre-1977 mobile homes).

HUD prohibits the use of CDBG funds to repair or rehabilitate any manufactured home made before June 15, 1976. Therefore, the state CDBG program prohibits the expenditure of any CDBG funds to rehabilitate a pre-1977 manufactured home. While replacement or substantial reconstruction of a pre-1977 mobile home is allowed by regulation, it will not be allowed as an eligible activity under the state’s CDBG program due to the cost prohibitive nature and complexity of the program. De-federalized funds from previous housing rehabilitation revolving loan fund awards could be used for this purpose.

**Eligible Activities**

The following table summarizes the eligible activities, the maximum amount allowed for each activity in the original grant from OBDD, and the requirements for future loan repayments.

Eligible Activities	Maximum Allowed in Original Grant from OBDD	Maximum that can be budgeted for a full \$400,000 grant request	Requirements for use of “De-Federalized” Loan Re-payments (Only)
---------------------	---	---	--

			for Type 1 projects)
<b>Grant Administration:</b> Work related to overall grant management, coordination, monitoring and evaluation. Meeting the grant contract requirements and federal requirements. Refer to Chapter 5 for more details.	Maximum allowed 10% of the requested grant, but no more than \$25,000.	\$25,000	None – There will no longer be any federal requirements.
<b>Program Management*:</b> Work related to carrying out housing rehabilitation activities, working directly with the LMI clients. Such as: screening applicants, processing loans/grants, and loan servicing. Program management is considered direct service to clients. Refer to Chapter 5 for more details.	Up to 20% of the award, plus an additional \$10,000 can be used for the combined costs of program management and grant administration. Of this amount no more than \$25,000 can be for grant administration, the remainder must be used for program management.	\$65,000  Calculated as follows:  20% x \$400,000 = \$80,000 \$80,000 + \$10,000 = \$90,000 \$90,000 - \$25,000 = \$65,000	A maximum of 20% of the annual loan repayments and interest earnings.
<b>Environmental Review</b> - Refer to Chapter 3 of the Grant Management Handbook for more details.	Up to \$15,000 per project	\$15,000	None – There will no longer be any federal requirements.
<b>LEP Translation Services</b> - Refer to Chapter 5 for details.	Up to \$3,000 per project	\$3,000	None – There will no longer be any federal requirements.
<b>Legal</b>	There is no maximum limit	There is no maximum limit	None
<b>Audit</b>	Refer to page 5-1 for details	Refer to page 5-1 for details	None – There will no longer be any federal requirements.
<b>Activities</b>  <ul style="list-style-type: none"> <li>• Eligible health and safety activities including lead, septic tanks and private sewer lines and drainfields, private water lines and wells and asbestos tests, inspections and assessments.</li> <li>• Improvements necessary to fulfill reasonable accommodation requests.</li> <li>• Construction, rehabilitation, reconstruction, or the installations of improvements to upgrade substandard electrical, plumbing, roofing, siding, insulation, weatherization, heating systems, hot water heaters and dry rot repairs.</li> <li>• Purchase and installation of equipment that is an integral structural fixture. (Items not normally removed from the home, light fixtures and built-in appliances.)</li> </ul>	Maximum Grant \$400,000 less the items listed above.	\$295,000, less costs for legal, audit, and LEP	The loan repayments and interest earnings less the allowance for program management can be used for either continuing the HRRLF or they can be used for other community economic development, energy conservation and/or neighborhood revitalization projects, as allowed by 105(a)(15) of the HCDA.

\*Program management services are performed by the sub-grantee for the city or county grant recipient. Sub-grantees typically develop or prepare such items as: application procedures, process applications, verification

of program eligibility, notices of loan approvals, filing of trust deeds, construction oversight, owners certification that improvements were accepted and other necessary documents.

### Ineligible Activities

- No indirect costs are allowed under the program;
- Costs associated with providing Regional Housing Center services;
- Any equipment that is not fixed and structurally integral to the residence such as: washing machines, clothes dryers, freezers and window mounted air conditioners;
- Fees, which are considered part of the program management costs already reimbursed with CDBG funds:
  - Application fee
  - Credit Report fee
  - Loan origination fee
  - Loan Servicing fee
  - Grant Processing fee
  - Homeowner training class fees
  - General home inspection fee's by the eligible sub-grantee
  - Miscellaneous fees that are undefined or are considered program management activities already being paid for with CDBG funds. Consult the department's RC about the eligibility of these fees.
  - All fees need to be reviewed and approved by OBDD-IFA's RC for an eligibility determination with the CDBG program requirements and for compliance with the amended program income requirements enacted on May 23, 2012.

### Sub-Grant

The city or county grant recipient enters into a sub-grant agreement with an **eligible nonprofit organization** to implement and **carryout** the housing rehabilitation activities. All federal CDBG compliance requirements assigned to the (sub-grantee) eligible non-profit remain the obligation of the original city/county funding recipient until administrative closeout of the CDBG grant with the state. No formal procurement process is necessary by the city or county when the funding recipient sub-grants the funds to an eligible non-profit.

### Eligible Nonprofit (sub-grantee)

The nonprofit must meet the following requirements of a sub-grantee by the department:

- Documentation from the Internal Revenue Service (IRS) that certifies the nonprofit organization is organized under 501(c)(3) or (c)4 of the IRS Code.
- Documentation that the organization must have as one of its primary purposes (as outlined in its bylaws, article of incorporation or charter) to provide affordable housing that is decent, safe and sanitary for low and moderate income Oregonians.
- Documentation that the organization serves the development needs of the communities in the non-entitlement areas of the state and is carrying out a neighborhood revitalization, community economic development, or energy conservation project in accordance with 105(a)(15) of the HCDA.
- Provide a copy of their reasonable accommodation policies.
- The sub-granted nonprofit must comply with all CDBG requirements.

- The eligible nonprofit must approve all loans and be named as the lender of the loans against property titles or be the grantor of all grants and owner of all the grant agreements/contracts.
- All loan repayments must be received and reconveyed by the original eligible non-profit.

### **Carry-Out (Program Implementation)**

The original eligible non-profit must carry-out the housing rehabilitation project.

- The eligible nonprofit is responsible for carrying out (implementing) the housing rehabilitation activities and will be the owner of all program policies and procedures.
- The eligible non-profit will be responsible for these minimum activities:
  - All final loan/grant decisions, owner of all loan portfolios, owner of all grant agreements/contracts, compliance with all CDBG requirements, owner of future loans and repayments, and final accountability for all CDBG funds.
  - Lender of all the loans and grantor of all grants.
  - **Type 1 only** - All loan repayments must be received and owned by the original eligible non-profit. Loans made by the eligible non-profit cannot be sold or transferred.
  - **Type 1 only** - The subsequent loan repayments are not subject to the program income requirements as long as the eligible non-profit uses the funds to continue the housing rehabilitation revolving loan fund program or uses them for other community economic development, energy conservation and/or neighborhood revitalization projects, as allowed by 105(a)(15) of the HCDA.
  - The grants and initial loans must be used for activities that will meet the CDBG low and moderate housing direct national objective CFR 570.483(b)(3).

### **Non-Competition with Local Financing Institutions**

Each sub-grantee's (eligible non-profit) Housing Rehabilitation Revolving Loan Fund (HRRLF) polices must have requirements that loan/grant funds provide gap financing, and will work with local financing institutions to complete the financing package, require letters of rejection from financing institutions, and/or otherwise demonstrate that the loan/grant amount requested is not available from any conventional banking source of funds.

### **Reasonable Accommodation Policies**

As federally required, each sub-grantee (eligible non-profit) must have reasonable accommodation policies. A copy of their reasonable accommodation policies must be submitted with the application.

### **Lead-Based Paint**

All applicants must demonstrate how the rehabilitation work will be conducted in accordance with the Lead Based Paint Poisoning Prevention Act and HUD implementing regulations at 24 CFR 570.487(c) and any subsequent amendments. Effective September 15, 2000 revisions to the Lead Based Paint regulations 24 CFR Part 35 were implemented. More information about these requirements can be found in the Grant Management Handbook.

## Entitlement Area Review

State Community Development Block Grant resources cannot be used to benefit entitlement counties and cities. If the geographic area served by the non-profit's (sub-grantee's) Housing Rehabilitation Program contains an entitlement county or city (entitlements include: the counties of; Multnomah, Washington and Clackamas, and the cities of: Albany, Ashland, Bend, Corvallis, Eugene, Grants Pass, Gresham, Hillsboro, Medford, Portland, Redmond, Salem and Springfield) within their service area that applicant must provide documentation to satisfy the following with the application:

1. Documentation of the screening procedures, forms and policies used to determine if the beneficiaries of the Housing Rehabilitation activities are entitlement or non-entitlement residents.
2. Documentation that ensures that CDBG funds are only benefitting non-entitlement residents.

## TYPE 1 - Additional Requirements

### Eligible Non-Profit Asset Reversion

If for some reason the original eligible non-profit dissolves or is re-organized under state law and an asset reversion occurs contact Oregon Business Development Department for assistance. An asset reversion could change the federal identity of these funds.

### De-Federalization of Loan Repayments

The housing rehabilitation revolving loan fund category is designed under 105(a)(15) of the HCDA so the loan repayments lose their federal identify (de-federalized) as long as the income generated by the loan repayments and interest earnings continue to be used by the original eligible non-profit to continue housing rehabilitation activities, provide neighborhood revitalization, community economic development, or energy conservation projects.

This section is meant as a guide to assist applicants and eligible non-profits in pursuing this outcome. By not following this guide an entity risks failing to de-federalize their repaid funds resulting in the retroactive application of HUD rules on all expenditure of these repaid funds.

- A city/county grant recipient must sub-grant the CDBG funds to a 105(a)(15) HCDA eligible nonprofit entity.
- The eligible non-profit (sub-grantee) entity will carry-out the program with its own staff or, will contract for professional staff (enter into a **professional services agreement**), or a combination of the two.
- A **professional services agreement** between the eligible non-profit (sub-grantee) and the professional services provider for grant administration and limited program management is acceptable to OBDD-IFA, and must be entered into for any contracted staff. This contract must:
  - ✓ Pay for eligible CDBG expenses on a reimbursement basis. This basis may be by the hour, by the number of successfully completed rehabilitation projects, or lump sum,

- ✓ Clearly define the roles and responsibilities of the professional services covered by the agreement,
  - ✓ Direct the contracted staff to follow the policies and procedures set by the eligible non-profit (sub-grantee),
  - ✓ Clearly define the eligible non-profit (sub-grantee) as the final authority for all decisions pertaining to the housing rehabilitation activities.
- The eligible non-profit (sub-grantee) must retain control of the funds, manage the bank accounts and disbursements through its Secretary/Treasurer, even if it has no employed staff. The non-profit Board must retain approval authority for all expenditures.
  - The composition of the eligible non-profit (sub-grantee) Board must be established as outlined in the By-laws and Articles of Incorporation of the eligible non-profit entity, cannot be comprised substantially of individuals of any one government agency to where it contains a quorum of any one government entity and must be independent and void of any conflict of interest with any government agency.
  - The eligible non-profit (sub-grantee) cannot relinquish its responsibility for the oversight and management of the CDBG funds.
  - Contracts/agreements must be approved by OBDD-IFA to determine that the eligible non-profit (sub-grantee) entity is maintaining control and will carry out the activities as the active and responsible party of the CDBG funds.

### **Loan Portfolio Requirements**

The state is requiring that loan portfolios will not be sold or transferred and that all loans must be repaid to the original eligible non-profit under 105(a)(15) of the Housing and Community Development Act.

### **Defaults**

OBDD encourages the eligible non-profit (sub-grantee) to set-aside 10 percent of the loan receivables to cover legal remedies in pursuit of default collection.

**Outcome and Performance Measures for BOTH Type 1 and Type 2 projects:**

Decent affordable housing as a housing program that meets individual family needs is our objective. Sustainability as a project that promotes livability by improving neighborhoods is our desired outcome. The amount of money leveraged from other sources is also a factor. Each applicant must address how their project meets the objective(s), outcome(s), indicators and performance measures identified below:

Objective	Outcome (Pick One)	Indicators	Performance Measures
Decent Affordable Housing	Sustainability/ Promoting Livable or Viable Communities	Number of owner occupied units rehabilitated or improved: <ul style="list-style-type: none"> <li>• Number using lead safe working practices (Pre-1978 units, where \$5,000 or more of rehab work is to be completed and any lead safe practices were used.)</li> <li>• Number subsidized by federal, state, or local program</li> <li>• Number occupied by elderly (head of household or spouse age 60 or older)</li> <li>• Number of units made handicapped accessible</li> </ul>	Amount of money leveraged from other federal, state, local and private resources)
			Number of persons, households or units assisted (pick the one most appropriate to your project – pick only one)
			Number of low and moderate-income persons served by the project.
			Number of communities assisted, Race, ethnicity, disability (current categories for beneficiary reporting still apply)
			Number of units rehabilitated

## Chapter 13 Community Capacity/Technical Assistance

Community Development Block Grant (CDBG) 1 percent funds will be used to make grants for the development of local capacity and to provide technical assistance to units of general local government and nonprofits (IRS documentation of 501c(3) or c (4) status) and to fund state administration of the program.

### Maximum Grant

The maximum grant cannot exceed the state's annual allocation for this category.

### Project Eligibility

All funds will be used for projects that comply with HUD Community Planning and Development Notice CPD 99-09. The state has used and will continue to use un-obligated prior year One-Percent (1%) funds for local capacity development and technical assistance projects in accordance with the requirements of CPD 99-09.

Beginning in Fiscal Year (FY) 2004, states may spend up to \$100,000 + 3 percent of their annual HUD allocation on state administrative costs and spend \$0 on Technical Assistance, or they could spend up to 3 percent of the annual allocation on technical assistance and \$0 on state administration costs beyond the \$100,000 automatic allowance. The department will reserve the right to use all flexibility provided by the program and to focus the funding on priority training for the state's program.

### Eligible Activities

Eligible activities for these funds include:

- Giving workshops on applying for and implementing CDBG programs;
- Writing technical assistance handbooks or developing assistance in other media;
- Compiling infrastructure needs of the non-entitlement jurisdictions;
- The purchase of appropriate materials and equipment including computers and software for units of general local government to aid in developing and sustaining increased capacity;
- Funding attendance by units of general local government and nonprofit personnel at workshops and academic courses that will enable the attendees to improve their capacity to implement a CDBG project;
  - In general the department will strive to equitably fund each workshop using the following:
    - \$3,000 for each full day
    - The workshop sponsor can demonstrate the topics/content will improve local capacity to implement a CDBG project.
- State staff time provided for technical assistance sessions to assist potential applicants for state CDBG funds learning the application process;
- Training of state staff to provide technical assistance on specific aspects of the CDBG program;
- Assistance to further fair housing;
- Plan and implement community revitalization strategies;
- Development and implementation of a community development certified practitioner certification program; and
- State administration.

## **Ineligible Activities**

Ineligible activities include:

- Local administration expenses not related to community development; and
- Any activity that cannot be documented as meeting a technical assistance need.
- CDBG 1 percent funds cannot be used to fund any activity that is otherwise already eligible for funding under this MOD.

## **Matching Funds Requirement**

There is no minimum match requirement. Any matching funds necessary to complete the proposed CDBG project, must be in the form of cash or debt service. All project funds necessary to complete the proposed project must be available and committed at the time the application is received by the department. Refer to the “Readiness to Proceed” definition in Chapter 5 for more details.

## **Financial Review**

No financial review is conducted for these projects.

## **Applications Accepted**

Applications are accepted year round - contact a regional coordinator for assistance and more information.

## **Step 1 - (Initial Contact/Project Concept)**

The project proponent must contact the department prior to submitting an application. One of the IFA’s CDBG Program and Policy Coordinators (PPC) will be assigned to work with the project proponent to develop and review the proposed concept. The potential applicant must submit a written proposal explaining the need and the technical assistance to be provided. This proposal must identify how the funds will be used, a scope of work, the deliverables, a detailed budget, time lines for completion etc. The Project Notification and Intake Form can be used for this purpose, but is not required.

## **Step 2 – (Review)**

The CDBG Program and Policy Coordinators will review the information from the proponent to ensure it meets the following eligibility requirements:

- The project is eligible under CPD 99-09 and this MOD;
- The costs are eligible under the CDBG program;
- The applicant is unable to finance the activity on its own;
- Other sources of funds are not available to carryout the activity; and
- The project is ready to proceed.

## **Step 3 – (Processing)**

Concepts will be reviewed the PPC for completeness and preparation of the initial staff recommendation. The initial staff recommendation will be reviewed by the Program Services Manager and the CDBG Program and Policy Coordinator for development of a funding recommendation.

## **Step 4 – (Decision)**

The funding recommendation will be forwarded to the Infrastructure Finance Authority Director for review and approval.

The department reserves the right to not fund any proposal, which it deems not eligible, properly developed or not ready to proceed. All funding decisions made by the department's Infrastructure Finance Authority Director and/or if applicable, department director are final.

**Step 5 – (Notification)**

The department shall notify project proponents, in writing, of their funding status approximately 60 days after receipt of a complete concept for funding.

## Chapter 14 Emergency Projects

The state may use CDBG funds at any time during the program year to provide grants to eligible applicants for projects arising from bona fide emergencies. To be considered a bona fide emergency the situation must be:

- Officially declared by the Governor as a “State of Emergency” needing immediate action; and/or
- A Presidential declared federal disaster declaration has been issued for the event.

CDBG Emergency project funds may only be used to repair or mitigate damages that were a direct result of the qualifying disaster.

### NOTE:

An applicant for a CDBG award is considered a recipient under the Environmental Review and URA requirements starting with the date of submission of a CDBG application. An “Applicant” is one who submits an application, request, plan or statement required to be approved by an official as a condition of eligibility for federal financial assistance.

The federal program regulations, under Part 58-Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities, Subpart C, 58.22(a), specifies that neither a recipient nor any participant in a HUD CDBG funded project may commit HUD assistance on an activity or project until HUD or the state has approved the recipient’s Request for Release of Funds (RROF) and related certification from the responsible entity (recipient). In addition, until the RROF and related certification have been approved, neither a recipient nor any participant may commit non-HUD CDBG funds on or undertake an activity or project if the activity or project would have an adverse environmental impact or limit the choice of reasonable alternatives. Under 58.22(b), if a project or activity is exempt or categorically excluded, no RROF is required and the recipient may undertake the activity immediately after the responsible entity has documented its determination activity but must comply with applicable requirements. Before committing any HUD and non-HUD funds to a project or activity, the recipient should consult with the department’s Regional Coordinator.

HUD Handbook 1378 provides HUD policy guidance on acquisition and relocation under the federal Uniform Relocation Assistance and Real Property Acquisition Act (URA) and other HUD requirements. Chapter 1-4-I-2, identifies the date of submission of an application as an event that establishes a rebuttable presumption that a project begins and triggers the Initiation of Negotiations requirement of URA and the need for issuance of the Notice of Eligibility for Relocation Assistance or Notice of Nondisplacement. Before initiating any real property acquisition activity, an applicant should consult with the department’s Regional Coordinator.

### Available Funds

Funds available for emergency grants will be limited to 5 percent of the state’s annual allocation from the U.S. Department of Housing and Urban Development. Actual funds available at any given point in time may be less than the 5 percent of the annual allocation.

### **Priority**

In the event that an emergency grant is needed while one or more projects are on the backup funding list, the emergency project will have priority.

### **Maximum Grant**

The maximum grant per project will be \$500,000.

The maximum grant for projects receiving federal disaster funds also is limited to the amount required by the local government to match the federal disaster grant funding, but in no case shall it exceed \$500,000.

### **Matching Funds Requirement**

There is no minimum match requirement. All matching funds necessary to complete the proposed CDBG project, must be in the form of cash or debt service. All project funds necessary to complete the proposed project must be available and committed at the time the application is received by the department. Refer to the “Readiness to Proceed” definition in Chapter 5 for more details.

### **Financial Review**

All applications will undergo a financial review to assure that the grant is the minimum necessary, in combination with other resources, to ensure the completion of the project. In addition to determining that the applicant is unable to finance the activity on its own and other sources of funds are not available to carry out the activity.

### **National Objective**

Prior to awarding an emergency project grant, the state must determine that the proposed use of grant funds will meet the urgent need national objective as defined by 24 CFR Part 570.483(d). Refer to Chapter 3 for more information. The Housing and Community Development Act of 1974, as amended and promulgated, further assists in determining eligible activities.

### **Urgent Need**

This national objective requires a project to be designated to alleviate existing conditions the local government certifies and the state determines:

- Pose a serious and immediate threat to the health or welfare of the community (Governor declared “State of Emergency” or Presidential declared disaster, through FEMA declaration);
- Recently became urgent (application must be received within 12 months from the date of the Presidential or Governor disaster declaration);
- The applicant is unable to finance the activity on its own; and
- Other sources of funds are not available to carryout the activity.

### **Urgent Need Documentation**

The applicant must submit written certification of the following to the state:

- A description of the nature and degree of seriousness/urgency of the conditions requiring assistance.

- Eligibility certification from the applicant’s governing body that the CDBG activity is designated to address an urgent need.
- The timeline of the development of the urgent need condition.
- Evidence confirming that other financial resources to alleviate/remedy the situation are not available.
- A description of how the proposed project addresses a need identified in the applicable jurisdiction’s hazard mitigation plan and/or hazard element of the local land use plan.

### Eligible Projects

The proposed project must be for an activity that is eligible under Section 105(a) of the Housing and Community Development Act. The portions of the Act, applicable to the state’s program and “urgent” need projects, are listed below.

- **105(a)(1)** the acquisition of real property (including air rights, water rights, and other interests therein) which is (A) blighted, deteriorated, deteriorating, undeveloped, or inappropriately developed from the standpoint of sound community development and growth; (B) appropriate for rehabilitation or conservation activities; (C) appropriate for the preservation or restoration of historic sites, the beautification of urban land, the conservation of open spaces, natural resources, and scenic areas, the provision of recreational opportunities, or the guidance of urban development; (D) to be used for the provision of public works, facilities, and improvements eligible for assistance under this title; or (E) to be used for other public purposes;
- **105(a)(2)** the acquisition, construction, reconstruction, or installation (including design features and improvements with respect to such construction, reconstruction, or installation that promote energy efficiency) of public works, facilities (except for buildings for the general conduct of government), and site or other improvements;
- **105(a)(3)** code enforcement in deteriorated or deteriorating areas in which such enforcement, together with public or private improvements or services to be provided, may be expected to arrest the decline of the area;
- **105(a)(4)** clearance, demolition, removal, reconstruction, and rehabilitation (including rehabilitation which promotes energy efficiency) of buildings and improvements (including interim assistance, and financing public or private acquisition for reconstruction or rehabilitation, and reconstruction or rehabilitation, of privately owned properties, and including the renovation of closed school buildings);
- **105(a)(5)** special projects directed to the removal of material and architectural barriers which restrict the mobility and accessibility of elderly and handicapped persons;
- **105(a)(6)** payments to housing owners for losses of rental income incurred in holding for temporary periods housing units to be utilized for the relocation of individuals and families displaced by activities under this title;

- **105(a)(7)** disposition (through sale, lease, donation, or otherwise) of any real property acquired pursuant to this title or its retention for public purposes;
- **105(a)(8)** provision of public services, including but not limited to those concerned with employment, crime prevention, child care, health, drug abuse, education, energy conservation, welfare or recreation needs, if such services have not been provided by the unit of general local government (through funds raised by such unit, or received by such unit from the state in which it is located) during any part of the twelve month period immediately preceding the date of submission of the statement with respect to which funds are to be made available under this title, and which are to be used for such services, unless the Secretary finds that the discontinuation of such services was the result of events not within the control of the unit of general local government;
- **105(a)(9)** payment of the non-federal share required in connection with a federal grant-in-aid program undertaken as part of activities assisted under this title;
- **105(a)(11)** relocation payments and assistance for displaced individuals, families, businesses, organizations, and farm operations, when determined by the grantee to be appropriate;
- **105(a)(12)** activities necessary (A) to develop a comprehensive community development plan, and (B) to develop a policy-planning-management capacity so that the recipient of assistance under this title may more rationally and effectively (i) determine its needs, (ii) set long-term goals and short-term objectives, (iii) devise programs and activities to meet these goals and (iv) evaluate the progress of such programs in accomplishing these goals and objectives, and (v) carry out management, coordination, and monitoring of activities necessary for effective planning implementation;
- **105(a)(14)** provision of assistance including loans (both interim and long term) and grants for activities which are carried out by public or private nonprofit entities, including (A) acquisition of real property; (B) acquisition, construction, reconstruction, rehabilitation, or installation of (i) public facilities (except for buildings for the general conduct of government), site improvements, and utilities, and (ii) commercial or industrial buildings or structures and other commercial or industrial real property improvements; and (C) planning;
- **105(a)(15)** assistance to neighborhood-based nonprofit organizations, local development corporations, nonprofit organizations serving the development needs of the communities in nonentitlement areas, or entities organized under section 301(d) of the Small Business Investment Act of 1958 to carry out a neighborhood revitalization or community economic development or energy conservation project in furtherance of the objectives of section 101(c) of this title, and assistance to neighborhood-based nonprofit organizations, or other private or public nonprofit organizations, for the purpose of assisting, as part of neighborhood revitalization or other community development, the development of shared housing opportunities (other than by construction of new facilities) in which elderly families (as defined in section 3(b)(3) of the United States Housing Act of 1937) benefit as a result of living in a dwelling in which the facilities are

shared with others in a manner that effectively and efficiently meets the housing needs of the residents and thereby reduces their cost of housing;

- **105(a)(17)** provision of assistance to private, for-profit entities, when the assistance is appropriate to carry out an economic development project (that shall minimize, to the extent practicable, displacement of existing businesses and jobs in neighborhoods) that (A) creates or retains jobs for low- and moderate-income persons; (B) prevents or eliminates slums and blight; (C) meets urgent needs; (D) creates or retains businesses owned by community residents; (E) assists businesses that provide goods or services needed by, and affordable to, low- and moderate-income residents; or (F) provides technical assistance to promote any of the activities under subparagraphs (A) through (E);
- **105(a)(19)** provision of technical assistance to public or nonprofit entities to increase the capacity of such entities to carry out eligible neighborhood revitalization or economic development activities, which assistance shall not be considered a planning cost as defined in paragraph (12) or administrative cost as defined in paragraph (13);
- **105(a)(20)** housing services, such as housing counseling, in connection with tenant-based rental assistance and affordable housing projects assisted under title II of the Cranston-Gonzalez National Affordable Housing Act, energy auditing, preparation of work specifications, loan processing, inspections, tenant selection, management of tenant-based rental assistance, and other services related to assisting owners, tenants, contractors, and other entities, participating or seeking to participate in housing activities assisted under title II of the Cranston-Gonzalez National Affordable Housing Act;
- **105(a)(22)** provision of assistance to public and private organizations, agencies, and other entities (including nonprofit and for-profit entities) to enable such entities to facilitate economic development by (A) providing credit (including providing direct loans and loan guarantees, establishing revolving loan funds, and facilitating peer lending programs) for the establishment, stabilization, and expansion of microenterprises; (B) providing technical assistance, advice, and business support services (including assistance, advice, and support relating to developing business plans, securing funding, conducting marketing, and otherwise engaging in microenterprise activities) to owners of microenterprises and persons developing microenterprises; and (C) providing general support (such as peer support programs and counseling) to owners of microenterprises and persons developing microenterprises;
- **105(a)(23)** activities necessary to make essential repairs and to pay operating expenses necessary to maintain the habitability of housing units acquired through tax foreclosure proceedings in order to prevent abandonment and deterioration of such housing in primarily low- and moderate-income neighborhoods;
- **105(a)(24)** provision of direct assistance to facilitate and expand homeownership among persons of low and moderate income (except that such assistance shall not be considered a public service for purposes of paragraph (8)) by using such assistance to (A) subsidize interest rates and mortgage principal amounts for low- and moderate-income

homebuyers; (B) finance the acquisition by low- and moderate-income home buyers of housing that is occupied by the homebuyers; (C) acquire guarantees for mortgage financing obtained by low- and moderate-income homebuyers from private lenders (except that amounts received under this title may not be used under this subparagraph to directly guarantee such mortgage financing and grantees under this title may not directly provide such guarantees); (D) provide up to 50 percent of any down payment required from low- or moderate-income homebuyer; or (E) pay reasonable closing costs (normally associated with the purchase of a home) incurred by low- or moderate-income home buyers; and

- **105(a)(25)** lead-based paint hazard evaluation and reduction, as defined in section 1004 of the Residential Lead-Based Paint Hazard Reduction Act of 1992.

### Ineligible Projects/Costs

- Buildings for the general conduct of government
- Typical government expenses
- Political activities
- Purchase of equipment that is not fixed and integral
- General operating and maintenance expenses
- New housing construction
- Income payments - a series of subsistence type grant payments for food, clothing, housing, (rent and mortgage) or utilities. **Note:** Under the entitlement regulations 24 CFR Part 570.207(b)(4) allows emergency grant payments made over a period of three consecutive months directly to a provider of such items or services on behalf of an individual family. One time grants for such purposes may be authorized under the category of public services.
- Pre-award costs. Refer to Chapter 5 for more information.

### Eligible Costs (Refer to Chapter 5 for more details about eligible costs)

- Grant Administration, as detailed in Chapter 5.
- Program Management, as detailed in Chapter 5. (Restricted in use to revolving loan fund projects).
- Preparation of the environmental review for the proposed project in compliance with the National Environmental Policy Act (NEPA) and other applicable federal authorities implemented by HUD. Refer to Chapters 4 and 5 for more information.
- Architectural/engineering design, oversight and construction management, including as-built drawings and operation and maintenance manuals, as detailed in Chapter 5.
- Construction and construction contingencies, as detailed in Chapter 5.
- Work write-up and bidding expenses for eligible projects.
- Public services.
- Housing Rehabilitation.
- Appraisals and acquisition of real property, including permanent easements, clearance and disposition. Refer to Chapter 4 for more information.
- Relocation Assistance to meet federal requirements. Refer to Chapter 4 for more information. Due the specialty calculations and detailed requirements for relocation

activities, any applicant with a proposed project that involves relocation will be required by OBDD-IFA to hire a specialist acceptable to OBDD-IFA to complete the required URA relocation process.

- Construction, rehabilitation, reconstruction or installation of improvements.
- Purchase and installation of equipment that is fixed and integral.
- Clearance – Demolition of buildings and improvements, removal of demolition products (rubble) and other debris.
- Legal services.
- Costs associated with labor standards monitoring. Refer to Chapters 4 and 5 for more information.
- Pre-agreement costs, requested in accordance with the requirements contained in Chapter 5.

### **Applications Accepted**

Emergency project applications are accepted year round - contact a regional coordinator for assistance and more information. Complete applications for emergency projects must be received by the department within 12 months of either the Governor's declaration or a Presidential disaster declaration of emergency for the event creating the emergency.

### **Step 1 - (Initial Contact/Project Concept)**

The project proponent must contact the department prior to submitting an application. One of the department's regional coordinators (RC) will be assigned to work with the project proponent to develop and review the proposed concept.

The RC will work with the proponent and the Department's Program and Policy Coordinators to provide project development and to determine if the proposed project will meet the CDBG funding criteria and is ready to proceed with a well defined statement and scope of work, including the following:

- The project is eligible under 105(a) of the HCDA;
- The project will meet the urgent need national objective;
- The costs are eligible under the CDBG program;
- The applicant is unable to finance the activity on its own;
- Other sources of funds are not available to carry-out the activity; and
- The project meets the readiness to proceed criteria contained in Chapter 5.

A "One Stop" meeting will be scheduled if warranted or requested by the proponent. A Project Notification and Intake Form will be developed and the RC will then route the form for internal agency comment.

### **Step 2 – (Invite Application)**

The RC will inform the proponent and the unit of general local government (city or county) about the department's review of the Project Notification and Intake Form. If the proposed project is determined to qualify for CDBG funding by the Program Services Manager, the applicant will be invited in writing to submit a complete application for CDBG funding.

**Step 3 – (Application)**

One signed original and two copies (3 total) of the complete application must be received by OBDD no later than 12 months after the disaster declaration by the President or Governor. The applicant’s highest elected official must sign the application. Applications transmitted electronically or by fax will not be accepted.

**Step 4 – (Review)**

The RC will review applications for completeness and prepare the initial staff report. The CDBG Program and Policy Coordinator will evaluate the initial staff report for final recommendation.

**Step 5 – (Decision)**

The final recommendation prepared by the CDBG Program and Policy Coordinator will be forwarded to the Infrastructure Finance Authority Program Services Manager and the IFA Director for review and approval.

Ineligible, improperly developed, untimely or not ready to proceed applications will not be funded. All funding decisions made by the department director are final.

**Step 6 – (Notification)**

The department shall notify applicants, in writing, of their funding status approximately 60 days after receipt of a complete application.

## **Chapter 15      Certified Sub-grantee Program**

To become a certified sub-grantee, a potential grantee must submit the required documentation identified within each funding category under “eligible nonprofit (sub recipient)” and evidence that the sub-grantee has a qualified grant administrator employed to manage the Community Development Block Grant sub-grants. In addition each request from a sub-grantee also must contain a copy their existing reasonable accommodation policies.

Within 30 days of receipt of the information identified above the agency will mail a certification letter to each sub-grantee, which will either certify the sub-grantee’s eligibility or identify the items still needed for certification.

A certified sub-grantee will not have to resubmit the information identified in each funding category under “eligible nonprofit (sub-recipient)” with the application. They need only submit a copy of the state’s certification with the application.

Sub-grantee certification expire 5 years after issuance or on the date the state becomes aware that the certified sub-grantee no longer has a qualified grant administrator employed or the nonprofit’s by laws, charter or other documents have been amended. If this occurs, the state will issue a letter to the sub-grantee revoking their certification. A sub-grantee can become re-certified once the deficiency(s) that caused the de-certification have been rectified and the appropriate documents submitted to the state for review and approval.

## Chapter 16 Outcome and Performance Measure Reporting

### Summary of CDBG Projects Funded

During Consolidated Plan Year 2011-2015

#### Code Index:

Outcomes → Objectives ↓	Availability/Accessibility	Affordability	Sustainability
Decent Housing	DH1	DH2	DH3
Suitable Living Environment	SL1	SL2	SL3
Economic Opportunity	EO1	EO2	EO3

### Program Year 2014 data through August 31, 2014 (Second Quarter) and accrued data from January 1, 2011 to December 31, 2015

Program Year 2014 Data				OUTCOMES [See note #1 below]				
Outcome/ Objective	Funding Category	Performance Indicators [See note #2 below]	Actual Number Funded in 2014 [See note #3 below]	Total Number Funded by 12-31-15	Short Term Annual Goal	Actual Number Funded in 2014 and % of Annual Goal Achieved	Long Term Goal by 12-31-2015	Actual Number Funded by 12-31-15 and % of Five Year Goal Achieved
EO3	Economic Development	Jobs Created/Retained		35	Fund 1 project per year, if category is offered under the program	Funding category only offered in 2011 [See note 2 below]	Fund 5 projects	1 (100%)
		Total LMI Jobs created/Retained		19				
		Funds Leveraged		\$0				
EO3	Microenterprise Assistance	Total Microenterprises Assisted		299	Fund 5 projects per year	0 (0%)	Fund 25 projects	8 (32%)
		Total LMI Microenterprises Assisted		229				
		Funds Leveraged		\$10,000				
SL3	Public Works – Water/Wastewater and Downtown Revitalization	Number Systems Assisted	9	39	Fund 5 systems per year	9 (180%)	Assist 25 systems	39(156%)
		Total Persons Assisted	15,309	64,393				
		Total LMI Persons Assisted	10,876	40,348				
		Funds Leveraged	\$1,888,000	\$9,634,509				

Chapter 16 – Outcome and Performance Measure Reporting

DH3	Publicly Owned Off-Site Infrastructure	Total Housing Units Assisted		0	Fund 1 project every other year	0 (0%)	Fund 2.5 projects	0 (0%)
		Total LMI Housing Units Assisted		0				
		Funds Leveraged		\$0				
SL1	Public/Community Facilities (fire stations, libraries, senior centers, food banks, family resource centers, community centers)	Total Facilities Assisted		5	Fund 1 project per year	0 (0%)	Assist 5 facilities	5 (100%)
		Total Persons Assisted		22,704				
		Total LMI Persons Assisted		18,628				
		Funds Leveraged		\$1,815,799				
SL3	Public/Community Facilities (drug and alcohol treatment, head starts, mental health, health clinics, shelters/workshops for persons with disabilities)	Total Facilities Assisted	1	2	Fund 1 project every other year	1 (100%)	Assist 2.5 facilities	2 (80%)
		Total Persons Assisted	40	210				
		Total LMI Persons Assisted	40	210				
		Funds Leveraged	\$40,594.94	\$40,594.94				
DH1	Public/Community Facilities (domestic violence shelters, emergency/homeless shelters)	Total Number of Beds Created		8	Fund 1 project per year	0 (0%)	Assist 5 facilities	1 (20%)
		Funds Leveraged		\$0				
DH3	Housing Rehabilitation	Total Number of Units rehabbed	25	356	Fund 6 projects per year	1 (16%)	Fund 30 projects	15 (50%)
		Funds Leveraged	\$0	\$878,500				
SL1	Public Services	Total Persons Assisted		0	Fund 3 projects per year, if category is offered under the program.	Funding category not offered in 2011, 2012, 2013 or 2014 [See note 2 below]	Fund 15 projects	Does not apply. Funding category has not been offered.
		Total LMI Persons Assisted		0				
		Funds Leveraged		\$0				
SL3	Emergency Projects	The Department does not anticipate future disasters but will ensure that if a bona fide disaster occurs in the future the projects will meet the CDBG program requirements and will be reported accordingly.						
N/A	Community Capacity/Technical Assistance	Number of Training Events Held	3	13	Fund 3 per year	3 (100%)	15 training events funded	13 (86%)
		Number of Attendee's	207 - Cannot obtain data from 2 events until conducted in 2014	1,270				

**Note #1 - Outcomes - Actual Number Funded** – The actual number funded is based upon the awards made during the program year. The final actual outcomes/accomplishments from each grant awarded by the state will be collected when the grant activities are complete and the grant contract between the city/county and the state is administratively closed and will be reported in IDIS as part of the CAPER. Each grant recipient is allowed a specified period of time to complete the CDBG funded activities and this time period varies by type of grant. This time period is referred to as the Project Completion Date (PCD). The state allows PCD extensions if the local circumstances warrant the extensions. Each PCD extension is reviewed on a case by case basis. A summary of the standard PCD time periods are:

- 1 year PCD – Applies to microenterprise assistance grants and housing center grants.
- 2 year PCD – Planning grants, final design only grants, construction only grants, off-site infrastructure grants and housing rehabilitation grants.
- 3 year PCD – Final design and construction activities combined into one grant.

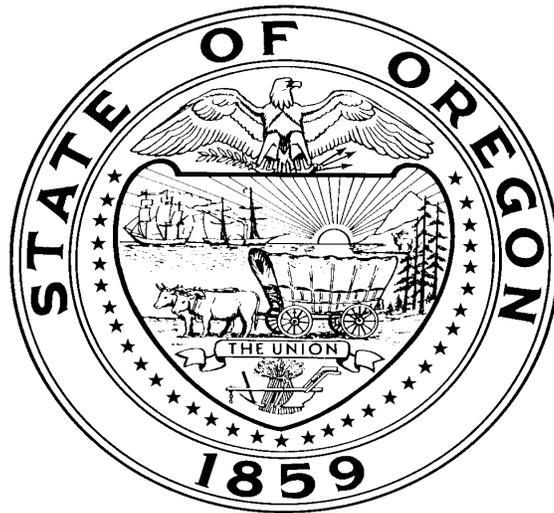
**Note #2** - The state may select activities/priorities for the 2011-2015 CDBG program from the table above. The proposed outcome and performance measure requirements, performance indicators and the short and long term goals for each activity will only be triggered, if the activity is actually offered by the program.

**Note #3** – At the time of this report, with the exception of the community capacity/technical assistance data, the data in this column reflects the 4<sup>th</sup> quarter 2013 applications that were received by December 31, 2013 and awarded February 11, 2014. The 2014 CDBG Performance Evaluation Report (PER), will amend the 2013 PER narrative to include these awards.

# 2011- 2015 FAIR HOUSING ACTION PLAN

## State of Oregon

Housing and Community Development Programs



2011-2015 FHAP

## **2011-2015 FAIR HOUSING ACTION PLAN**

### **State of Oregon**

Each year, the State of Oregon is eligible to receive funds from the U.S. Department of Housing and Urban Development (HUD). Oregon uses these funds in communities throughout the State to provide essential services related to emergency shelter and homelessness prevention, the improvement of housing and community development, and the creation of affordable housing for low income Oregonians.

To be eligible for these federal funds, Oregon is required to complete an [Analysis of Impediments to Fair Housing Choice](#) (AI). The AI has two distinct parts. The first is made up of research used to identify existing fair housing impediments. Fair housing impediments may include discrimination of citizens attempting to obtain housing, land use and zoning barriers that prohibit or discourage certain types of housing, and differential treatment of borrowers who apply for mortgages.

The second part of the AI includes a list of the impediments to fair housing choice, and the suggested actions the State should consider to address the impediments. The impediments to fair housing choice identified in the AI are as follows:

A. Organizational and political constraints:

1. The lack of strategic communication regarding fair housing, further hampered by language and cultural differences
2. The local zoning constraints and NIMBYism that restrict inclusive housing production policies

B. Structural barriers:

1. The lack of coordinated fair housing outreach and education methods particularly in the non-entitlement areas of Oregon
2. The lack of understanding of fair housing laws and the fair housing complaint system
3. The lack of an effective fair housing referral system
4. The lack of sufficient enforcement capacity

C. Rental markets:

1. The discrimination against reasonable accommodations
2. The discrimination against Section 8 voucher holders
3. The discriminatory terms and conditions that exist in the marketplace
4. The discriminatory refusals to rent

D. Home purchase markets:

1. The disproportionately high denial rates for selected racial and ethnic minorities, regardless of income levels
2. The originated high annual percentage rate loans (HALs) that are disproportionately carried by racial and ethnic minorities
3. The loan denials and HALs that are concentrated in selected geographic areas, specifically the western half of the state

Oregon evaluated the results of the AI to develop the Fair Housing Action Plan (FHAP). The table below outlines the actions Oregon plans to take over the next five years to address the impediments identified.

ACTION ITEM	PRIORITY	TIMING	OUTCOME	MEASUREMENT
1. Renew efforts to have a broad-based active, involved Fair Housing Collaborative	High	Ongoing	Improved participation and involvement with Fair Housing Collaborative members	Conduct an average of four quarterly meetings per year over the five years and identify four mutually agreed upon action items
2. Continue contracting for activities such as educational outreach, informative brochures and audit testing	High	Annual	Consistent effort to educate the public and community partners	Over the five year period: Host at least nine educational outreach events per year Distribute a minimum of 9,500 brochures Conduct an average of 450 audit tests per year
3. Develop a means of measuring results of outreach efforts	High	2011 – 2012	Evaluate existing measures and develop new approaches to outreach	Success of outreach efforts will be measured through quarterly reports, analysis, and satisfaction surveys, with the goal of identifying new approaches to outreach
4. Continue the Fair Housing referral guide	High	Annual	Fair housing information will be easily accessible to citizens and partners	Distribution of at least 1,500 fair housing referral guides per year
5. Initiate and maintain better communications with Oregon's fair housing enforcement arm, the Bureau of Labor and Industries (BOLI)	High	Ongoing	Coordination of enforcement efforts between Fair Housing Council of Oregon (FHCO) and Bureau of Labor and Industries (BOLI)	Increased collaboration between agencies responsible to maintain, sustain, and enforce fair housing regulations
6. Review non-English speaking citizen participation requirements and make changes where needed	High	2011 – 2012	Revised Citizen Participation Plan and adopted Limited English Proficiency Plan (LEP)	Implementation of the LEP, including training for OHCS staff, outreach to affected partners, and creation of an annual report
7. Conduct audit testing specific to reasonable accommodations	High	Annual	Improved approaches to education and enforcement	Establish and monitor baseline by conducting 20 accommodation-specific audit tests

## Conclusion

Oregon is proposing specific actions to address barriers identified in the AI, including continuing existing measures and exploring and developing a more sophisticated means of implementing state and federal rules and regulations that govern fair housing. Over the next five years, Oregon will work strategically to reduce barriers that restrict housing choice for Oregon citizens.

# Oregon Housing and Community Services

## Emergency Solutions Grant Operations Manual

Prepared by: Oregon Housing and Community Services Department  
Housing Stabilization Division

**June, 2015**

725 Summer St NE, Salem, OR 97301  
(503) 986-2000, FAX (503) 986-2020, TTY (503) 986-2100  
[www.ohcs.oregon.gov](http://www.ohcs.oregon.gov)



[THIS PAGE IS INTENTIONALLY LEFT BLANK]

## Table of Contents

<b>I.</b>	<b>Program Summary .....</b>	<b>6</b>
A.	Purpose.....	6
B.	Program Standards.....	6
C.	HMIS Data Collection.....	11
D.	Continuum of Care Coordination .....	11
<b>II.</b>	<b>Client Eligibility .....</b>	<b>13</b>
A.	Assessment.....	13
B.	Household Composition .....	13
C.	Categorical Homeless Definitions and Criteria.....	13
D.	Criteria for At Risk of Homelessness Qualification.....	14
E.	Criteria for Chronically Homeless Qualification .....	15
F.	Income Determination and Requirements .....	16
1)	Income Eligibility .....	16
2)	Calculating Gross Annual Income.....	16
G.	Eligibility Documentation and Recordkeeping.....	17
<b>III.</b>	<b>Allowable Program Service Components and Activities.....</b>	<b>18</b>
A.	Service Components and Homeless Eligibility .....	18
B.	Street Outreach .....	18
1)	Essential Services.....	18
2)	Services for Special Populations.....	20
C.	Emergency Shelter.....	20
1)	Essential Services.....	20
2)	Shelter Facility Rehabilitation, Conversion and Renovation .....	24
3)	Shelter Operations .....	25
4)	Assistance Required under “URA” .....	26
D.	Essential Services Comparison between Outreach and Shelter .....	26
E.	Homelessness Prevention and Rapid Re-housing .....	26
1)	Homelessness Prevention and Rapid Re-housing Comparison.....	27
2)	Housing Relocation and Stabilization Financial Assistance.....	28
3)	Housing Relocation and Stabilizations Services .....	28
4)	Short- and Medium-Term Rental Assistance .....	29
5)	Rental Agreement and Lease .....	30
6)	Rent Reasonableness Determination.....	31
7)	Fair Market Rent (FMR) Requirement.....	32
8)	Calculating Gross Rent.....	32
9)	Eligibility Re-certification.....	33
10)	Housing Stability Case Management.....	33
F.	Homeless Management Information System (HMIS) .....	34
1)	Reporting Requirements .....	34
2)	Victim Services Data Collection .....	34
3)	Performance Measures and Follow-Up Contact .....	35
G.	Ineligible Activities and Assistance.....	36

<b>IV. Housing and Facility Standards.....</b>	<b>37</b>
A. Occupancy Standards .....	37
B. Habitability Standards .....	37
1) Permanent Housing.....	37
2) Shelters.....	38
C. Lead-Based Paint Requirements .....	38
D. Environmental Review.....	39
<b>V. Client Confidentiality .....</b>	<b>40</b>
A. General Requirements .....	40
B. Electronic Confidentiality .....	40
C. Victims of Domestic Violence.....	40
D. Release of Information.....	40
<b>VI. Termination, Grievance and Conflict of Interest Policies .....</b>	<b>42</b>
A. Termination or Denial of Assistance .....	42
B. Grievance and Appeals Process.....	42
C. Conflict of Interest.....	42
1) Organizational .....	42
2) Individual .....	43
<b>VII. Affirmative Outreach .....</b>	<b>44</b>
<b>VIII. Recordkeeping.....</b>	<b>44</b>
A. Client File Documentation.....	44
B. Electronic Files.....	45
C. Records Retention .....	45
D. Available Forms .....	45
<b>IX. Financial Management.....</b>	<b>45</b>
A. Administration.....	45
B. Program Match.....	46
C. Funds Disbursement.....	47
1) Use of OPUS.....	47
2) Request for Funding Documentation.....	47
3) Funds Spend Down.....	47
<b>X. Monitoring.....</b>	<b>48</b>
A. Process.....	48
B. Subgrantee Monitoring of Subrecipients .....	48
C. Records Access .....	48
<b>XI. Acronyms and Definitions .....</b>	<b>49</b>
A. Acronym List.....	49
B. Definitions .....	49
<b>XII. Appendices.....</b>	<b>51</b>
<b>Appendix 1: Applicable Rules and Regulations.....</b>	<b>52</b>
<b>Appendix 2A: Criteria for Defining Homelessness .....</b>	<b>53</b>
<b>Appendix 2B: Criteria for Defining At-Risk of Homelessness.....</b>	<b>54</b>
<b>Appendix 2C: Eligibility by ESG Component .....</b>	<b>55</b>
<b>Appendix 3: Income Documentation Requirements.....</b>	<b>56</b>
<b>Appendix 4A: Homeless Acceptable Documentation .....</b>	<b>61</b>

**Appendix 4B: At-Risk of Homelessness Acceptable Documentation .....62**  
**Appendix 5: Assessing Housing Options/Resources .....64**  
**Appendix 6: Homelessness Prevention Documentation .....65**  
**Appendix 7: Rapid Re-Housing Documentation .....68**

(End)

## I. Program Summary

### A. Purpose

The Emergency Solutions Grant (ESG) provides federal funds to assist individuals and families to quickly regain stability in permanent housing after experiencing a housing crisis or homelessness. ESG funds are available for five program components: street outreach, emergency shelter, homelessness prevention, rapid re-housing assistance, and data collection through the Homeless Management Information System; as well as administrative activities. The ESG program is authorized by subtitle B of title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11371 – 11378).

### B. Program Standards

Subgrantees are required to comply with the department's state minimum standards for providing ESG assistance and when established, those standards relevant to ESG that are required by their Continuum of Care. The following minimum program standards are required for delivering the ESG program as outlined in CFR 576.400 (c) (3):

#### 1. Evaluating Eligibility for Assistance

Subgrantees are required to participate in and comply with their Continuum of Care centralized or coordinated intake and assessment system including utilizing standard COC assessment tools and protocols once they are established. Subgrantees may choose to utilize a different intake and assessment system for victims of domestic violence and other crimes where safety is a predominant concern.

The minimum eligibility process will include an initial phone or in person screening to determine whether or not the applicant meets one of HUD's categorical definitions of homeless or at risk of homelessness. If yes, then a more comprehensive assessment will be completed in person by Subgrantee staff to verify applicants' homeless status and determine which ESG service components they qualify for and that will address their housing need. Eligibility determinations must be documented in client files and preferably through third-party documentation. Intake worker observation or participant self-certification can be used when due diligence by staff and client is documented in the file indicating third-party verification is unavailable.

Re-evaluations of eligibility for continued receipt of homelessness prevention and rapid re-housing assistance are required—every three (3) months for prevention and annually for rapid re-housing. Minimally, each re-evaluation of eligibility must verify that the client household does not have an annual income that exceeds thirty (30) percent of HUD determined median family income for the service area **and** the household continues to lack sufficient resources and support networks needed to retain housing without ESG assistance. If a client household informs, but is not required to notify the Subgrantee of a change in income or other circumstances that may affect eligibility, there is no immediate effect on the program participant's eligibility and assistance can continue at the discretion of the subgrantee until the next required re-evaluation. There

is no HUD or OHCS requirement that the client notify the subgrantee of changes to income prior to the required re-evaluations as specified above.

### **Targeting and Providing Essential Services Related to Street Outreach**

Subgrantees are required to target unsheltered homeless individuals and/or families whose primary nighttime residence is a public or private place not meant for human habitation. It is recommended that preference be given to those special populations who are most vulnerable to being harmed by living in unsafe and unprotected places, i.e. victims of domestic and other forms of violence, youth, families with children, disabled, elderly, etc.

Engagement activities must include an initial assessment of needs and eligibility in order to prioritize the type and source of assistance required with safety and urgent health needs being the highest priority. Emergency health services, including mental health, can be funded with ESG only to the documented extent that other non-ESG funded appropriate health services are inaccessible or unavailable within the service area. Based on need and assessment, qualifying individuals and/or families will be offered essential services beyond emergency health and other crisis intervention assistance that include case management, transportation, and housing stabilization. Whenever feasible, rapid re-housing will be a priority over the provision or referral to emergency shelter or transitional housing.

## **2. Emergency Shelter Operations**

### ***Admission***

Subgrantees are required to have standardized screening and intake criteria in writing for determining eligibility for admission to emergency shelter. The criteria must be in compliance with Fair Housing Law and cannot force involuntary family separation by denying family admission based on the age of a child less than 18 years. The admission process requires an initial assessment to determine the homeless status of the applicant based on HUD's four categorical definitions of homeless (24 CFR 576.2) and meeting other Subgrantee determined eligibility criteria. The assessment process and tools must meet the service area's Continuum of Care centralized or coordinated assessment requirements (24 CFR 576.400(d) once developed.

### ***Diversion from Shelter***

Based on screening results, individuals and families should be diverted when appropriate to the most stable housing available including supportive or subsidized permanent housing using the Housing First or Rapid Re-housing service models.

### ***Essential Services and Referral***

Emergency shelter participants must have access to essential services either through direct service delivery by the Subgrantee and/or provision of information and referral to other service providers. Essential services include: case management; child care; education services, employment assistance and job training; outpatient health services; legal services; life skills training; mental health services; substance abuse treatment

services; transportation; services for special populations and mainstream income and health benefits where appropriate.

***Length of Stay and Discharge***

Provision of essential services and shelter must be available for homeless individuals and families for at least the time period during which the ESG funds are provided. Limitations on individual and family shelter stays, if any, must be identified in writing in the Subgrantees' policies and procedures governing shelter operations.

***Safety and Accommodations for Special Populations***

Any shelter facility that receives ESG assistance for conversion, major rehabilitation, renovation or operations is required to meet all federal, state and local government safety, sanitation and accessibility standards including compliance with the safety, sanitation and privacy requirements contained in 24 CFR 576.403.

Subgrantees are required to develop and implement written procedures and communication tools/materials that ensure persons of any particular race, color, ethnicity, religion, sex, age, national origin, familial status, or disability who may qualify for shelter and essential services are aware of and have access to such facilities and assistance. Reasonable accommodations for persons with disabilities must be available in order to ensure disabled participants have an equal opportunity to utilize the shelter and receive essential services. Greater levels of accessibility may be required for some shelters in compliance with The Americans with Disabilities Act.

Subgrantees are also required to have written procedures in place that ensure access to shelter facilities, assistance and services for limited English proficiency (LEP) persons. It is highly recommended that Subgrantees develop and implement an agency Language Access Plan following guidelines provided in the Fair Housing Guide for Shelter and Transitional Housing Providers which can be accessed at [www.fhco.org](http://www.fhco.org) or HUD guidelines located at: [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/fair\\_housing\\_equal\\_opp/promotingfh/lep-faq](http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/promotingfh/lep-faq).

Domestic violence victims and other persons in need of victim services must have access to a safe setting and have their identity protected. Subgrantees are required to implement procedures to ensure confidentiality of records pertaining to any individual who is provided family violence prevention, treatment or other services. Subgrantees must also certify that the address of a family/individual violence shelter will not be made public without permission of the shelter agency.

Subgrantee emergency shelter policies and procedures must:

- Prohibit disclosing personally identifying victim information to any third party without consent of the victim;
- Ensure victim consent is reasonably time-limited, written and specific as to who information will be shared;

- Identify and utilize an alternative HMIS to collect program data that will prevent the disclosure of personally identifying victim information; **and**
- Include confidentiality policies and procedures that require staff to refrain from discussing client information in public and ensure client records are secure and only accessible to authorized staff.

### **3. Assessing, Prioritizing and Reassessing Needs for Essential Services**

#### **Related to Emergency Shelter**

Subgrantees are required to have a written standard assessment process and tool(s) that are applied to all eligible recipients of shelter essential services. Prioritization for services must align with service area homeless and/or community needs assessment plans. When developed, Subgrantees are required to comply with their services area(s) Continuum of Care assessment and prioritization requirements (576.400(d)), including verifying and documenting eligibility.

Shelter essential services include: case management; child care; education services; employment assistance and job training; outpatient health services; legal services; life skills training; mental health services; substance abuse treatment services; transportation; and services for special populations. Provision of services should be determined based on client need and in alignment with Subgrantee's targeted populations.

Provision of essential services and shelter must be available to shelter residents for at least the time period during which the ESG funds are provided. Services do not need to be limited to a particular site as long as the site serves the same categories and types of homeless originally provided with essential services or serves homeless persons in the same service area where the Subgrantee originally provided the services.

### **4. Coordination Among Homeless Assistance Providers, Mainstream Service Providers and Housing Providers**

The state's Continuums of Care are community-based homeless assistance program planning networks whose responsibilities include the promotion of access to and effective utilization of homeless and mainstream programs by the homeless. Subgrantees are required to be active members of their respective COC and contribute to the identification, development and coordination of resources that will promote and increase the efficiency and effectiveness of the community's homeless system.

Subgrantees must coordinate and integrate, to the extent possible, their ESG-funded assistance with other programs serving homeless and at-risk of homelessness people within their service area (refer to 24 CFR 576.400). Documentation of such coordination will minimally include written COC verification of review and support of the Subgrantee's plan for utilizing ESG funds as part of the Subgrantee's biennial funding application to the state.

## **5. Determining and Prioritizing Eligibility for Homeless Prevention and Rapid Re-housing Assistance**

Determination of eligibility for homeless prevention requires an in-person assessment (in compliance with COC coordinated/centralized assessment procedures when established) to verify that applicants meet HUD's categorical definition for imminent risk of homelessness, homeless under other federal statutes, fleeing/attempting to flee domestic violence, or at-risk of homelessness **and** have an annual income at 30% or below of area median income. Homeless status and income eligibility must be documented in client files through third-party verification unless written justification is provided showing that due diligence was conducted substantiating that third-party was not available/accessible. Additionally, the assessment must indicate that prevention assistance would likely allow the applicant to regain stability in their current permanent housing or access other permanent housing and achieve stability.

Prioritization for homeless prevention assistance must comply with Continuum of Care standards once developed. Minimally, prioritization should align with vulnerable homeless and at-risk of homelessness populations identified in Subgrantee's service area homeless plan(s) and/or community assessment(s).

Determination of eligibility for rapid re-housing requires an initial assessment to verify that clients meet HUD's categorical definition for literally homeless or fleeing/attempting to flee domestic violence and are literally homeless. Homeless status must be documented in client files in accordance with HUD documentation standards with preference given to third-party verification where available.

Prioritization for rapid re-housing must comply with Continuum of Care standards once developed and be supported by Subgrantee service area homeless plans and/or community assessment data. When appropriate, local prioritization should also align with HUD's homeless strategic plan goals for ending chronic homelessness, homelessness among Veterans, and families with children and youth homelessness.

## **6. Determining Client's Share of Rent and Utility Costs**

Subgrantees must comply with existing Continuum of Care standards once developed for determining client's required share of rent and utility costs. State minimum standards require that whatever rent assistance model is chosen must be consistently implemented for all households within each ESG funded program. Acceptable models include a client flat rate (specific dollar amount) contribution, percent of gross household income (typically not to exceed 30%) or a graduated client share over a fixed time at intervals predetermined by the Subgrantee and communicated in advance to the client. Subgrantees can choose to not require any client contribution toward rent or utility costs unless their Continuum of Care standards require such contribution.

Utility assistance is limited to 24 months within a 3-year period and can be used to pay the cost of utility deposits, utility arrears, and gas, electric, water and sewage services. Assistance can only be provided if the utility account is in the name of a member of the

client household or there is documented proof of household responsibility for utility payments. Utility arrears assistance for homeless prevention requires a shut off notice and for rapid re-housing must result in utilities being turned on at the new permanent housing location. The client's share of the utility costs, in the absence of COC standards, is at the discretion of the Subgrantee who is encouraged to assist clients in accessing energy assistance programs for which they are eligible as a first option in providing utility assistance. It is recommended that utility deposits be returned to households when feasible.

## **7. Determining Duration and Amount of Rental Assistance Provided to Client**

The duration of rental assistance is limited to twenty-four months within a 3-year time period. Short-term assistance can be provided up to three (3) months and medium-term assistance is limited to twenty-four (24) months. The amount of rent assistance provided must be the least amount needed to stabilize clients in their permanent housing. Subgrantees have the discretion to further set a maximum number of months that a client may receive rental assistance and the maximum dollar amount of assistance. The process for determining such conditions must be applied consistently for all households within each ESG funded program, incorporated into the Subgrantee's ESG policies and procedures and communicated in advance to eligible clients.

## **C. HMIS Data Collection**

All data on persons served and all activities funded with ESG must be entered into the applicable Continuum of Care designated HMIS in the area in which those persons and activities are located, or a comparable database, as provided under 24 CFR part 580. The purpose of HMIS is to record and store client-level information about the numbers, characteristics, and needs of homeless and at risk homelessness persons who receive program assistance. Additional information about HMIS requirements is provided in this manual.

## **D. Continuum of Care Coordination**

HUD requires collaboration between ESG recipients/subrecipients and Continuums of Care in planning, funding, implementing and evaluating homeless assistance and homelessness prevention programs locally. Subgrantees are required to be active participants in their respective Continuum of Care and comply with Program Standard #5—*Coordination Among Homeless Assistance Providers, Mainstream Service Providers and Housing Providers*.

Subgrantees are expected to coordinate and integrate, to the maximum extent practicable, ESG-funded activities with other programs targeted to homeless people in the area covered by their Continuum of Care and/or service area. These programs include (24 CFR 576.400 and 24 CFR 91.100(d)(e)) but are not exclusive to:

- Shelter Plus Care Program
- Supportive Housing Program
- Section 8 Moderate Rehabilitation Program for SRO Program for Homeless Individuals

- Veterans Affairs Supportive Housing
- Education for Homeless Children and Youth Grants for State and Local Activities
- Grants for the Benefit of Homeless Individuals
- Healthcare for the Homeless
- Programs for Runaway and Homeless Youth
- Projects for Assistance in Transition from Homelessness
- Services in Supportive Housing Grants
- Emergency Food and Shelter Program
- Transitional Housing Assistance Grants for Victims of Sexual Assault, Domestic Violence, Dating Violence, and Stalking Program
- Homeless Veterans Reintegration Program
- Domiciliary Care for Homeless Veterans Program
- VA Homeless Providers Grant and Per Diem Program
- Health Care for Homeless Veterans Program
- Homeless Veterans Dental Program
- Supportive Services for Veteran Families Program
- Veteran Justice Outreach initiative
- As well as mainstream housing, health, social services, employment, education, and youth programs for which families and individuals at risk of homelessness and homeless individuals and families may be eligible, such as:
  - Public housing programs
  - Housing programs receiving tenant-based or project-based assistance
  - Supportive Housing for Persons with Disabilities
  - HOME Investment Partnerships Program
  - Temporary Assistance for Needy Families
  - Health Center program
  - State Children’s Health Insurance Program
  - Head Start
  - Mental Health and Substance Abuse Block Grants
  - Services funded under the Workforce Investment Act.

## II. Client Eligibility

### A. Assessment

All applicants must be assessed to determine eligibility for receipt of ESG funded services and assistance in accordance with *Program Standard #1—Evaluating Eligibility for Assistance*. Client assessment and determination of ESG eligibility includes the cost of staff time to complete an intake and/or assessment, either as a sole provider or through a coordinated assessment system even if it's determined from the evaluation the applicant is not eligible for ESG program assistance. When ESG funds are used to provide coordinated/centralized assessment, a Subgrantee is encouraged to utilize ESG funding with non-ESG funding in proportionate to the percentage of clients who are determined ESG eligible versus those referred to other programs. Other service costs associated with applicants determined to be ineligible for ESG assistance are not allowable including follow-up and case management.

### B. Household Composition

Homeless or at-risk of homelessness households who meet one or more of HUD determined categorical homeless definitions or criteria are eligible to receive program assistance. Household composition includes an individual living alone, family with or without children, or a group of individuals who are living together as one economic unit. In all cases a household must lack sufficient resources and support networks necessary to obtain or retain housing without the provision of ESG assistance in order to be program eligible.

The type of ESG assistance for which an eligible household qualifies is determined by the stability of their current housing or their homeless status.

### C. Categorical Homeless Definitions and Criteria

Eligible applicants for program services must meet one of the following categorical definitions of homeless or criteria for being at-risk of homelessness:

**Category 1: Literally homeless**--a household that lacks a fixed, regular, and adequate nighttime residence, meaning:

- Living in a primary nighttime residence that is a public or private place not designed for or ordinarily used for as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground); **or**
- Living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); **or**
- Is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering the institution.

**Category 2: Imminent risk of homelessness**--a household that will imminently lose their primary nighttime residence, provided that:

- The residence will be lost within 14 days of the date of application for homeless assistance; **and**
- No subsequent residence has been identified; **and**
- The household lacks the resources or support networks needed to obtain other permanent housing.

**Category 3: Homeless Under Other Federal Statutes**-- Unaccompanied youth under 25 years of age, or family who do not otherwise qualify as literally homeless or imminent risk of homelessness, but who:

- Are defined as homeless under Section 387 of the Runaway and Homeless Youth Act (42 U.S.C. 5732a), section 637 of the Head Start Act (42 U.S.C. 9832), section 41403 of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2), section 330(h) of the Public Health Service Act (42 U.S.C. 254b(h)), section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012), section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)) or section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a); **and**
- Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60 days immediately preceding the date of application for homeless assistance; **and**
- Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance; **and**
- Can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse (including neglect), the presence of a child or youth with a disability, or two or more barriers to employment, which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment.

**Category 4: Fleeing, or attempting to flee, domestic violence**-- a household who:

- Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence; **and**
- Has no other residence; **and**
- Lacks the resources or support networks to obtain other permanent housing.

## **D. Criteria for At Risk of Homelessness Qualification**

Applicants for program services for at-risk individuals or households must meet the following definition of At Risk of Homelessness:

- Have an annual income at or below 30% of median household income for the area; **and**

- Do not have sufficient resources or support networks immediately available to prevent them from moving to an emergency shelter or another place defined in Category 1 of the “homeless” definition; **and** meet one of the following conditions:
- Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for assistance; **or**
- Is living in the home of another because of economic hardship; **or**
- Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance; **or**
- Lives in a hotel or motel and the cost is not paid for by charitable organizations or by Federal, State, or local government programs for low-income individuals; **or**
- Lives in an SRO or efficiency apartment unit in which there reside more than two persons or lives in a larger housing unit in which there reside more than one and a half persons per room; **or**
- Is exiting a publicly funded institution or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution); **or**
- Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in OHCS’ approved Consolidated Plan.

A youth who does not qualify as homeless under the above eligibility criteria, is eligible if they:

- Qualify as “homeless” under section 387(3) of the Runaway and Homeless Youth Act (42 U.S.C. 5732a(3)), section 637(11) of the Head Start Act (42 U.S.C. 9832(11)), section 41403(6) of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2(6)), section 330(h)(5)(A) of the Public Health Service Act (42 U.S.C. 254b(h)(5)(A))m section 3(m) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(m)), or section 17(b)(15) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)(15)); **or**
- Qualify as “homeless” under section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2)), and the parent(s) or guardian(s) of that child or youth if living with her or him.

The appendix in this manual has a convenient chart that identifies under which definition, Homeless or At Risk of Homelessness, an applicant might be eligible for services.

## **E. Criteria for Chronically Homeless Qualification**

Chronically homeless is defined as a person or family who 1) is homeless and lives or resides in a place not meant for human habitation, a safe haven, or in an emergency shelter; 2) has been homeless and living or residing in a place not meant for human habitation, a safe haven, or in an emergency shelter continuously for at least 1 year or on at least 4 separate occasions in the last 3 years; and 3) has an adult head of household (or a minor head of household if no adult is present in the household) who has at least one of the following: a diagnosable substance use disorder, serious mental illness, developmental disability (as

defined in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15002)), post-traumatic stress disorder, cognitive impairments resulting from a brain injury, or chronic physical illness or disability, including the co-occurrence of two or more of those conditions. Additionally, the statutory definition includes a chronically homeless person who currently lives or resides in an institutional care facility including a jail, substance abuse or mental health treatment facility, hospital or other similar facility, and has resided there for fewer than 90 days if such person met the other criteria for homeless prior to entering that facility. (See 42 U. S. C. 11360(2))

When an individual or household has not been continuously homeless for at least one year, but has been homeless on at least four separate occasions in the last 3 years, each separate occasion must be at least 15 days in duration to ensure consistency for counting and eligibility purposes. HUD has determined that the 15-day minimum is an appropriate measure to distinguish the chronically homeless from the homeless population in general, so as to recognize chronically homeless people who have spent a significant amount of time as homeless.

A household will qualify as chronically homeless if the head of household has met all the requirements in the first paragraph of this section even if the household's size and composition fluctuates during the course of the head of household's homeless experience.

## **F. Income Determination and Requirements**

### **1) Income Eligibility**

There are no initial income eligibility requirements to receive program services, with the exception of homeless prevention assistance, which requires applicants to be at or below 30% AMI at time of intake. To qualify for continuation of rapid re-housing assistance, an applicant must have an annual income at or below 30% AMI at the time of re-evaluation.

### **2) Calculating Gross Annual Income**

Annual Income is the gross amount of income anticipated to be received by a household during the coming year based on the household's circumstances at the time of program intake and assessment. Annual Income determination is consistent with the Housing Choice Voucher definition of annual income found at 24 CFR 5.609.

When determining the annual income of a household to establish eligibility for ESG assistance, Subgrantee must count the income of all adults in the household, including nonrelated individuals, within the limitations imposed by 24 CFR 5.609. Not everyone living in the unit is considered a member of the household for the purposes of determining a household's income. Excluded persons include: foster children, foster adults, live-in aides, children of live-in aides and an unborn child. A child subject to a shared-custody agreement should be counted as a household member if the child resides with the household at least 50 percent of the time.

Income generated by an asset, such as the interest on a savings or checking account is considered household income even if the household elects not to receive it. For example,

though an applicant may elect to reinvest the interest or dividends from an asset, the interest or dividends are still counted as income anticipated to be received during the coming 12 months. Asset income is discussed in 24 CFR 5.609. Income producing assets include: bank accounts; life insurance policies; lump sum additions (legal settlement, refund, etc.); personal property held as investments; retirement/pension funds; trusts; assets disposed of for less than fair market value; and stocks, bonds or mutual funds.

## **G. Eligibility Documentation and Recordkeeping**

Subgrantees must establish written intake procedures that include requirement of written documentation verifying eligibility for program services in accordance with the following preferred order of documentation:

**Third-party Verification**—source documents provided by an outside source.

Third party documentation is the preferable form of verification and includes but is not exclusive to written statement or document from employer, landlord, public benefit worker, or agency service provider. Written verification sent directly to program staff or via the applicant is preferred.

**Intake/Case Manager Worker Observation**—documented by ESG staff.

Staff documentation may include oral statements made by a social worker, case manager, or other appropriate official at an institution, shelter, or other facility and documented by the program intake worker/case manager. Use of oral statements is allowable when third-party documentation is not available.

**Participant Self-certification**—applicant signed document certifying eligibility.

Self-certification requires a written and signed document by the individual or head of household seeking assistance attesting to the eligibility facts for which they are certifying. A third party may be designated by a participant to sign documents on their behalf when they are unable to do so. If needed, Subgrantee must provide access to language interpretation services and assistive devices necessary for participants to understand the documents they are certifying.

Self-certification documentation is only used when documented staff efforts verify that third-party or worker observation documentation is not available. However, lack of third-party documentation must not prevent an individual or household from being immediately admitted to emergency shelter, receiving street outreach services or immediately accessing domestic violence/victim service shelter and assistance.

Documentation verifying eligibility must be available in client files or if kept electronically, available upon request. See the appendices in this manual for examples of appropriate documentation of applicant eligibility.

### III. Allowable Program Service Components and Activities

#### A. Service Components and Homeless Eligibility

ESG funds can pay for five program service components: Street Outreach; Emergency Shelter; Homelessness Prevention; Rapid Re-housing; and Homeless Management Information System (HMIS). The following chart shows which service components are available for homeless and/or at-risk households.

Component	Serving	
	Those who are Homeless	Those who are At-Risk of Homelessness
1) Street Outreach	✓	
2) Emergency Shelter	✓	
3) Homelessness Prevention		✓
4) Rapid Re-housing	✓	
<b>Collecting Data</b>		
5) Homeless Management Information System (HMIS)	✓	✓

#### B. Street Outreach

Street outreach is service delivery for the specific purpose of reaching out to unsheltered homeless people; connecting them with emergency shelter, housing, or critical services; and providing urgent, non-facility-based care. Street outreach must be provided in accordance with Program Standard #2—*Targeting and Providing Essential Services Related to Street Outreach*.

Individuals defined as unsheltered must meet the criteria for: Category 1, literally homeless; or Category 4, fleeing/attempting to flee domestic violence (where the individual or household also meet the criteria for category 1); and are:

- living on the streets (or other places not meant for human habitation); **and**
- unwilling or unable to access services in emergency shelter.

##### 1) Essential Services

###### **Engagement Services**

Engagement Services are activities to locate, identify, and build relationships with unsheltered homeless people to offer immediate support, intervention, and connections with homeless assistance programs and/or mainstream social services and other housing programs. Eligible costs include:

- Conducting an initial assessment of applicant needs and eligibility;
- Providing crisis counseling;
- Addressing urgent physical needs, such as providing meals, blankets, clothes, or toiletries;
- Actively connecting and providing information and referrals to needed services; **and**

- Cell phone costs of outreach workers.

### ***Case Management***

Case Management activities to assess housing and service needs and arrange, coordinate and/or monitor the delivery of individualized services. Eligible costs include:

- Assessment and intake including using centralized or coordinated assessment systems;
- Conducting initial evaluations including, verifying and documenting eligibility;
- Counseling;
- Developing/securing/coordinating services;
- Helping obtain Federal, State, and local benefits;
- Monitoring and evaluating program participant progress;
- Providing information and referrals to other providers; **and**
- Developing an individualized housing stabilization plan that leads to the attainment of stable permanent housing.

### ***Emergency Health***

Emergency health services are eligible activities to the extent that other appropriate services and treatment are unavailable or inaccessible within the community. An example of customary emergency health services is outpatient treatment of urgent medical conditions by licensed medical professionals in community-based settings (e.g.; streets, parks, and campgrounds) to those eligible participants unwilling or unable to access emergency shelter or an appropriate healthcare facility. Eligible costs include:

- Assessing health problems and developing treatment plans;
- Assistance in understanding health needs;
- Providing directly or assisting to obtain appropriate emergency medical treatment; **and**
- Providing medication and follow-up services.

### ***Emergency Mental Health***

Emergency mental health services are eligible activities to the extent that other appropriate services and treatment are unavailable or inaccessible within the community; i.e.; outpatient treatment of urgent mental health conditions by licensed professionals in community-based setting (e.g.; streets, parks, and campgrounds) to those eligible participants unable or unwilling to access emergency shelter or an appropriate health care facility. Eligible costs include:

- Crisis intervention;
- Prescription of psychotropic medications;
- Explanation about the use and management of medications; **and**
- Combinations of therapeutic approaches to address multiple problems.

### ***Transportation***

Travel expenses incurred by outreach workers, social workers, medical professionals or other service agency employees during the provision of allowable street outreach services are eligible costs. They include:

- Transporting unsheltered people to emergency shelters or other service facilities;
- Public transportation for participants;
- Mileage allowance for outreach workers using their own vehicles to visit program participants;
- Purchasing or leasing a vehicle for use in conducting outreach activities, including the cost of gas, insurance, taxes, and maintenance for the vehicle; **and**
- Costs of staff to accompany or assist program participants to use public transportation.

## 2) Services for Special Populations

Services for special populations are essential services that have been tailored to address the special needs of homeless youths, victims of domestic violence, dating violence, sexual assault, or stalking, including services offered by rape crisis centers, domestic violence shelters, and other organizations that serve persons who meet the HUD homeless definition and have special needs. Eligible costs include:

- Engagement;
- Case Management;
- Emergency Health Services;
- Emergency Mental Health Services; **and**
- Transportation.

## C. Emergency Shelter

Emergency shelter means any appropriate facility that has the primary use of providing temporary or transitional shelter for the homeless in general or for specific populations of the homeless and the use of which does not require occupants to sign leases or occupancy agreements. Emergency Shelter must be provided in compliance with Program Standard #3—*Emergency Shelter Operations* and Program Standard #4—*Assessing, Prioritizing and Reassessing Needs for Essential Services Related to Emergency Shelter*. ESG funds can be used to provide essential services; renovation; and shelter operations.

### 1) Essential Services

Emergency shelter essential services are services to homeless families and individuals in emergency shelters. Program applicants meeting the definition of homeless in Categories 1, 2, 3, and 4 are eligible for emergency shelter services.

Eligible uses for funds within the Emergency Shelter Essential Services category include:

#### **Case Management**

Case Management activities assess, arrange, coordinate, and monitor individualized services developed for program participants. Eligible costs include:

- Using centralized or coordinated assessment systems;

- Conducting initial evaluations including, verifying and documenting eligibility;
- Counseling;
- Developing, securing and coordinating services and obtaining Federal, State, and local benefits;
- Monitoring and evaluating program participant progress;
- Providing information and referrals to other providers;
- Providing ongoing risk assessment and safety planning with victims of domestic violence, dating violence, sexual assault, and stalking; **and**
- Developing an individualized housing and service plan, including planning a path to permanent housing stability.

#### ***Child Care Costs***

The cost of child care is eligible if the child is under the age of 13, or disabled children under the age of 18. The child-care center must be licensed by the jurisdiction in which it operates. Eligible costs include:

- Childcare costs;
- Providing meals and snacks; **and**
- Comprehensive and coordinated sets of appropriate developmental activities.

#### ***Education***

Education is instruction or training to enhance participants' ability to obtain and maintain housing, consumer education, health education, substance abuse prevention, literacy, ESL, GED preparation and various life skills. Eligible costs include:

- Screening, assessment, and testing;
- Individual/group instruction;
- Tutoring;
- Books, supplies, and instructional materials;
- Counseling; **and**
- Referral to community resources.

#### ***Employment Assistance and Job Training***

Job Assistance services help participants to secure employment and placement in job training programs. Eligible costs include:

- Classroom, online, and/or computer instruction;
- On the job instruction;
- Job finding and skill building;
- Reasonable stipends to program participants in employment assistance and job training programs;
- Books and instruction materials;
- Employment screening; assessment or testing;
- Structured job seeking support;

- Special training and tutoring; including literacy training and pre-vocational training;
- Counseling or job coaching; **and**
- Referral to community resources.

### ***Outpatient Health***

Outpatient Health Services are eligible activities to the extent that other appropriate services and treatment are unavailable or inaccessible within the community. Eligible costs include:

- Assessing health problems and developing treatment plans;
- Assistance in understanding health needs;
- Providing directly or assisting to obtain appropriate medical treatment, preventive medical care, health maintenance services, including emergency medical services;
- Providing medication and follow-up services; **and**
- Providing preventive and non-cosmetic dental care.

### ***Legal services***

Legal advice and representation are eligible activities to the extent that other appropriate services and treatment are unavailable or inaccessible within the community. This would include necessary legal services regarding matters that interfere with the program participant's ability to obtain and retain housing. Legal issues would include child support, guardianship, paternity, emancipation, legal separation, orders of protection and other civil remedies for victims of domestic violence, dating violence, sexual assault, and stalking, appeal of veterans and public benefit claim denials, and resolution of outstanding criminal warrants. Eligible costs include:

- Hourly fees for legal advice and representation by licensed attorneys and certain other fees-for-service;
- Client intake, preparation of cases for trial, provision of legal advice, representation at hearings, and counseling; **and**
- Filing fees and other necessary court costs.

Legal services to address immigration, citizenship, and mortgage issues including retainer fee arrangements, and contingency fee arrangement are **not** eligible costs.

### ***Life Skills Training***

Life Skills Training teaches critical life management skills that may never have been learned or have been lost during the course of physical or mental illness, domestic violence, substance use, and homelessness. Allowable services must support the program participant to function independently in the community. They include:

- Budgeting resources;
- Managing money;
- Managing a household;
- Resolving conflict;
- Shopping for food and needed items;

- Improving nutrition;
- Using public transportation; **and**
- Parenting.

### ***Mental Health Services***

Mental Health Services are eligible activities to the extent that other appropriate services and treatment are unavailable or inaccessible within the community. Services are direct outpatient treatment of mental health conditions by licensed professionals. Eligible costs include:

- Crisis intervention;
- Individual, household, or group therapy sessions;
- Prescription of psychotropic medications and explanation about the use and management of medications; **and**
- Combinations of therapeutic approaches to address multiple problems.

### ***Substance Abuse Treatment***

Substance Abuse Treatment is an eligible activity to the extent that other appropriate services and treatment are unavailable or inaccessible within the community. Services must be provided by licensed or certified professionals, and be designed to prevent, reduce, eliminate or deter relapse of substance abuse or addictive behaviors. Inpatient detoxification and other inpatient drug or alcohol treatment are not eligible costs. Eligible costs include:

- Client intake and assessment;
- Outpatient treatment for up to 30 days;
- Group and individual counseling; **and**
- Drug testing

### ***Transportation***

Costs of travel by program participants to and from medical care, employment, childcare or other facilities that provide eligible essential services are eligible. Staff travel costs incurred to support provision of essential services are also allowable. Eligible costs include:

- Public transportation for participants;
- Mileage allowance for service workers using their own vehicles to visit program participants; **and**
- Purchasing or leasing a vehicle used for transport of participants and/or staff serving participants, including the cost of gas, insurance, taxes, and maintenance for purchased or leased vehicles.

### ***Services for Special Populations***

Services for Special Populations means otherwise eligible essential services that are tailored to address the special needs of homeless youth, victims of domestic violence, dating violence, sexual assault, or stalking, including services offered by rape crisis

centers, domestic violence shelters and other organizations with a documented history of effective work concerning domestic violence, dating violence, sexual assault, or stalking. Also eligible are services provided to persons living with HIV/AIDS in emergency shelters. Eligible costs include:

- Case management;
- Childcare;
- Education services;
- Employment assistance and job training;
- Outpatient Health services;
- Legal services;
- Life Skills training;
- Mental health services;
- Substance abuse treatment services; **and**
- Transportation.

## 2) Shelter Facility Rehabilitation, Conversion and Renovation

For costs of rehabilitation, conversion or renovation to be eligible for payment with ESG funds, the building must be used for an emergency shelter for homeless families and individuals. A government entity or private non-profit organization must own the emergency shelter building before and after the renovation or rehabilitation. Buildings renovated with ESG funds as a shelter for homeless individuals and families are required to function as a shelter for a minimum period of time, depending on the type of renovation and the value of the building. See the table below. Eligible Costs include:

- Labor;
- Materials;
- Tools; **and**
- Other costs for renovation, including soft costs.

<b>Rehabilitation and Renovation Minimum Period of Use</b>		
	<b>Use Requirement</b>	<b>Determining Criteria</b>
Major Rehabilitation	10 years*	Rehab costs exceed 75% of the value of the building before rehabilitation.
Conversion	10 years*	Conversion costs exceed 75% of the value of the building after conversion.
Renovation, including rehab and conversion costs that do not meet 10 Year criteria.	3 years	Renovation costs are 75% or less of the value of the building before renovation.
*Recorded deed or use restriction required.		

All shelters must meet minimum habitability standards. See **Habitability Standards** section of this manual. Shelters renovated with ESG funds are also required to meet state or local government safety and sanitation standards, as applicable, including the use of energy-efficient appliances and materials.

ESG funds may not be used for rehabilitation or renovation of structures that will be used for inherently religious activities. ESG funds may pay for rehabilitation of structures only to the extent that those structures are used for conducting eligible activities under the ESG program. Where a structure is used for both eligible and religious activities, the amount of ESG funds used may not exceed the cost of those portions of the rehabilitation that are attributable to eligible activities in accordance with the cost accounting requirements applicable to ESG funds. Sanctuaries, chapels, or other rooms used as a principal place of worship are ineligible for funded improvements paid by ESG.

For all shelter rehabilitation, conversion, or renovation, Subgrantee and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired by the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

### 3) Shelter Operations

Shelter operations are costs to operate and maintain emergency shelters and also provide other emergency lodging when appropriate. Eligible Costs include:

- Minor or routine maintenance;
- Rent;
- Security;
- Fuel;
- Equipment;
- Insurance;
- Utilities;
- Food;
- Furnishings;
- Supplies necessary for the operation of the emergency shelters; **and**
- Hotel/Motel voucher, only for families and individuals where no emergency shelter is available.

#### 4) Assistance Required under “URA”

Subgrantee must ensure they have taken all reasonable steps to minimize the displacement of persons or commercial entities as a result of a project assisted with ESG funds. No tenant occupant of housing that is converted into an emergency shelter may be required to relocate temporarily for a project assisted with ESG, or be required to move to another unit in the same building/complex. When a tenant is required to move because of a project assisted with ESG under conditions that trigger the Uniform Relocation Assistance (URA) and Real Property Acquisition Policies Act (42 U.S.C. 4601-4655), the tenant should be treated as permanently displaced and offered relocation assistance and payments consistent with the Act.

Any person who disagrees with Subgrantee’s determination concerning whether the person qualifies as a displaced person or the amount of relocation assistance offered, may file a written appeal of that determination with Subgrantee under 49 CFR 24.10. A low-income person who disagrees with the determination may submit a written request for review of that determination to the nearest HUD field office.

Subgrantee must keep records documenting compliance with the displacement, relocation, and acquisition requirements of the ESG program. See 24 CFR 576.408.

#### D. Essential Services Comparison between Outreach and Shelter

Services through the street outreach component are not the same as services provided through emergency shelter systems. The chart below compares appropriate services for each component.

Comparison of Essential Services	
Street Outreach (Unsheltered Homeless persons)	Emergency Shelter Services (Sheltered Homeless persons)
Engagement	----
Case Management	Case Management
----	Childcare
----	Education Services
----	Employment Assistance/Training
Emergency Health Care	Outpatient Health Services
----	Legal Services
----	Life Skills Training
Emergency Mental Health Care	Mental Health Services
Services for Special Populations	Services for Special Populations
----	Substance Abuse Treatment
Transportation	Transportation

#### E. Homelessness Prevention and Rapid Re-housing

Homelessness Prevention Services are intended to prevent persons who are housed from becoming homeless by helping them regain stability in their current housing or other permanent housing. Eligible participants must be at imminent risk of homelessness,

homeless under other federal statutes, fleeing/attempting to flee domestic violence or meet the criteria for being at-risk of homelessness and have annual incomes at or below 30% of area median income. Rapid re-housing services are intended to help eligible participants who are literally homeless, including fleeing/attempting to flee domestic violence, to transition from the streets or shelter as quickly as possible into permanent housing and achieve housing stability. Eligible participants for either service component must lack the resources or support networks to help them retain or obtain other appropriate, stable housing. Eligibility determination and prioritization must comply with Program Standard #6—*Determining and Prioritizing Eligibility for Homelessness Prevention and Rapid Re-housing Assistance*.

Eligible activities for both service components include housing relocation and stabilization services and short- and medium-term rental assistance. These activities must comply with Program Standard #7—*Determining Client’s Share of Rent and Utility Costs* and Program Standard #8—*Determining Duration and Amount of Rental Assistance Provided to Client*.

If a client was first assisted under homelessness prevention and then became homeless, Subgrantee must exit the client from the homelessness prevention component and enter the individual or household into the rapid re-Housing component.

### 1) Homelessness Prevention and Rapid Re-housing Comparison

The chart below shows the differences between Homelessness Prevention and Rapid Re-Housing service components.

	Homelessness Prevention	Rapid Re-Housing
Eligible Participants	<b>Category 2</b> – Imminent Risk <b>Category 3</b> – Other Federal Statutes <b>Category 4</b> – Fleeing/Attempting to Flee Domestic Violence <b>OR</b> <b>At-Risk of Homelessness</b>	<b>Category 1</b> – Literally Homeless <b>OR</b> <b>Category 4</b> – Fleeing/Attempting to Flee Domestic Violence
Purpose	<ul style="list-style-type: none"> <li>To <u>prevent</u> persons who are housed from becoming homeless</li> <li>To help such persons <u>regain stability</u> in their current housing or other permanent housing</li> </ul>	<ul style="list-style-type: none"> <li>To help homeless persons living on the streets or in an emergency shelter <u>transition</u> as quickly as possible into permanent housing, and then</li> <li>To help such persons <u>achieve stability</u> in that housing</li> </ul>
Reassessment	<ul style="list-style-type: none"> <li>Every 3 months</li> <li>Must have income at <u>or below 30%</u> AMI, AND</li> <li>Lack resources and support network</li> </ul>	<ul style="list-style-type: none"> <li>Every 12 months</li> <li>Must have income <u>at or below 30%</u> AMI, AND</li> <li>Lack resources and support network</li> </ul>
Eligible Activities	Housing Relocation and Stabilization Services and Financial Assistance	Housing Relocation and Stabilization Services and Financial Assistance
	Short- and Medium-Term Rental	Short- and Medium-Term Rental

	Assistance	Assistance
--	------------	------------

## 2) Housing Relocation and Stabilization Financial Assistance

ESG funds may be used to pay landlords, utility companies and other third parties for the following housing related costs:

- **Rental application fee** charged by the landlord to all applicants;
- **Security deposit**, equal to or not more than 2 month's rent;
- **Last month's rent**, paid to landlord at the time security deposit and first month's rent are paid. The amount must not exceed one month's rent and is included in participant's total rental assistance amount;
- **Moving costs**, including truck rental, hiring a moving company, and temporary storage fees. Storage fees may be up to 3 month's rent, providing costs are not incurred until after program participation begins and before move-in. Moving costs may not include arrearage temporary storage fees;
- **Standard utility deposit** (gas, electric, water, sewer) required by the utility company for all customers;
- **Standard utility payments** (gas, electric, water, sewer) up to 24 months during any 3-year period, including up to 6 months of arrearages per service. Utility account must be in the name of a member of the client household or there is other verification of the household's responsibility for the utilities.
- **Payment of utility arrearages** for a previous address require that the utility account be in the name of a member of the client household or other verification of the household's responsibility for payment. Payment cannot exceed \$1,500 and must have verification in the client's file from the utility company confirming that, once payment is received, the utility company will provide utilities to the client. Staff are encouraged to assist clients in negotiating a payment plan or payment forgiveness for any amount exceeding the \$1500. Payment of utility arrearages for Homelessness Prevention participants requires a current shut off notice.

Subgrantee may develop a written policy regarding to whom the landlord and utility companies will refund security and utility deposit payments. Any policy must be applied consistently for all program participants. Any deposit funds returned to Subgrantee is program income and must be documented as match.

Financial assistance cannot be provided to a program participant who is receiving the same type of assistance through other public sources or to a program participant who has been provided with replacement housing payments under the URA, during the period of time covered by the URA payments. Financial assistance refers to: rental application fees, security deposits, last month's rent, utility deposits, utility payments and moving costs.

## 3) Housing Relocation and Stabilizations Services

ESG funds may be used to provide the following services:

- **Housing search and placement** including assessment of client housing barriers, needs, and preferences; housing search and landlord recruitment, assistance with rental applications and agreements, ensuring housing compliance with habitability and other housing related requirements;
- **Housing Stability Case Management** including client eligibility and service needs assessment, development of individualized housing and service plans, conducting required re-evaluations and follow-up, and coordinating access to other federal, state and local benefits;
- **Mediation** services to prevent the tenant from losing their housing including mediation between tenant and landlord, household members, neighbors or others impacting the tenant's housing stability;
- **Legal Services** pertaining to certain legal matters as identified in 24 CFR 576.102(a)(1)(vi) that are necessary to resolve in order for program participant to obtain or maintain stable housing; **and**
- **Credit Repair** including credit counseling, household budgeting, money management, obtaining credit reports and resolving credit related barriers to housing stability.

#### 4) Short- and Medium-Term Rental Assistance

A participant can be provided up to 24 months of rental assistance during any 3-year period. Rental assistance may include payment of rent arrearages for tenant or project based housing. Duration of rental assistance must minimally comply with program standards including:

- **Short-Term Assistance** is for up to 3 months' rent;
- **Medium-Term Assistance** is more than 3 months, no more than 24 months; **and**
- **Payment of Arrearages** must be a one-time payment of up to 6 months' rent, including late fees.

Subgrantee must comply with department minimum standards and Continuum of Care standards once developed regarding rental assistance. Subgrantee may establish their own written requirements beyond these standards upon review and approval by OHCS. Any Subgrantee determined requirements must be applied consistently for all program participants within each ESG-funded program and be available to the public as a written policy.

Rental Assistance can be either tenant-based or project-based. Tenant-based rental assistance allows program participants to select a housing unit. If the participant chooses to move to another location within the service area, the rental assistance can go with them to the new unit. Project-based rental assistance requires the Subgrantee or a contracted agency to identify permanent housing units that meet ESG requirements. Subgrantee enters into a rental assistance agreement with the owner to reserve the unit and provides the unit at a subsidized rent to eligible program participants.

Under rapid re-housing a Subgrantee may provide tenant-based rental assistance to a program participant that chooses a unit in which the Subgrantee has an ownership interest. However, the Subgrantee cannot exclusively direct a program participant to a unit it owns, nor can it carry out the initial evaluation to determine eligibility for the assistance. The Subgrantee would need to provide documentation that the program participant had a choice of other units. A Subgrantee must receive a HUD approved waiver to provide project-based assistance for a unit where the Subgrantee has ownership interest (refer to Section VI, Part C for more detail). A waiver is also required to provide homelessness prevention rent assistance to a participant residing in a unit owned by the Subgrantee. Waiver requests must be submitted to OHCS for review and submission to HUD.

Except for a one-time payment of rental arrears on the tenant's portion of the rental payment, rental assistance cannot be provided to a program participant who is receiving tenant-based rental assistance, or living in a housing unit receiving project-based rental assistance or operating assistance, through other public sources. Rental assistance may not be provided to a program participant who has been provided with replacement housing payments under the URA during the period of time covered by the URA payments.

## **5) Rental Agreement and Lease**

Short- and medium-term rental assistance requires both a rental assistance agreement between the Subgrantee and landlord **and** a lease between the program participant and landlord. Subgrantees are required to make rental assistance payments only to a landlord with whom Subgrantee has entered into a rental assistance agreement. The rental assistance agreement sets out the terms under which rental assistance will be paid. A rental assistance agreement is a separate document from the rental lease. There is no requirement that the term of the lease coincide with the term of the rental assistance agreement as long as they are both in effect during the time ESG-funded rental assistance is provided. (The exception is that no current lease is needed for payment of rent arrears.)

A rental assistance agreement must set forth the terms under which rental assistance will be provided, including the following requirements:

- The landlord shall give the agency a copy of any notice to the program participant to vacate the housing unit, or any complaint used under state or local law to commence an eviction action against the program participant;
- Payment due date, grace period, and late payment penalty requirements will be the same as documented in the program participant's lease;
- If the rental assistance is tenant-based or project-based;
- If the Subgrantee incurs late payment penalties, it is the sole responsibility of the agency to pay those penalties, using non-ESG funds;
- If the Subgrantee requires the program participant to pay a portion of the monthly rental cost, the amount of rent to be paid by each party;

- The amount to be paid by the Subgrantee for payment of rent arrears, number of months covered, any other terms and conditions of the payment, and certification the program participant is eligible and landlord has provided sufficient evidence of the rent arrears.

Each program participant receiving rental assistance must have a legally binding, written lease for the rental unit, unless the assistance is solely to pay rent arrears. The lease must be between the landlord and program participant and signed by both parties. Where the assistance is solely for rental arrears, an oral agreement may be accepted in place of a written lease, if the agreement gives the program participant an enforceable leasehold interest under state law and the agreement and rent owed are sufficiently documented by the owner's financial records, rent ledgers, or canceled checks.

For program participants living in housing with project-based rental assistance, the lease must have an initial term of one year.

If the grantee provides rental assistance to a program participant in a unit it owns, the grantee must request a waiver of the rental assistance agreement requirement. The waiver is necessary because the rental agreement must be between the Subgrantee and housing owner and it is not possible for the Subgrantee to create such an agreement with itself. Waiver requests must be submitted to OHCS for review and submission to HUD.

Subgrantee must terminate the rental assistance agreement and provide no further rental assistance payments if: the program participant moves out of the leased housing unit; the lease terminates and is not renewed; or the program participant becomes ineligible to receive ESG rental assistance.

## **6) Rent Reasonableness Determination**

Subgrantee must determine whether the gross rent of a particular unit is a reasonable rent in comparison to rent for other comparable unassisted units. To make this determination, Subgrantee must consider 1) the location, quality, size, unit type, and age of the contract unit; and 2) any amenities, housing services, maintenance and utilities to be provided by the owner in accordance with the lease. The unit's gross rent must be comparable to the rent reasonableness rent for the unit to be considered for rental assistance.

Subgrantee must determine the review method(s) they will use to establish the rent reasonableness standards for their area (e.g.; A list of comparable rents can be compiled by using a market study of rents charged for units of different sizes or by reviewing advertisements for comparable rental units). To learn how public housing authorities establish rent reasonableness for the Housing Choice Voucher program, review Chapter 9 of the HUD Housing Choice Voucher Program Guidebook. The link to the Guidebook is in the appendices of this manual.

Comparable rents vary over time with market modifications. Rent Reasonableness standards must be reviewed periodically and adjusted to align with these rent market changes.

The Rent Reasonableness review completed for each unit must be documented in the client case file. A sample rent reasonableness form is included in the ESG forms available on the OHCS web site.

## **7) Fair Market Rent (FMR) Requirement**

HUD establishes FMRs to determine rent ceilings for HUD-funded rental assistance programs. HUD publishes the FMR schedule annually for 530 metropolitan areas and 2,045 non-metropolitan county areas. The link to HUD's FMR index is included in the appendices in this manual.

Gross rent for units in which ESG provides rental assistance must be the same or less than the FMR for that location. If Subgrantee's service area includes more than one county, Subgrantee must use the appropriate FMR for the county in which the assisted rental unit is located. The applicable FMR data should be copied and placed in the client file to document the FMR for that participant's unit size and geographic area.

## **8) Calculating Gross Rent**

Whether a household is seeking to maintain its current housing or relocate to another unit to avoid homelessness, or exiting homelessness into new permanent housing, the process for determining acceptable rent amounts is the same: the gross rent (rent plus appropriate utility allowance) must 1) be no greater than the Fair Market Rent set by HUD and 2) fit within the limitations resulting from a rent reasonableness analysis. The rent for the unit being assisted with program funds cannot exceed the lesser of the FMR or the rent reasonableness standard. If the gross rent for the unit exceeds either the rent reasonableness standard or FMR, the Subgrantee is prohibited from using ESG funds for any portion of the rent, even if the household is willing and/or able to pay the difference.

Fair Market Rent and rent reasonableness requirements do not apply when a program participant receives only financial assistance or services. This includes rental application fees, security deposits, utility payments/deposits, moving costs, housing search and placement, housing stability case management, landlord-tenant mediation, legal services, and credit repair.

A utility allowance is a projection of the cost of utilities the client will pay monthly while renting their unit. Subgrantee must determine the amount of utility allowance to be used in the calculation of gross rent. The local public housing authority maintains a utility allowance chart which considers the number of bedrooms and types of utilities in a unit (e.g.; gas and/or electric, water, sewer, and trash). Any utilities included in the rent payment must not also be included in the utility allowance calculation. Telephone, cable or satellite television service, and internet service are not counted as utility costs.

To calculate the gross rent of a unit:

$$\begin{array}{r} \text{total contract rent amount of the unit} \\ \pm \\ \text{allowable* fees required for occupancy under the lease} \\ \pm \\ \text{monthly utility allowance established by local public housing authority} \\ \hline \text{Gross Rent Amount} \end{array}$$

\*excludes late fees and pet fees

**Example:**

A case manager wants to rapidly re-house a mother and son and has identified a 2-bedroom unit at a rent of \$1,200 per month, not including utilities. The utility allowance for that size and type of unit is \$150. Therefore, the gross rent is \$1,350. A check of three similar units in the neighborhood reveals that the reasonable rent is \$1,400 for that area of the city. However, the FMR for the jurisdiction is \$1,300. This means the household cannot be assisted with ESG in this unit because the gross rent exceeds the FMR.

Once a housing unit is determined to meet the FMR and rent reasonableness requirements, program funds may be used to pay for the actual utility costs. The utility allowance calculation is only used to determine whether the unit meets the FMR standard.

## 9) Eligibility Re-certification

Reassessments are required for homelessness prevention and rapid re-housing participants. Homelessness prevention reassessments are required every three months and must verify that a household continues to have an annual income at or below 30% of area median income and lacks the resources or support to retain or obtain appropriate permanent housing. Rapid re-housing assessments are required at least once per year to verify that a household's income is at or below 30% area median income and they lack the resources and support networks to retain or obtain appropriate permanent housing. If a client informs, but is not required by the Subgrantee to notify staff of a change in income or other circumstances that may affect eligibility, there is no immediate effect on the client's eligibility and assistance can continue until the next required re-evaluation.

## 10) Housing Stability Case Management

ESG funds may be used to pay the cost of assessing, arranging, coordinating and monitoring the delivery of individualized housing stabilization services to a program participant already in permanent housing (not to exceed 24 months) or to assist a program participant to overcome immediate barriers to obtaining housing (not to exceed 30 days). Subgrantees are encouraged to provide case management to all clients receiving homelessness prevention and rapid re-housing services. Clients receiving

short- and medium-term rental assistance are required to be case-managed and have a housing stability service plan. Case management includes the following services:

- Using a centralized or coordinated assessment system (upon the CoC's development or approval of this system);
- Conducting initial evaluation, including verification and documentation of eligibility;
- Developing, securing and coordinating services;
- Obtaining federal, state, and local benefits;
- Monitoring and evaluating participant's progress in the program;
- Developing an individualized housing stability service plan; **and**
- Conducting re-evaluations of participant's eligibility and types and amounts of assistance needed.

## **F. Homeless Management Information System (HMIS)**

### **1) Reporting Requirements**

ESG funded client and activity data must be entered into the Subgrantee's Continuum of Care HMIS (ServicePoint) or alternative database for clients who are victims of violence. Data entry and reporting expectations include:

- Timely and accurate data entry into HMIS ;
- Acquiring and documenting informed written consent from program participants;
- Protecting program participants' confidentiality;
- Using the HMIS as a tool to analyze data to inform and improve the delivery of services.

Subgrantees are required to submit quarterly program reports by the 20<sup>th</sup> of the month following the end of each quarter in accordance with OHCS directives for content and format. A year-end report is also required 90 ninety days after the close of the state fiscal year. At the discretion of OHCS, other reports may be required when deemed necessary to provide adequate program utilization and performance information.

ESG funds can be used for the following HMIS costs:

- The costs of using the centralized or coordinated assessment system but not the costs of developing or operating the system;
- Staff costs related to the operation and usage of HMIS;
- computer hardware and software costs including purchase of HMIS software licenses;
- Space and equipment costs related to HMIS; **and**
- Costs related to monitoring and reviewing data quality, data analysis and reporting.

### **2) Victim Services Data Collection**

Service providers who work with domestic violence clients or other victims of violence are required to collect client-level data consistent with HMIS data collection

requirements, but use a comparable database that protects client confidentiality. Subgrantees are required to aggregate violence victim data for ESG reporting purposes.

### **3) Performance Measures and Follow-Up Contact**

In alignment with the federal and state strategic plans to end homelessness, OHCS has established performance measures that require the collection of housing status data at the time of program exit and six months after program exit. While performance measures are in the process of being further identified and defined, Subgrantees are currently required to report on two measures:

- Increased housing stability as measured by the percentage of total program participants served who reside in permanent housing at time of exit from program; **and**
- Increased housing stability as measured by the percentage of program participants who at program exit reside in permanent housing and maintain permanent housing for six months from time of exit.

Both measurements should be entered into HMIS. Preliminary performance benchmarks have been set at 30% for all program participants who exit to permanent housing and 80% for those exiting to permanent housing that remain in permanent housing at six month follow-up. These outcome measurements will be in addition to reporting of required universal data elements that track client characteristic and service data.

Reporting of the two performance measures will be provided in the year-end report and is client household-based, not funding source. In other words, measurement will occur at time of client's program exit whether or not the program is exclusively ESG or partially ESG funded.

Locating and following up with clients can be challenging. Strategies that have shown the best results include the following:

- ✓ Follow-up is provided by the case manager or staff with whom the client knows and has worked with;
- ✓ Informing the client at time of intake/assessment of the need and value of follow-up and requesting their permission to contact them and/or other identified contacts after they exit the program;
- ✓ Securing multiple points of contact for the client prior to their exit such as a friend, family member, employer, landlord or someone who the client is likely to stay in touch with during the six month period;
- ✓ Utilizing the Subgrantee's LIHEAP list of clients to verify permanent housing since LIHEAP can only be delivered to those residing in permanent housing; and
- ✓ Development of MOUs with other agencies such as DHS, Housing Authorities, CDCs, etc. to determine the housing status of clients.

Regardless of the method of follow-up utilized, Subgrantees must obtain client permission to contact others through a signed release of information.

## G. Ineligible Activities and Assistance

Ineligible activities that cannot be funded with ESG include, but are not exclusive to:

- replacement of existing mainstream resources;
- payments made directly to program participants;
- payments on a mortgage or land contract;
- payment of rent for eligible individuals or families for the same period of time and for the same cost types being assisted through any other federal, state, or local housing subsidy program;
- payments on credit card bills or other consumer debt, including child support or garnishments;
- provision of cash assistance;
- payment of costs of discharge planning programs in mainstream institutions such as hospitals, nursing homes, jails, or prisons; **and**
- payment for religious activities (**Note:** While organizations that are religious or faith-based are eligible to receive ESG funds, religious activities must be conducted separately, in time and location, from ESG-funded activities and participation must be voluntary for program participants).

## IV. Housing and Facility Standards

### A. Occupancy Standards

Occupancy standards provide consistent criteria for determining the size of the permanent housing unit for which the household is eligible and thus, the amount of assistance to be provided.

Subgrantee may choose to use the occupancy guidelines set by the Housing Choice Voucher Program, 24 CFR 982 Subpart I: 982.401(d), or develop their own standards. Subgrantee must develop a written policy outlining their occupancy standards requirements and use those standards consistently.

There may be circumstances where it is not appropriate for two persons to share a bedroom. As examples, these occur when the household includes:

- Persons of different generations, persons of the opposite sex, and unrelated adults;
- A live-in care attendant who is not a member of the household; or
- Members with medical problems who need privacy or space for medical equipment.

### B. Habitability Standards

All housing units supported with program funds must meet HUD Habitability Standards. Habitability Standards are different from the Housing Quality Standards (HQS) used for HOME and HOME TBA programs. Because the HQS criteria are more stringent than the Habitability Standards, Subgrantee could use either standard for shelter or rental assistance funded with ESG. Housing also needs to be compliant with local housing codes relating to occupancy, health, and safety standards and the program must comply with the more stringent of the two.

#### 1) Permanent Housing

Minimum habitability standards for permanent housing include requirements for:

- structure and materials;
- personal space and security;
- interior air quality;
- water supply;
- sanitary facilities;
- heating and cooling operating equipment;
- natural and electrically produced light;
- area for food preparation;
- safe and sanitary project maintenance; **and**
- fire safety.

For households moving into a new unit, the unit must meet habitability standards before the lease is signed and the household moves in. For households already residing

in a unit, the unit must meet habitability standards before financial or rental assistance can be provided.

## 2) Shelters

In addition to established housing codes, habitability standards for shelters in which ESG funds are used for conversion, major rehabilitation or renovation include requirements for the following:

- structure and materials;
- access to and within the shelter;
- personal space and security;
- interior air quality;
- water supply;
- sanitary facilities;
- heating and cooling operating equipment;
- natural and electrically produced light;
- area for food preparation;
- safe and sanitary facility maintenance; **and**
- fire safety/smoke detectors.

More information about habitability requirements is included in the appendices section of this manual.

## C. Lead-Based Paint Requirements

Federal lead-based paint requirements apply any time federal funds are used for housing assistance and the living space or unit was built prior to 1978. The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations in 24 CFR part 35, subparts A, B, H, J, K, M and R apply to all shelters assisted with ESG funding and all housing occupied by program participants.

Subgrantee must provide the lead hazard information pamphlet to any resident who will be residing in a unit built before 1978. The tenant must receive the pamphlet before moving into the unit. If Subgrantee can document the tenant received the pamphlet previously, Subgrantee is not required to provide it again.

For units older than 1978 which will house one or more children under the age of 6, landlord and tenant must complete a Lead-Based Paint Disclosure form. The form describes any known current or previous lead-based paint hazards, and documents tenant's receipt of records and the lead hazard information pamphlet. Additionally, a visual lead-based paint assessment must be completed by a person trained in this inspection process. The inspection may be completed in conjunction with the habitability inspection if the inspector is qualified. At Intake, it should be noted on the Application Form if there will be any child in

the household younger than 6 years. This information should be provided to the habitability inspector prior to their examination of the proposed rental unit.

Essential service activities, such as, counseling, case management, street outreach, referrals to employment, etc., are exempt and excluded from the lead-based paint inspection requirements.

#### **D. Environmental Review**

Subgrantee and its contractors shall not rehabilitate, convert, or renovate a shelter or prospective shelter until HUD has performed an environmental review under 24 CFR part 50 and Subgrantee has received HUD approval to continue. Subgrantee shall supply all available, relevant information necessary for HUD to perform any environmental review required by 24 CFR Part 50. Subgrantee must carry out mitigating measures required by HUD or select alternate eligible property. HUD may eliminate from consideration any application that would require an Environmental Impact Statement (EIS).

Environmental reviews must also be completed for any project-based housing assistance paid with ESG funding.

## **V. Client Confidentiality**

### **A. General Requirements**

All information about the applicant/client is confidential. Disclose information only for the purpose of determining program eligibility, providing benefits, or investigating possible violation of federal, state and local regulation(s) associated with ESG delivery and never in a setting where members of the public can hear the conversation.

Subgrantees must have policies and procedures that ensure all client information and records are secure and confidentially maintained. Subgrantees' officers, employees and agents must be aware of and comply with Subgrantees' confidentiality policies and procedures.

### **B. Electronic Confidentiality**

Electronic collection of client information requires procedures for ensuring confidentiality. The following guidelines apply to the use of a computer:

- The computer terminal(s) used must be located in a secure location, limiting access to only those persons who have a legitimate interest in and are responsible in viewing client records.
- The computer monitor must be cleared (or a screen saver activated) immediately after accessing a client record.
- The computer terminal must be on a "locked" mode or turned off if the terminal is unattended.
- Access to the HMIS program shall be given to authorized staff persons and only insofar as access is necessary for performing the work required for the ESG program.

### **C. Victims of Domestic Violence**

Subgrantee must implement procedures to ensure confidentiality of records pertaining to any individual who is provided family violence prevention or treatment services. Victim information cannot be disclosed to any third party without consent of the victim.

To protect clients, victim services providers must enter required client-level data into a database that complies with HMIS requirements, but does not share information with ServicePoint directly. Victim services providers are still required to aggregate data for ESG reporting purposes.

Subgrantee must instruct all staff that the address of a domestic violence provider's shelter location will not be made public without permission of the provider.

### **D. Release of Information**

Client information (including identifying the person is a client) should not be released without written authorization from the client. A Release of Information form must be completed by the applicant at the time of intake.

Client refusal to provide such authorization cannot be the basis for denying program services to otherwise eligible clients.

Release forms must be time-limited and specific as to with whom and what information will be shared.

## **VI. Termination, Grievance and Conflict of Interest Policies**

### **A. Termination or Denial of Assistance**

Subgrantee must have written denial, termination, and grievance policies and procedures. The policies and procedures should be readily available to program participants either in writing or by posting them in a public place. Copies and explanation of the policies and procedures be provided directly to any client when denial, termination or other action affects the client's ability to receive assistance. The notice must provide the specific reason(s) for the action and provide a process the applicant can follow to request a review of the decision.

If Subgrantee is terminating rental assistance to the program participant, they must immediately notify the landlord of the date rental assistance for their tenant will end.

Termination from assistance does not prevent Subgrantee from providing further assistance, later, to the same household or individual if they are determined eligible for such assistance.

### **B. Grievance and Appeals Process**

Subgrantee is required to have an established process for addressing client grievances. At a minimum, the process must include the following components:

- Allow the participant a minimum of thirty days within which to request an administrative review;
- Inform the participant of their right to present written or oral objections;
- Inform OHCS of the request for administrative review within 10 days of receiving the request;
- Inform the participant and OHCS in writing of the review determination within ten days of the determination.

Any person or persons designated by Subgrantee can complete the administrative review, other than the person who made or approved the decision under review or a subordinate of this person.

OHCS retains the right to require modification of any review or appeal process that OHCS determines does not meet basic principles for notification, instruction, time allowance, impartiality or other necessary component.

### **C. Conflict of Interest**

#### **1) Organizational**

The provision of any type or amount of ESG assistance may not be conditioned on an individual's or household's acceptance or occupancy of emergency shelter or housing owned by Subgrantee or an affiliated organization. A Subgrantee is prohibited from conducting a participant's intake assessment to determine program eligibility if the

participant resides in housing where the Subgrantee has ownership interest. Subgrantee would need to find another independent organization that is also an ESG grantee to do the intake assessment and ensure that all program participants are eligible even if the Subgrantee has a waiver of the conflict of interest requirements. Conflict of interest waivers regarding rent assistance and rental agreement requirements can only be approved by HUD. If a Subgrantee wishes to apply for a waiver, they should contact the OHCS homeless program coordinator or manager for guidance in submission of a waiver request which must be approved by OHCS who will then submit to HUD. See 24 CFR 576.404(a).

Subgrantee must keep records to show compliance with ESG program organizational conflicts-of-interest requirements.

## **2) Individual**

For the procurement of goods and services, Subgrantee must comply with the codes of conduct and conflict of interest requirements under 24 CFR 85.36 (for governments) or 24 CFR 84.42 (for private nonprofit organizations).

Persons for whom the Conflict of Interest requirements apply include any person who is an employee, agent, consultant, officer, or elected or appointed official of the Subgrantee Agency. No person who exercises or has exercised any functions or responsibilities with respect to activities assisted under the ESG program, or who is in a position to participate in a decision-making process or gain inside information with regard to activities assisted under the Program, may obtain a financial interest or benefit from an assisted activity; have a financial interest in any contract, subcontract, or agreement with respect to an assisted activity; or have a financial interest in the proceeds derived from an assisted activity, either for him or herself or for those with whom he or she has family or business ties, during his or her tenure or during the one-year period following his or her tenure.

Upon the written request of OHCS, HUD may grant an exception to the provisions of this paragraph on a case-by-case basis. Subgrantees wishing an exception must submit requests to OHCS for review and forwarding to HUD. There is no guarantee that an exception will be approved.

## VII. Affirmative Outreach

Subgrantee must communicate and make known that use of ESG funded facilities, assistance and services are available to all on a nondiscriminatory basis. Subgrantee must develop and implement affirmative outreach written procedures and communication tools and materials to inform persons without regard to race, color, ethnicity, religion, sex, age, national origin, familial status, or disability, how to obtain access to facilities and services. If it appears the procedures Subgrantee intends to use to accomplish this will not reach persons of any particular race, color, religion, sex, age, national origin, familial status, or disability who may qualify for those activities and services, Subgrantee must establish additional procedures to ensure those persons are made aware of assistance opportunities. Outreach efforts must comply with Program Standard #3—*Emergency Shelter Operations (Safety and Accommodations for Special Populations)*.

Reasonable accommodations for persons with disabilities must be available in order to ensure disabled participants have an equal opportunity to utilize housing, including shelters, and receive essential services. Greater levels of accessibility may be required for some shelters in compliance with The Americans with Disabilities Act.

## VIII. Recordkeeping

### A. Client File Documentation

Sufficient records must be established and maintained to enable OHCS and HUD to determine whether ESG requirements are being met. Subgrantee must make sure any Subrecipients assisting Subgrantee with the ESG program also maintain appropriate and complete records.

Documentation of client eligibility and services received must be maintained in printed or electronically-saved client case files, including files for applicants found to be ineligible. File documentation will be the basis of OHCS monitoring to ensure Subgrantee is in compliance with program requirements and HUD regulations.

At the minimum, client files must contain the following, if applicable to Subgrantee's service to the program participant:

- Verification of use of centralized or coordinated assessment system;
- Signed Release of Information;
- Intake form and assessment of household needs;
- homeless or at risk of homelessness verification;
- Evidence applicant has no subsequent housing options and lacks sufficient resources to retain housing, but is not homeless;
- Rent Reasonableness documentation;
- Habitability Standards verification;
- Lead-based Paint visual assessment;

- Signed Lease Agreement;
- Signed Rental Assistance Agreement;
- Verification of client income and assets;
- Amount and type of essential emergency shelter services provided;
- Re-evaluations of eligibility;
- Housing Plan and housing assistance provided;
- Verification of outstanding rent arrears;
- Case notes;
- Evidence of referrals;
- Documentation of payments made on client's behalf; **and**
- Written notice of program termination.

## **B. Electronic Files**

If client file documents and signatures or policy documents are collected and maintained electronically, required documentation must be made available to OHCS in paper form when requested.

## **C. Records Retention**

Subgrantees shall retain all program records pertinent to client services and expenditures paid with ESG funds in a manner consistent with the requirements of state and federal law. This includes, but is not limited to, those requirements listed in Administrative Rule, Operations Manual and Special Schedules. Currently, program records including client files must be retained for five (5) years. Fiscal records, which include books, documents, papers, plans, and agency records that document all program expenditures, must be retained for a minimum of six (6) years, or such longer period as may be required due to any audit, controversy or litigation arising out of, or relating to, program use.

## **D. Available Forms**

Program forms and reference documents are available for download from the OHCS web site. Subgrantee may use these standard forms or acceptable equivalents when administering its ESG funded program. Any alternate form must collect all data requested on the standard form. OHCS encourages the use of the standard forms for consistency and ease of monitoring and compliance.

# **IX. Financial Management**

## **A. Administration**

Subgrantees may use up to 2.5% of reimbursed costs during the grant period for administrative costs inclusive of what may be shared with subcontractors (Subrecipients). Allowable administrative costs are those costs associated with the general management of the organization. These costs may include, but are not exclusive to: executive management; human resources; accounting, board expenses; general insurance; agency-wide audit; and

space and equipment costs attributable to the agency as a whole. Administrative costs must be charged to grant cost centers based on either a cost allocation plan or through use of an approved indirect cost rate in accordance with 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (also known as the “Super Circular”).

## **B. Program Match**

Except as provided in the next paragraph, OHCS will require Subgrantee to make matching contributions in an amount that equals the amount of ESG funds allocated by OHCS.

The first \$100,000 of OHCS’s ESG award from HUD is excluded and does not require match. OHCS may transfer through a waiver process the benefit of this exception to its Subgrantee agencies that are least capable of providing matching contributions. Subgrantees desirable of a waiver must contact the OHCS Homeless Coordinator.

Obtain matching contributions from any source, including any Federal (non-ESG) source, as well as state, local, and private sources. Use of any Federal source must not prohibit those funds from being used as ESG match and not already be matched with ESG funds. Subgrantee must ensure the laws governing any funds used as matching contributions do not prohibit the use of those funds as match.

All sources listed as match must meet these criteria:

- The matching contribution must be made after the date that HUD and OHCS sign the ESG Grant Agreement;
- Cash contributions must be expended within the expenditure deadline in 576.203;
- Non-cash contributions must be made within the expenditure deadline in 576.203.
- Contributions used to match a previous ESG grant may not be used to match a subsequent ESG grant;
- Contributions that have been or will be counted as satisfying a match requirement of other federal funds may not be used as match for ESG funding;
- The matching funds must be used for ESG eligible clients and activities; **and**
- If ESG funds are used to satisfy matching requirements of another federal program, funding from that program cannot be used to satisfy the matching requirements of ESG.

Possible sources of match, other than federal, state or local grants include:

- Cash;
- The value or fair rental value of any donated material or building;
- The value of any lease on a building;
- Any salary paid to staff to carry out the program of the recipient; **and**
- The value of the time and services contributed by volunteers.

Services provided by individuals must be valued at rates consistent with those ordinarily paid for similar work by Subgrantee. If Subgrantee does not have employees performing

similar work, the rates must be consistent with those ordinarily paid by other employers for similar work in the same labor market.

The value of any real property, equipment, goods or services can be used as match provided the costs would be allowable if Subgrantee had purchased them. Some non-cash contributions would be considered indirect costs if purchased by Subgrantee; match for these contributions may be given only if Subgrantee has established a special indirect cost rate for allocating the value of those contributions to individual projects or programs.

Costs paid by program income shall count as match if the costs are eligible ESG costs that supplement Subgrantee's ESG program.

Subgrantee must keep records of the source and use of contributions made to satisfy the matching requirement. Records must indicate the fiscal year grant for which each matching contribution is counted, as well as how the value of non-cash contributions was derived. To the extent feasible, volunteer services must be supported by the same methods that Subgrantee uses to support the allocation of regular personnel costs.

## **C. Funds Disbursement**

### **1) Use of OPUS**

The OPUS System is a web-based centralized data system designed to meet business-processing needs. Subgrantee staff must complete training before being authorized to use the fiscal operations program of OPUS. Training is provided by the Fiscal Grant Specialist at OHCS.

OHCS maintains an OPUS Manual and OPUS Help Desk. Staff can be reached at:

**Email:** [opushelp@hcs.state.or.us](mailto:opushelp@hcs.state.or.us)

**Ph:** (503) 986-2099

**Toll Free:** (800) 453-5511 Option 6

### **2) Request for Funding Documentation**

Subgrantee must retain supporting documentation of all costs charged to the ESG grant and be able to provide evidence that grant funds were spent on allowable costs.

### **3) Funds Spend Down**

Subgrantee will be expected to fully obligate or expend ESG funds from a previous funding cycle before spending funds from a current funding cycle. OHCS will periodically review Subgrantee's ESG spending, using OPUS data. OHCS may deallocate a portion of Subgrantee's ESG funds if Subgrantee cannot ensure that funds will be spent by the end of the expenditure period.

## **X. Monitoring**

### **A. Process**

OHCS will monitor Subgrantee's program administration once every three years or sooner if circumstances dictate a more frequent review is needed. Fiscal monitoring will be conducted annually unless an earlier review is warranted. Subgrantee will be notified thirty days in advance of the monitoring visit and informed of what documents and records will be reviewed and any required staff or Board interviews. After the monitoring visit, OHCS will provide Subgrantee with a written monitoring report inclusive of any findings, concerns or comments. Subgrantee must provide timely corrective action to findings and failure to do so may result in the withholding and/or return of ESG funds to OHCS or other possible remedies as described in the Master Grant Agreement signed by Subgrantee and OHCS.

### **B. Subgrantee Monitoring of Subrecipients**

Subgrantee shall perform onsite monitoring their Subrecipients at least once during and not later than the third quarter of the term of the Master Grant Agreement. Subgrantee must maintain and provide access to Subrecipient written monitoring procedures and reports as requested by OHCS.

### **C. Records Access**

Subgrantee and its Subrecipients shall permit OHCS, The Oregon Secretary of State's Office, the federal government, and the duly authorized representatives of such entities access to, and the right to copy, all program client and fiscal records for such purposes as research, data collection, evaluations, monitoring, and auditing. At the sole discretion of OHCS, access to records shall include the removing of records from Subgrantee's office. Access to records is not limited to the required retention period, but last as long as the records are retained.

Subgrantee must provide citizens, public agencies, and other interested parties with reasonable access to records regarding any uses of ESG funds the Subgrantee received during the preceding five years.

## XI. Acronyms and Definitions

### A. Acronym List

Acronyms commonly used are:

CAA	Community Action Agency
CFR	Code of Federal Regulations
COC	Continuum of Care
DHS	Department of Human Services, Oregon
ESG	Emergency Solutions Grant
FMR	Fair Market Rent
HH	Household
HMIS	Homeless Management Information System
HPRP	Homelessness Prevention and Rapid Re-Housing Program
HQS	Housing Quality Standards
HUD	United States Department of Housing and Urban Development
IDIS	Integrated Disbursement and Information System
OAR	Oregon Administrative Rules
ORS	Oregon Revised Statutes
SRO	Single Room Occupancy
TTA/T &TA	Training and Technical Assistance
URA	Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970
VA	Veteran's Administration

### B. Definitions

**Domestic Violence**: this definition includes domestic violence, dating violence, sexual assault, stalking, attempting to cause, or intentionally, knowingly or recklessly causing or placing another in fear of imminent serious physical injury or emotional, mental or verbal abuse, and using coercive or controlling behavior. This does not include other criminal acts such as violence perpetrated by a stranger, neighbor, acquaintance or friend, unless those persons are family members, intimate partners or household members. (Note: This definitional aligns with TANF rules and regulations)

**HMIS**: means Homeless Management Information System. OHCS uses ServicePoint as their HMIS; however, for Domestic Violence Shelters use a comparable database (see "HMIS" section of this manual).

**Recipient:** the state entity receiving funds directly from HUD through an executed grant agreement for the Emergency Solutions Grant Program also referred to as Oregon Housing & Community Services (OHCS).

**Shelter:** “Emergency shelter,” means any facility whose purpose is to provide temporary shelter for the homeless including congregate shelters, hotels/motels paid for by charitable organizations, or federal, state and/or local government programs, which do not require occupants to sign leases or occupancy agreements.

**Subgrantee Agency:** Community Action Agencies (or other qualified entities) that receive funding from the Recipient (OHCS) and provides direct client services. Subgrantee Agencies may contract direct client services to Subrecipients.

**Subrecipient(s):** Subrecipients are entities that, by contract with the Subgrantee Agency, provide ESG direct client services and receive funding directly from the Subgrantee Agency. In its agreements with Subgrantee Agency, Subrecipients will comply with all requirements for the Emergency Solutions Grant.

**Support Network:** examples include family, friends and faith-based or other social networks.

**Temporary Living:** residing in a facility for fewer than 90 days

**Unaccompanied Youth:** unaccompanied youth are less than 25 years of age and homeless under other Federal statutes **and:**

- (A) Have not had a lease, ownership interest, or occupancy agreement in permanent housing during the 60 days prior to the homeless assistance application;
- (B) Have experienced persistent instability as measured by two moves or more in the preceding 60 days; **and**
- (C) Can be expected to continue in such status for an extended period due to special needs or barriers.

## **XII. Appendices**

The following appendices are attached to this Manual:

**Appendix 1:** Links to Applicable Rules and Regulations

**Appendix 2:** Homeless and At Risk of Homelessness Definitions

**Appendix 3:** Income Documentation Requirements

**Appendix 4:** Homeless and At-Risk of Homelessness Documentation

**Appendix 5:** Assessing Housing Options/Resources

**Appendix 6:** Homeless Prevention Documentation

**Appendix 7:** Rapid Re-Housing Documentation

## Appendix 1: Applicable Rules and Regulations

All the following as may be amended from time to time:

1. 24 CFR 5 subpart F: [Occupancy Requirements for Section 8 Project-Based Assistance](#)
2. 24 CFR part 91: [Consolidated Submissions for Community Planning and Development Programs](#)
3. 24 CFR part 576: [Emergency Solutions Grant Program](#)
4. 24 CFR part 121: [Homeless Management Information System \(HMIS\)](#)
5. 24 CFR part 982: [Fair Market Rent and Rent Reasonableness](#)
6. ORS 456.515 through 456.725: [Housing and Community Services Department](#)
7. ORS 458.505 through 458.545: [Community Services Programs](#)
8. OAR 813-145: [Emergency Solutions Grant Program](#)
9. This manual as a guideline for ESG program management.
10. Lead-Based Paint: <http://www2.epa.gov/lead> and [24 CFR part 35](#)
11. Lead-Based Paint pamphlet:  
[http://portal.hud.gov/hudportal/documents/huddoc?id=DOC\\_11875.pdf](http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_11875.pdf)
12. Annual Median Income:  
<https://www.hudexchange.info/resource/4018/2014-hud-median-income-limits-30/>
13. HUD Resource Exchange: <https://www.hudexchange.info/esg/>
  - ESG program guidance
  - Federal regulations
  - Tools and technical assistance
  - Listserv opportunities
  - Frequently Asked Questions
14. Personal Responsibility and Work Opportunity Reconciliation Act of 1996:  
<http://www.gpo.gov/fdsys/pkg/PLAW-104publ193/content-detail.html>
15. Housing Choice Voucher Guidebook:  
[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/administration/hudclips/guidebooks/7420.10G](http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/guidebooks/7420.10G).
16. CFRs cited are amended from time to time and can be found at:  
<http://www.ecfr.gov/cgi-bin/text-idx?c=ecfr&tpl=%2Findex.tpl>
17. ORS cited are amended from time to time and can be found at:  
[https://www.oregonlegislature.gov/bills\\_laws](https://www.oregonlegislature.gov/bills_laws)
18. OARs cited are amended from time to time and can be found at:  
<http://arcweb.sos.state.or.us/pages/rules/access/numerically.html>
19. OMBs cited are amended from time to time and can be found at:  
[http://www.whitehouse.gov/omb/circulars\\_default](http://www.whitehouse.gov/omb/circulars_default)

## Appendix 2A: Criteria for Defining Homelessness



# Homeless Definition

<b>CRITERIA FOR DEFINING HOMELESS</b>	<b>Category 1</b>	<b>Literally Homeless</b>	<p>(1) Individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:</p> <ul style="list-style-type: none"> <li>(i) Has a primary nighttime residence that is a public or private place not meant for human habitation;</li> <li>(ii) Is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state and local government programs); <u>or</u></li> <li>(iii) Is exiting an institution where (s)he has resided for 90 days or less <u>and</u> who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution</li> </ul>
	<b>Category 2</b>	<b>Imminent Risk of Homelessness</b>	<p>(2) Individual or family who will imminently lose their primary nighttime residence, provided that:</p> <ul style="list-style-type: none"> <li>(i) Residence will be lost within 14 days of the date of application for homeless assistance;</li> <li>(ii) No subsequent residence has been identified; <u>and</u></li> <li>(iii) The individual or family lacks the resources or support networks needed to obtain other permanent housing</li> </ul>
	<b>Category 3</b>	<b>Homeless under other Federal statutes</b>	<p>(3) Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:</p> <ul style="list-style-type: none"> <li>(i) Are defined as homeless under the other listed federal statutes;</li> <li>(ii) Have not had a lease, ownership interest, or occupancy agreement in permanent housing during the 60 days prior to the homeless assistance application;</li> <li>(iii) Have experienced persistent instability as measured by two moves or more during in the preceding 60 days; <u>and</u></li> <li>(iv) Can be expected to continue in such status for an extended period of time due to special needs or barriers</li> </ul>
	<b>Category 4</b>	<b>Fleeing/ Attempting to Flee DV</b>	<p>(4) Any individual or family who:</p> <ul style="list-style-type: none"> <li>(i) Is fleeing, or is attempting to flee, domestic violence;</li> <li>(ii) Has no other residence; <u>and</u></li> <li>(iii) Lacks the resources or support networks to obtain other permanent housing</li> </ul>

## Appendix 2B: Criteria for Defining At-Risk of Homelessness

Applicable Program	Category	Definition Title	Definition
ESG	Category 1	Individuals and Families	<p>(1) An individual or family who:</p> <ul style="list-style-type: none"> <li>(i) Has an annual income at* or below 30% AMI; <u>AND</u>;</li> <li>(ii) Does not have sufficient resources or support networks immediately available to prevent them from moving to an emergency shelter or another place defined in Category 1 of the “Homeless” definition; <u>AND</u></li> <li>(iii) Meets one of the following conditions: <ul style="list-style-type: none"> <li>(a) Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for assistance; OR</li> <li>(b) Is living in the home of another due to economic hardship; OR</li> <li>(c) Has been notified that their right to occupy their current housing or living situation will be terminated with 21 days after the date of application for assistance; OR</li> <li>(d) Lives in a hotel/motel and the cost is not paid for by charitable organizations or federal, state, or local government programs for low-income individuals; OR</li> <li>(e) Lives in an SRO or efficiency apartment which there resides more than 2 persons or lives in a larger housing unit in which there resides more than one and a half persons per room; OR</li> <li>(f) Is exiting a publicly funded institution or system of care; OR</li> <li>(g) Otherwise lives in housing with characteristics associated with instability and an increased risk of homelessness as identified in the Recipient’s Con Plan</li> </ul> </li> </ul>
ESG	Category 2	Unaccompanied Children and Youth	<p>(1) A child or youth that does not qualify as homeless under the “Homeless” definition, but qualifies as homeless under other Federal Statutes</p>
ESG	Category 3	Families with Children and Youth	<p>(1) An unaccompanied youth who does not qualify as homeless under the “Homeless” definition, but qualifies as homeless under Section 725(2) of the McKinney-Vento Homeless Assistance Act, and the parent(s) or guardian(s) of that child or youth living with him or her</p>

[https://www.hudexchange.info/resources/documents/AtRiskofHomelessnessDefinition\\_Criteria.pdf](https://www.hudexchange.info/resources/documents/AtRiskofHomelessnessDefinition_Criteria.pdf)

**\*Per clarification and approval from HUD.**

## Appendix 2C: Eligibility by ESG Component

Applicable Program	Component	Definition
ESG	<p align="center"><b>Street Outreach</b></p>	<p>Individuals or families defined as Homeless under the following categories are eligible for assistance in Street Outreach:</p> <ul style="list-style-type: none"> <li>• Category 1 – Literally Homeless</li> <li>• Category 4 – Fleeing/Attempting to Flee Domestic Violence (where the individual or family also meets the criteria for Category 1)</li> </ul> <p>Street Outreach projects have the following additional limitations on eligibility within Category 1</p> <p>Individuals and families must be living on the streets (or other places not meant for human habitation) and be unwilling or unable to access services in emergency shelter</p>
	<p align="center"><b>Emergency Shelter</b></p>	<p>Individuals and families defined as Homeless under the following categories are eligible for assistance in Emergency Shelter:</p> <ul style="list-style-type: none"> <li>• Category 1 – Literally Homeless</li> <li>• Category 2 – Imminent Risk of Homelessness</li> <li>• Category 3 – Homeless Under Other Federal Statutes</li> <li>• Category 4 – Fleeing/Attempting to Flee Domestic Violence</li> </ul>
	<p align="center"><b>Rapid Re-Housing</b></p>	<p>Individuals or families defined as Homeless under the following categories are eligible for assistance in Rapid Re-Housing Projects:</p> <ul style="list-style-type: none"> <li>• Category 1 – Literally Homeless</li> <li>• Category 4 – Fleeing/Attempting to Flee Domestic Violence (where the individual or family also meets the criteria for Category 1)</li> </ul>
	<p align="center"><b>Homelessness Prevention</b></p>	<p>Individuals or families defined as Homeless under the following categories are eligible for assistance in Homelessness Prevention projects:</p> <ul style="list-style-type: none"> <li>• Category 2 – Imminent Risk of Homelessness</li> <li>• Category 3 – Homeless Under Other Federal Statutes</li> <li>• Category 4 – Fleeing/Attempting to Flee Domestic Violence</li> </ul> <p><b>AND</b></p> <ul style="list-style-type: none"> <li>• Individuals and Families who are defined as At-Risk of Homelessness are eligible for assistance in Homelessness Prevention projects</li> </ul> <p>Homelessness Prevention projects have the following additional limitations on eligibility with homeless and at-risk of homelessness: Must only serve individuals and families that have an annual income <u>at*</u> or <u>below</u> 30% Area Median Income</p>

**\*Per clarification and approval from HUD.**

## Appendix 3: Income Documentation Requirements

Type of Income	Include in Income Calculation	Acceptable Types of Documentation	Documentation Requirements and Process	
Wages, salary, etc.	Yes	Copy of most recent paystub(s)	<ul style="list-style-type: none"> <li>▪ Obtain copy(ies) of most recent pay stub(s) from applicant</li> <li>▪ Include copy(ies) in participant file</li> </ul>	
		OR		
		Written verification of income	<ul style="list-style-type: none"> <li>▪ Mail, fax, email written verification of income request directly to employer(s)</li> <li>▪ Obtain signed and dated verification of income from employer(s)</li> <li>▪ Include verification of income in file</li> </ul>	
		OR <i>(if written third-party documentation cannot be obtained)</i>		
		Oral verification of income	<ul style="list-style-type: none"> <li>▪ Contact employer(s) by phone or in person to obtain oral verification.</li> <li>▪ Document oral verification of income</li> <li>▪ Include verification of Income in file.</li> </ul>	
		OR <i>(if written documentation or oral third-party verification is not obtained)</i>		
		Self-declaration of income	<ul style="list-style-type: none"> <li>▪ Obtain signed and dated original self-declaration of income from applicant</li> <li>▪ ESG worker must document attempt to obtain third-party verification (written or oral) and sign self-declaration of income</li> <li>▪ Include self-declaration of income in file</li> </ul>	
Business income <sup>1</sup>	Yes	Copy of most recent federal or state tax return showing <u>net</u> business income	<ul style="list-style-type: none"> <li>▪ Obtain copy of most recent federal or state tax return from applicant</li> <li>▪ Include copy in file</li> </ul>	
		OR <i>(if written documentation cannot be obtained)</i>		
		Self-declaration of income	<ul style="list-style-type: none"> <li>▪ Obtain signed and dated original self-declaration of income from applicant</li> <li>▪ ESG worker must document attempt to obtain third-party verification (written or oral) and sign self-declaration of income</li> <li>▪ Include self-declaration of income in file</li> </ul>	
<p><sup>1</sup> It can be a challenge for Subgrantee Agency/Subrecipient to obtain third-party verification of self-employment income. When third-party verification is not available, Subgrantee Agency/Subrecipient should always accept the most recently filed tax returns.</p>				

Type of Income	Include in Income Calculation	Acceptable Types of Documentation	Documentation Requirements and Process	
Interest and dividend income	Yes	Copy of most recent interest or dividend income statement	<ul style="list-style-type: none"> <li>▪ Obtain copy(ies) of most recent interest or dividend income statement from applicant</li> <li>▪ Include copy(ies) in file</li> </ul>	
		OR		
		Copy of most recent federal or state tax return showing interest, dividend or other net income	<ul style="list-style-type: none"> <li>▪ Obtain copy of most recent federal or state tax return from applicant.</li> <li>▪ Include copy in file.</li> </ul>	
		OR <i>(if written documentation cannot be obtained)</i>		
		Self-declaration of income	<ul style="list-style-type: none"> <li>▪ Obtain signed and dated original self-declaration of income from applicant.</li> <li>▪ ESG worker must document attempt to obtain third-party verification (written or oral) and sign self-declaration of income.</li> <li>▪ Include self-declaration of income in file.</li> </ul>	
Pension and/or retirement income	Yes	Copy of recent statement or benefit notice from Social Security Administration (SSA), pension provider, or other source	<ul style="list-style-type: none"> <li>▪ Obtain copy(ies) of most recent benefit notice, pension statement or other payment statement from applicant</li> <li>▪ Include copy(ies) in file</li> </ul>	
		OR		
		Written verification of income	<ul style="list-style-type: none"> <li>▪ Mail, fax, email verification of income request directly to Social Security, pension provider or other source</li> <li>▪ Obtain signed and dated verification of income from income source</li> <li>▪ Include Verification of Income in file</li> </ul>	
		OR <i>(if written third party documentation cannot be obtained)</i>		
		Oral verification of income	<ul style="list-style-type: none"> <li>▪ Contact source(s) by phone or in person to obtain oral verification of income</li> <li>▪ Document oral verification of income</li> <li>▪ Include Verification of Income in file</li> </ul>	
		OR <i>(if written documentation or oral third-party verification cannot be obtained)</i>		

Type of Income	Include in Income Calculation	Acceptable Types of Documentation	Documentation Requirements and Process
		Self-declaration of income	<ul style="list-style-type: none"> <li>▪ Obtain signed and dated original self-declaration of income from applicant</li> <li>▪ ESG worker must document attempt to obtain third-party verification (written or oral) and sign self-declaration of income</li> <li>▪ Include self-declaration of income in file</li> </ul>
Unemployment and disability income	Yes	Copy of most recent unemployment, worker's compensation, SSI, SSDI, or severance payment statement or benefit notice	<ul style="list-style-type: none"> <li>▪ Obtain copy(ies) of most recent payment statement(s) and/or benefit notice(s) from applicant</li> <li>▪ Include copy(ies) in file</li> </ul>
		OR	
		Written verification of income	<ul style="list-style-type: none"> <li>▪ Mail, fax, email verification of income request directly to unemployment administrator, worker's compensation administrator, or former employer</li> <li>▪ Obtain signed and dated verification of income from income source</li> <li>▪ Include verification of income in file</li> </ul>
		OR <i>(if written third party documentation cannot be obtained)</i>	
		Oral verification of income	<ul style="list-style-type: none"> <li>▪ Contact source(s) by phone or in person to obtain oral verification of income</li> <li>▪ Document oral verification of income</li> <li>▪ Include Verification of Income in file</li> </ul>
		OR <i>(if written documentation or oral third-party verification cannot be obtained)</i>	
Self-declaration of income	<ul style="list-style-type: none"> <li>▪ Obtain signed and dated original self-declaration of income from applicant</li> <li>▪ ESG worker must document attempt to obtain third-party verification (written or oral) and sign self-declaration of income</li> <li>▪ Include self-declaration of income in file</li> </ul>		
TANF/public assistance	Yes	Copy of most recent TANF payment statement or	<ul style="list-style-type: none"> <li>▪ Obtain copy(ies) of most recent benefit notice(s) or payment statement(s)</li> </ul>

Type of Income	Include in Income Calculation	Acceptable Types of Documentation	Documentation Requirements and Process
		benefit notice	from applicant ▪ Include copy(ies) in file
OR			
		Written verification of income	▪ Mail, fax, email verification of income request directly to TANF administrator ▪ Obtain signed and dated verification of income from income source ▪ Include verification of income in file
OR <i>(if written third party documentation cannot be obtained)</i>			
		Oral verification of income	▪ Contact source(s) by phone or in person to obtain oral verification of income ▪ Document oral verification of income ▪ Include Verification of Income in file
OR <i>(if written documentation or oral third-party verification cannot be obtained)</i>			
		Self-declaration of income	▪ Obtain signed and dated original self-declaration of income from applicant ▪ ESG worker must document attempt to obtain third-party verification (written or oral) and sign self-declaration of income ▪ Include self-declaration of income in file
Armed Forces income	Yes	Copy of pay stubs, payment statement, or other government-issued statement indicating income amount	▪ Obtain copy(ies) of most recent payment stubs(s), statements, or other government-issued statement from applicant ▪ Include copy(ies) in file
		OR	
		Written verification of income	▪ Mail, fax, email verification of income request directly to appropriate armed services representative ▪ Obtain signed and dated verification of income from income source ▪ Include Verification of Income in file
OR <i>(if written third-party documentation cannot be obtained)</i>			

Type of Income	Include in Income Calculation	Acceptable Types of Documentation	Documentation Requirements and Process
		Oral verification of income	<ul style="list-style-type: none"> <li>▪ Contact source(s) by phone or in person to obtain oral verification of income</li> <li>▪ Document oral verification of income</li> <li>▪ Include Verification of Income in file</li> </ul>
		OR <i>(if written documentation or oral-third party verification cannot be obtained)</i>	
		Self-declaration of income	<ul style="list-style-type: none"> <li>▪ Obtain signed and dated original self-declaration of income from applicant</li> <li>▪ ESG worker must document attempt to obtain third-party verification (written or oral) and sign self-declaration of income</li> <li>▪ Include self-declaration of income in file</li> </ul>
No Income Reported	N/A	Self-declaration of income	<ul style="list-style-type: none"> <li>▪ Obtain signed and dated original self-declaration of income from applicant</li> <li>▪ ESG worker must document attempt to obtain third-party verification (written or oral) and sign self-declaration of income</li> <li>▪ Include self-declaration of income in file</li> </ul>

## Appendix 4A: Homeless Acceptable Documentation

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">RECORDKEEPING REQUIREMENTS</p> 	<p><b>Category 1</b></p>	<p>Literally Homeless</p>	<ul style="list-style-type: none"> <li>• Written observation by the outreach worker; <u>or</u></li> <li>• Written referral by another housing or service provider; <u>or</u></li> <li>• Certification by the individual or head of household seeking assistance stating that (s)he was living on the streets or in shelter;</li>   <li>• For individuals exiting an institution—one of the forms of evidence above <u>and</u>:                             <ul style="list-style-type: none"> <li>○ discharge paperwork <u>or</u> written/oral referral, <u>or</u></li> <li>○ written record of intake worker’s due diligence to obtain above evidence <u>and</u> certification by individual that they exited institution</li> </ul> </li> </ul>
	<p><b>Category 2</b></p>	<p>Imminent Risk of Homelessness</p>	<ul style="list-style-type: none"> <li>• A court order resulting from an eviction action notifying the individual or family that they must leave; <u>or</u></li> <li>• For individual and families leaving a hotel or motel—evidence that they lack the financial resources to stay; <u>or</u></li> <li>• A documented and verified oral statement; <u>and</u></li>   <li>• Certification that no subsequent residence has been identified; <u>and</u></li> <li>• Self-certification or other written documentation that the individual lack the financial resources and support necessary to obtain permanent housing</li> </ul>
	<p><b>Category 3</b></p>	<p>Homeless under other Federal statutes</p>	<ul style="list-style-type: none"> <li>• Certification by the nonprofit or state or local government that the individual or head of household seeking assistance met the criteria of homelessness under another federal statute; <u>and</u></li> <li>• Certification of no PH in last 60 days; <u>and</u></li> <li>• Certification by the individual or head of household, and any available supporting documentation, that (s)he has moved two or more times in the past 60 days; <u>and</u></li> <li>• Documentation of special needs <u>or</u> 2 or more barriers</li> </ul>
	<p><b>Category 4</b></p>	<p>Fleeing/ Attempting to Flee DV</p>	<ul style="list-style-type: none"> <li>• <i>For victim service providers:</i> <ul style="list-style-type: none"> <li>○ An oral statement by the individual or head of household seeking assistance which states: they are fleeing; they have no subsequent residence; and they lack resources. Statement must be documented by a self-certification or a certification by the intake worker.</li> </ul> </li> <li>• <i>For non-victim service providers:</i> <ul style="list-style-type: none"> <li>○ Oral statement by the individual or head of household seeking assistance that they are fleeing. This statement is documented by a self-certification or by the caseworker. Where the safety of the individual or family is not jeopardized, the oral statement must be verified; <u>and</u></li> <li>○ Certification by the individual or head of household that no subsequent residence has been identified; <u>and</u></li> <li>○ Self-certification, or other written documentation, that the individual or family lacks the financial resources and support networks to obtain other permanent housing.</li> </ul> </li> </ul>

## Appendix 4B: At-Risk of Homelessness Acceptable Documentation

<p><b>Record Keeping Requirements</b></p>	<p><b>Category 1</b></p>	<p><b>Individual or Household</b></p>	<p><b>Self-certification ,or other written documentation, that the program participant has insufficient financial resources and support networks immediately available to attain housing stability, AND</b></p> <p>Includes source documents (e.g., notice of termination from employment, unemployment compensation statement, bank statement, health-care bill showing arrears, utility bill showing arrears, <b>OR</b></p> <ol style="list-style-type: none"> <li>1. Written statement by relevant third party or the written certification by the Subgrantee Agency/Subrecipient’s intake worker/case manager of the oral verification by the relevant third party that the applicant meets the criteria for the definition of “at-risk of homelessness”; <b>OR</b></li> <li>2. Written statement by the Subgrantee Agency/Subrecipient’s intake worker/case manager describing the efforts taken to obtain the required evidence; <b>AND</b> The most reliable evidence available to show that the program participant meets one or more of the conditions to meet the criteria for the definition of “at-risk of homelessness.” Acceptable evidence includes:             <ol style="list-style-type: none"> <li>a. Source documents of eviction notice, notice of termination from employment, bank statement, <b>OR</b></li> <li>b. Written statement by relevant third party or the written certification by the Subgrantee Agency/Subrecipient’s intake worker/case manager of the oral verification by the relevant third party that the applicant meets one or more of the criteria for the definition of “at-risk of homelessness”, <b>OR</b></li> <li>c. Written statement by the Subgrantee Agency/Subrecipient’s intake worker/case manager that the staff person has visited the applicant’s residence and determined that the applicant meets one or more of the criteria for the definition of “at-risk of homelessness” or, if a visit is not practicable or relevant to the determination, a written statement by the Subgrantee Agency/Subrecipient’s intake worker/case manager describing the efforts taken to obtain the required evidence.</li> </ol> </li> </ol>
---	--------------------------	---------------------------------------	---

<b>Record Keeping Requirements</b>	<b>Category 2</b>  <b>OR</b>  <b>Category 3</b>	<b>Child or youth who qualifies as homeless under other statutes</b>  <b>OR</b>  <b>Child or youth who qualifies as homeless under section 725(2) of the McKinney-Vento Homeless Assistance Act</b>	<p>Certification of the child or youth’s homeless status by the agency or organization responsible for administering assistance under one of the following:</p> <ul style="list-style-type: none"> <li>• Runaway and Homeless Youth Act (42 USC 5701 <i>et seq.</i>)</li> <li>• Head Start Act (42 USC 9831 <i>et seq.</i>)</li> <li>• Subtitle N of the Violence Against Women Act of 1994 (42 USC 14043e <i>et seq.</i>)</li> <li>• Section 330 of the Public Health Service Act (42 USC 254b)</li> <li>• Food and Nutrition Act of 2008 (7 USC 2011 <i>et seq.</i>)</li> <li>• Section 17 of the Child Nutrition Act of 1966 (42 USC 1786)</li> <li>• Subtitle B of the title VII of the McKinney-Vento Homeless Assistance Act (42 USC 11431 <i>et seq.</i>)</li> </ul>
------------------------------------	---	---	---

## Appendix 5: Assessing Housing Options/Resources

Housing Options and Resources	Meets ESG Requirements	Acceptable Types of Documentation	Documentation Requirements and Process
<b>Other Subsequent Housing Options</b>	Yes, if no appropriate subsequent housing options have been identified	Assessment of housing options by ESG or other authorized ESG staff	<ul style="list-style-type: none"> <li>▪ Assess with applicant all other appropriate (i.e., safe, affordable, available) subsequent housing options</li> <li>▪ Verify that no other appropriate subsequent housing options are available</li> <li>▪ <i>Assessment Must:</i> <ul style="list-style-type: none"> <li>○ Be documented by ESG case manager or other authorized staff</li> <li>○ Include assessment summary or other statement indicating that applicant has no other appropriate housing options</li> <li>○ Be signed and dated by ESG case manager or other authorized staff</li> </ul> </li> <li>▪ Include assessment and verification of no other subsequent housing options in file</li> </ul>
<b>AND</b>			
<b>Financial Resources and Support Networks</b>	Yes, if participant lacks the financial resources and support networks needed to obtain immediate housing or remain in existing housing	Assessment of financial resources and support networks by ESG case manager or other authorized ESG staff	<ul style="list-style-type: none"> <li>▪ Assess with applicant all financial resources and support networks (i.e., friends, family or other personal sources of financial or material support)</li> <li>▪ Verify that applicant lacks financial resources and support networks to obtain other appropriate subsequent housing or remain in existing housing</li> <li>▪ <i>Assessment Must</i> <ul style="list-style-type: none"> <li>○ Be documented by ESG case manager or other authorized staff</li> <li>○ Include review of current account balances in checking and savings accounts held by applicant household</li> <li>○ Include assessment summary or other statement indicating that applicant lacks financial resources and support networks to obtain other appropriate subsequent housing or remain in existing housing</li> <li>○ Be signed and dated by ESG case manager or other authorized staff</li> </ul> </li> <li>▪ Include assessment and verification of insufficient financial resources and support networks in file</li> </ul>

## Appendix 6: Homelessness Prevention Documentation

Living Situation	At Risk of Homelessness per ESG Criteria	Acceptable Types of Documentation <sup>1</sup>	Documentation Requirements and Process
<p><b>Current living situation including:</b></p> <ul style="list-style-type: none"> <li>▪ Rented by Applicant</li> <li>▪ Owned by Applicant</li> <li>▪ Other Housing Occupied by Applicant without Paying Rent (including housing shared with friends or family)</li> <li>▪ Hospital or other institution</li> <li>▪ Hotels or Motels not paid for by Federal, State or local government or charitable programs</li> </ul>	<p>Yes, but only if without ESG assistance household will lose housing and become homeless (i.e., require emergency shelter or sleep in a place not meant for human habitation)</p>	<p>Copy of eviction notice from landlord/property manager of unit or court order based on eviction action that notifies the applicant that they must leave</p> <p>AND</p> <p>Copy of lease naming applicant as leaseholder</p>	<ul style="list-style-type: none"> <li>▪ Obtain copy of eviction notice (typed or handwritten) or court order AND copy of lease</li> <li>▪ <i>Eviction Notice/Court Order Must:</i> <ul style="list-style-type: none"> <li>○ Identify the ESG applicant and unit where ESG applicant is the leaseholder</li> <li>○ Indicate that applicant must leave their housing</li> <li>○ Be signed and dated by owner/landlord or court</li> </ul> </li> <li>▪ Include eviction notice or court order and copy of lease in participant file</li> </ul>
		<p>Copy of notice indicating building in which applicant is renting or otherwise residing is being foreclosed on</p> <p>AND</p> <p>Copy of lease naming applicant as leaseholder</p>	<ul style="list-style-type: none"> <li>▪ Obtain copy of foreclosure notice (may include notice from landlord/property manager, court, published in local newspaper or other print or on-line public record documentation) <b>AND</b> copy of lease</li> <li>▪ <i>Foreclosure Notice Must:</i> <ul style="list-style-type: none"> <li>○ Identify the building or unit where ESG applicant is the leaseholder or is otherwise residing</li> <li>○ Indicate that housing is being foreclosed on</li> <li>○ If written notice to applicant, be signed and dated by the landlord or property manager</li> </ul> </li> <li>▪ Include notice and copy of lease in participant file</li> </ul>
		<p>Copy of eviction letter from host family or friend who owns or rents the housing that notifies the applicant that they must leave</p> <p>AND</p> <p>Copy of lease naming host family/friend as</p>	<ul style="list-style-type: none"> <li>▪ Obtain copy of eviction letter (typed or handwritten) AND copy of lease</li> <li>▪ <i>Eviction Letter Must:</i> <ul style="list-style-type: none"> <li>○ Identify the ESG applicant and unit where ESG applicant is residing</li> <li>○ Indicate that applicant must leave owner's/renter's housing</li> <li>○ Be signed and dated by the host owner/renter</li> </ul> </li> <li>▪ Include eviction letter and copy of lease in participant file</li> </ul>

Living Situation	At Risk of Homelessness per ESG Criteria	Acceptable Types of Documentation <sup>1</sup>	Documentation Requirements and Process
<p><b>Current living situation including:</b></p> <ul style="list-style-type: none"> <li>▪ Rented by Applicant</li> <li>▪ Owned by Applicant</li> <li>▪ Other Housing Occupied by Applicant without Paying Rent (including housing shared with friends or family)</li> </ul>	<p>Yes, but only if without ESG assistance household will lose their housing and become homeless (i.e., require emergency shelter or sleep in a place not meant for human habitation)</p>	leaseholder	
		Copy of utility shut-off notice from utility company	<ul style="list-style-type: none"> <li>▪ Obtain copy of utility shut-off notice</li> <li>▪ <i>Shut-Off Notice Must:</i> <ul style="list-style-type: none"> <li>○ Identify the ESG applicant and unit where ESG applicant is the leaseholder</li> <li>○ Indicate that utility shut off/disconnection is imminent (e.g. within XX days) will be shut-off</li> <li>○ Be signed and dated by utility company representative and/or include utility company contact information</li> </ul> </li> <li>▪ Include utility shut-off notice in participant file</li> </ul>
		<p>Copy of notice from landlord/property manager, public health, code enforcement, fire marshal, child welfare or other government entity that housing is condemned</p> <p>AND</p> <p>Copy of lease naming applicant as leaseholder</p>	<ul style="list-style-type: none"> <li>▪ Obtain copy of notice (may include notice published in local newspaper or government jurisdiction’s website) AND copy of lease</li> <li>▪ <i>Notice Must:</i> <ul style="list-style-type: none"> <li>○ Identify the building or unit where ESG applicant is the leaseholder or is otherwise residing</li> <li>○ Indicate that housing is condemned (i.e., unfit for human habitation)</li> <li>○ If written notice, be signed and dated by the landlord property manager, public health, code enforcement, fire marshal, child welfare, or other government entity</li> </ul> </li> <li>▪ Include notice and copy of lease in participant file</li> </ul>
		Copy of foreclosure notice from lending institution	<ul style="list-style-type: none"> <li>▪ Obtain copy of foreclosure notice.</li> <li>▪ <i>Foreclosure Notice Must:</i> <ul style="list-style-type: none"> <li>○ Be on financial institution letterhead</li> <li>○ Identify the ESG applicant and residence where ESG applicant is the homeowner</li> <li>○ Indicate that applicant must leave their</li> </ul> </li> </ul>

Living Situation	At Risk of Homelessness per ESG Criteria	Acceptable Types of Documentation <sup>1</sup>	Documentation Requirements and Process
<ul style="list-style-type: none"> <li>▪ Hospital or other institution</li>   <li>▪ Hotels or Motels not paid for by Federal, State or local government or charitable programs</li> </ul>			<ul style="list-style-type: none"> <li>housing                             <ul style="list-style-type: none"> <li>○ Be signed and dated by financial institution</li> </ul> </li> <li>▪ Include foreclosure notice in participant file</li> </ul>
		Written statement from hospital or other institution	<ul style="list-style-type: none"> <li>▪ Obtain letter from hospital or other institution</li> <li>▪ <i>Letter Must:</i> <ul style="list-style-type: none"> <li>○ Be on hospital or other institution letterhead</li> <li>○ Include statement verifying current hospital/institution stay of ESG applicant</li> <li>○ Indicate the individual has no housing (other than emergency shelter) to return to upon discharge</li> <li>○ Indicate the institution has followed all appropriate discharge procedures and cannot find housing for the individual</li> <li>○ Be signed and dated by hospital/institution representative</li> </ul> </li> <li>▪ Include hospital/institution letter in participant file</li> </ul>
		Self-declaration  <i>NOTE: Self-Declaration is only acceptable if third party documentation cannot be obtained</i>	<ul style="list-style-type: none"> <li>▪ Obtain signed and dated original self-declaration from applicant</li> <li>▪ ESG worker must document attempt to obtain third party documentation and sign self-declaration form</li> <li>▪ Include self-declaration in participant file</li> </ul>

Acceptable documentation depends on what factors Subgrantee Agency/Subrecipient select to determine whether an applicant will lose their housing but for ESG assistance. The list is not all-inclusive.

## Appendix 7: Rapid Re-Housing Documentation

Living Situation	Homeless per ESG Criteria	Acceptable Types of Documentation <i>(in order of preference)</i>	Documentation Requirements and Process	
<p><b>Sleeping in an Emergency Shelter</b></p> <p>Note: This only includes Emergency Shelter programs identified in the Continuum of Care’s (CoC) most recent Housing Inventory Chart submitted to HUD or otherwise recognized by the CoC as part of the CoC inventory (e.g. newly established Emergency Shelters)</p>	Yes	HMIS record of shelter stay	<ul style="list-style-type: none"> <li>▪ Obtain HMIS record showing shelter stay concurrent with ESG program entry date</li> <li>▪ Include HMIS record in ESG participant file</li> </ul>	
		<p><b>OR</b></p> <p><i>(if HMIS record cannot be obtained)</i></p>		
		Written homeless certification	<ul style="list-style-type: none"> <li>▪ Obtain signed and dated original Homeless Certification from shelter provider</li> <li>▪ Include Homeless Certification in ESG participant file</li> </ul>	
		<p><b>OR</b></p> <p><i>(if HMIS record and ESG Homeless Certification cannot be obtained)</i></p>		
Emergency shelter provider letter	<ul style="list-style-type: none"> <li>▪ Obtain letter from emergency shelter provider</li> <li>▪ <i>Letter Must:</i> <ul style="list-style-type: none"> <li>○ Be on shelter provider letterhead</li> <li>○ Identify shelter program</li> <li>○ Include statement verifying current shelter occupancy of ESG participant, including most recent entry and exit (if applicable) dates</li> <li>○ Be signed and dated by shelter provider</li> </ul> </li> <li>▪ Include emergency shelter provider letter in participant file</li> </ul>			
<p><b>Place Not Meant for Human Habitation (e.g., cars, parks, abandoned buildings, streets/sidewalks)</b></p>	Yes	Written homeless certification	<ul style="list-style-type: none"> <li>▪ Obtain signed and dated original Homeless Certification from homeless street outreach provider</li> <li>▪ Include Homeless Certification in ESG participant file</li> </ul>	
		<p><b>OR</b></p> <p><i>(if ESG Homeless Certification cannot be obtained)</i></p>		
		Homeless street outreach provider letter	<ul style="list-style-type: none"> <li>▪ Obtain letter from homeless street outreach provider. The letter may be from the ESG-funded rapid re-housing provider if the provider also provides outreach to persons on the street as part of engagement and admission activities</li> <li>▪ <i>Letter Must:</i> <ul style="list-style-type: none"> <li>○ Be on outreach provider letterhead</li> <li>○ Identify outreach program</li> <li>○ Include statement verifying current homeless status</li> </ul> </li> </ul>	

Living Situation	Homeless per ESG Criteria	Acceptable Types of Documentation <i>(in order of preference)</i>	Documentation Requirements and Process
			of ESG participant <ul style="list-style-type: none"> <li>○ Be signed and dated by outreach provider</li> <li>▪ Include outreach provider letter in participant file</li> </ul>
<b>OR</b> <i>(if ESG Homeless Certification and provider letter cannot be obtained)</i>			
		Self-declaration of homelessness	<ul style="list-style-type: none"> <li>▪ Obtain signed and dated original self-declaration from applicant</li> <li>▪ ESG worker must document attempt to obtain written third party verification and sign self-declaration form</li> <li>▪ Include self-declaration in participant file</li> </ul>
Hospital or Other Institution	Yes, if also meet the following two conditions:  1. stay in a hospital or other institution has been for 90 days or less <b>AND</b> 2. was sleeping in an emergency shelter or other place not meant for human	Letter from hospital or other institution	<ul style="list-style-type: none"> <li>▪ Obtain letter from hospital or other institution</li> <li>▪ <i>Letter Must:</i> <ul style="list-style-type: none"> <li>○ Be on hospital or other institution letterhead</li> <li>○ Include statement verifying current hospital/institution stay of ESG participant</li> <li>○ Include hospital/institution admission and discharge dates verifying that stay has been for 90 days or less</li> <li>○ Be signed and dated by hospital/institution representative</li> </ul> </li> <li>▪ Include hospital/institution letter in participant file</li> </ul>
		<b>AND</b> <i>(to verify homeless status prior to hospital or other institution admission)</i>	
		HMIS record of shelter stay <i>(if previously sleeping in emergency shelter)</i>	<ul style="list-style-type: none"> <li>▪ Obtain HMIS record showing shelter stay concurrent with ESG program entry date</li> <li>▪ HMIS record must indicate shelter stay immediately prior to (i.e. the day before or same day as) hospital/institution admission date</li> <li>▪ Include HMIS record in ESG participant file</li> </ul>
		<b>OR</b> <i>(if HMIS record cannot be obtained)</i>	

Living Situation	Homeless per ESG Criteria	Acceptable Types of Documentation <i>(in order of preference)</i>	Documentation Requirements and Process
	habitation (cars, parks, streets, etc.) prior to entry into the hospital or institution	Written homeless certification <i>(if previously sleeping in emergency shelter or place not meant for human habitation)</i>	<ul style="list-style-type: none"> <li>▪ Obtain signed and dated original Homeless Certification from shelter provider or homeless street outreach provider</li> <li>▪ Certification must verify homelessness (residing in shelter or place not meant for human habitation) immediately prior to (i.e. the day before or same day as) hospital/institution admission date</li> <li>▪ Include Homeless Certification in ESG participant file</li> </ul>
<b>OR</b> <i>(if HMIS record and ESG Homeless Certification cannot be obtained)</i>			
		Emergency shelter provider or Homeless street outreach provider letter <i>(if previously sleeping in emergency shelter or place not meant for human habitation)</i>	<ul style="list-style-type: none"> <li>▪ Obtain emergency shelter provider letter</li> <li>▪ Letter Must:                             <ul style="list-style-type: none"> <li>○ Be on shelter provider letterhead</li> <li>○ Identify shelter program</li> <li>○ Include statement verifying shelter stay immediately prior to (i.e. the day before or same day as) hospital/institution admission date</li> <li>○ Be signed and dated by shelter provider</li> </ul> </li> <li>▪ Include documentation in ESG participant file</li> </ul>
<b>OR</b> <i>(if HMIS record, ESG Homeless Certification, or provider letter cannot be obtained)</i>			
		Self-declaration of homelessness <i>(ONLY if previously sleeping in place not meant for human habitation)</i>	<ul style="list-style-type: none"> <li>▪ Obtain signed and dated original self-declaration from applicant</li> <li>▪ Self-declaration must verify homelessness (residing in shelter or place not meant for human habitation) immediately prior to (i.e. the day before or same day as) hospital/institution admission date</li> <li>▪ ESG worker must document attempt to obtain written third party verification and sign ESG Self-Declaration form</li> <li>▪ Include self-declaration in participant file</li> </ul>

Living Situation	Homeless per ESG Criteria	Acceptable Types of Documentation <i>(in order of preference)</i>	Documentation Requirements and Process
<p style="text-align: center;"><b>Transitional Housing</b></p> <p>Note: This only includes Transitional Housing programs serving homeless persons (per HUD’s definition) and listed in the Continuum of Care’s (CoC) most recent Housing Inventory Chart submitted to HUD or otherwise recognized by the CoC as part of the CoC inventory (e.g. newly established Transitional Housing programs)</p>	<p>Yes, if graduating or timing out from Transitional Housing program</p>	<p>Written homeless certification</p>	<ul style="list-style-type: none"> <li>▪ Obtain signed and dated original Homeless Certification from transitional housing provider</li> <li>▪ Include Homeless Certification in ESG participant file</li> </ul>
		<p><b>OR</b> <i>(if ESG Homeless Certification cannot be obtained)</i></p>	
<p style="text-align: center;"><b>Domestic Violence</b></p>	<p>Yes, if ESG assistance is needed to leave domestic violence situation</p>	<p>Self-declaration of homelessness</p>	<ul style="list-style-type: none"> <li>▪ Obtain signed and dated original self-declaration from applicant</li> <li>▪ ESG worker must document attempt to obtain written third party verification and sign self-declaration form</li> <li>▪ Include self-declaration in participant file</li> </ul>

## STATE CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the State certifies that:

**Affirmatively Further Fair Housing** -- The State will affirmatively further fair housing, which means it will conduct an analysis of impediments to fair housing choice within the state, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard.

**Anti-displacement and Relocation Plan** -- It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24; and it has in effect and is following a residential anti-displacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME programs.

**Drug Free Workplace** -- It will or will continue to provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
2. Establishing an ongoing drug-free awareness program to inform employees about -
  - (a) The dangers of drug abuse in the workplace;
  - (b) The grantee's policy of maintaining a drug-free workplace;
  - (c) Any available drug counseling, rehabilitation, and employee assistance programs; and
  - (d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;
4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will -
  - (a) Abide by the terms of the statement; and
  - (b) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
6. Taking one of the following actions, within 30 calendar days of receiving notice under

subparagraph 4(b), with respect to any employee who is so convicted -

- (a) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
  - (b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.

**Anti-Lobbying --** To the best of the State's knowledge and belief:

- 1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
- 2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
- 3. It will require that the language of paragraphs 1 and 2 of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

**Authority of State --** The submission of the consolidated plan is authorized under State law and the State possesses the legal authority to carry out the programs under the consolidated plan for which it is seeking funding, in accordance with applicable HUD regulations.

**Consistency with plan --** The housing activities to be undertaken with CDBG, HOME, ESG, and HOPWA funds are consistent with the strategic plan.

**Section 3 --** It will comply with section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CFR Part 135.

  
\_\_\_\_\_  
Signature/Authorized Official

*IFA Executive Director*  
\_\_\_\_\_  
Title

*2-13-15*  
\_\_\_\_\_  
Date

## Specific CDBG Certifications

The State certifies that:

**Citizen Participation** -- It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR §91.115 and each unit of general local government that receives assistance from the State is or will be following a detailed citizen participation plan that satisfies the requirements of 24 CFR §570.486.

**Consultation with Local Governments** -- It has or will comply with the following:

1. It has consulted with affected units of local government in the nonentitlement area of the State in determining the method of distribution of funding;
2. It engages in or will engage in planning for community development activities;
3. It provides or will provide technical assistance to units of local government in connection with community development programs; and
4. It will not refuse to distribute funds to any unit of general local government on the basis of the particular eligible activity selected by the unit of general local government to meet its community development needs, except that a State is not prevented from establishing priorities in distributing funding on the basis of the activities selected.

**Local Needs Identification** -- It will require each unit of general local government to be funded to identify its community development and housing needs, including the needs of low-income and moderate-income families, and the activities to be undertaken to meet these needs.

**Community Development Plan** -- Its consolidated housing and community development plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that have been developed in accordance with the primary objectives of Title I of the Housing and Community Development Act of 1974, as amended. (See 24 CFR 570.2 and 24 CFR part 570)

**Use of Funds** -- It has complied with the following criteria:

1. **Maximum Feasible Priority.** With respect to activities expected to be assisted with CDBG funds, it certifies that it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available);
2. **Overall Benefit.** The aggregate use of CDBG funds including section 108 guaranteed loans during program year(s) ~~1999, 2016,~~ and ~~2017~~ (a period specified by the grantee consisting of one, two, or three specific consecutive program years), shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period;

3. Special Assessments. The state will require units of general local government that receive CDBG funds to certify to the following:

It will not attempt to recover any capital costs of public improvements assisted with CDBG funds including Section 108 loan guaranteed funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

It will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108, unless CDBG funds are used to pay the proportion of fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. Also, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

**Excessive Force --** It will require units of general local government that receive CDBG funds to certify that they have adopted and are enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction;

**Compliance With Anti-discrimination laws --** The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 USC 2000d), the Fair Housing Act (42 USC 3601-3619), and implementing regulations.

**Compliance with Laws --** It will comply with applicable laws.

  
Signature/Authorized Official  
IFA Executive Director  
Title

2-13-15  
Date

## APPENDIX TO CERTIFICATIONS

### INSTRUCTIONS CONCERNING LOBBYING AND DRUG-FREE WORKPLACE REQUIREMENTS:

#### A. Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

#### B. Drug-Free Workplace Certification

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification.
2. The certification is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, HUD, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.
3. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.
4. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio stations).
5. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph three).
6. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code)

---

---

---

---

---

---

---

---

---

---

Check \_\_\_ if there are workplaces on file that are not identified here;

This information with regard to the drug-free workplace required by 24 CFR part 21.

7. Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:

"Controlled substance" means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C.812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

"Conviction" means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

"Criminal drug statute" means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

"Employee" means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) All "direct charge" employees; (ii) all "indirect charge" employees unless their impact or involvement is insignificant to the performance of the grant; and (iii) temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).

## CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the jurisdiction certifies that:

**Affirmatively Further Fair Housing** -- The jurisdiction will affirmatively further fair housing, which means it will conduct an analysis of impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard.

**Anti-displacement and Relocation Plan** -- It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24; and it has in effect and is following a residential antidisplacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME programs.

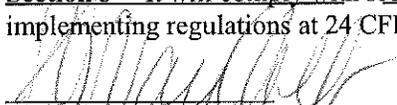
**Anti-Lobbying** -- To the best of the jurisdiction's knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
3. It will require that the language of paragraph 1 and 2 of this anti-lobbying certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

**Authority of Jurisdiction** -- The consolidated plan is authorized under State and local law (as applicable) and the jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations.

**Consistency with plan** -- The housing activities to be undertaken with CDBG, HOME, ESG, and HOPWA funds are consistent with the strategic plan.

**Section 3** -- It will comply with section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CFR Part 135.

  
Signature/Authorized Official

Date 4.2.15

## Specific CDBG Certifications

The Entitlement Community certifies that:

**Citizen Participation** -- It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.105.

**Community Development Plan** -- Its consolidated housing and community development plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that provide decent housing, expand economic opportunities primarily for persons of low and moderate income. (See CFR 24 570.2 and CFR 24 part 570)

**Following a Plan** -- It is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD.

**Use of Funds** -- It has complied with the following criteria:

1. Maximum Feasible Priority. With respect to activities expected to be assisted with CDBG funds, it certifies that it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available);
2. Overall Benefit. The aggregate use of CDBG funds including section 108 guaranteed loans during program year(s) \_\_\_\_\_, \_\_\_\_\_ (a period specified by the grantee consisting of one, two, or three specific consecutive program years), shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period;
3. Special Assessments. It will not attempt to recover any capital costs of public improvements assisted with CDBG funds including Section 108 loan guaranteed funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108, unless CDBG funds are used to pay the proportion of fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. Also, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

**Excessive Force** -- It has adopted and is enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its

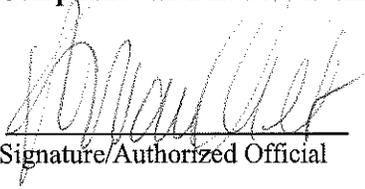
jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and

2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction;

**Compliance With Anti-discrimination laws** -- The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 USC 2000d), the Fair Housing Act (42 USC 3601-3619), and implementing regulations.

**Lead-Based Paint** -- Its activities concerning lead-based paint will comply with the requirements of 24 CFR Part 35, subparts A, B, J, K and R;

**Compliance with Laws** -- It will comply with applicable laws.



\_\_\_\_\_  
Signature/Authorized Official

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

**Specific HOME Certifications**

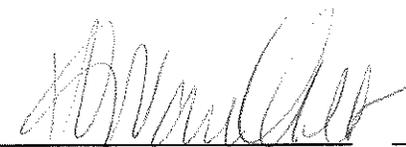
The HOME participating jurisdiction certifies that:

**Tenant Based Rental Assistance** -- If the participating jurisdiction intends to provide tenant-based rental assistance:

The use of HOME funds for tenant-based rental assistance is an essential element of the participating jurisdiction's consolidated plan for expanding the supply, affordability, and availability of decent, safe, sanitary, and affordable housing.

**Eligible Activities and Costs** -- it is using and will use HOME funds for eligible activities and costs, as described in 24 CFR § 92.205 through 92.209 and that it is not using and will not use HOME funds for prohibited activities, as described in § 92.214.

**Appropriate Financial Assistance** -- before committing any funds to a project, it will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other Federal assistance than is necessary to provide affordable housing;

 4.2.15  
Signature/Authorized Official                      Date

Director of DHCS  
Title

## ESG Certifications

The Emergency Solutions Grants Program Recipient certifies that:

**Major rehabilitation/conversion** – If an emergency shelter’s rehabilitation costs exceed 75 percent of the value of the building before rehabilitation, the jurisdiction will maintain the building as a shelter for homeless individuals and families for a minimum of 10 years after the date the building is first occupied by a homeless individual or family after the completed rehabilitation. If the cost to convert a building into an emergency shelter exceeds 75 percent of the value of the building after conversion, the jurisdiction will maintain the building as a shelter for homeless individuals and families for a minimum of 10 years after the date the building is first occupied by a homeless individual or family after the completed conversion. In all other cases where ESG funds are used for renovation, the jurisdiction will maintain the building as a shelter for homeless individuals and families for a minimum of 3 years after the date the building is first occupied by a homeless individual or family after the completed renovation.

**Essential Services and Operating Costs** – In the case of assistance involving shelter operations or essential services related to street outreach or emergency shelter, the jurisdiction will provide services or shelter to homeless individuals and families for the period during which the ESG assistance is provided, without regard to a particular site or structure, so long the jurisdiction serves the same type of persons (e.g., families with children, unaccompanied youth, disabled individuals, or victims of domestic violence) or persons in the same geographic area.

**Renovation** – Any renovation carried out with ESG assistance shall be sufficient to ensure that the building involved is safe and sanitary.

**Supportive Services** – The jurisdiction will assist homeless individuals in obtaining permanent housing, appropriate supportive services ( including medical and mental health treatment, victim services, counseling, supervision, and other services essential for achieving independent living), and other Federal State, local, and private assistance available for such individuals.

**Matching Funds** – The jurisdiction will obtain matching amounts required under 24 CFR 576.201.

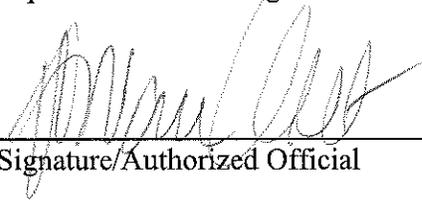
**Confidentiality** – The jurisdiction has established and is implementing procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the ESG program, including protection against the release of the address or location of any family violence shelter project, except with the written authorization of the person responsible for the operation of that shelter.

**Homeless Persons Involvement** – To the maximum extent practicable, the jurisdiction will involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under the ESG program, in providing services assisted under the ESG program, and in providing services for occupants of facilities assisted under the program.

**Consolidated Plan** – All activities the jurisdiction undertakes with assistance under ESG are consistent with the jurisdiction’s consolidated plan.

**Discharge Policy** – The jurisdiction will establish and implement, to the maximum extent practicable and where appropriate policies and protocols for the discharge of persons from

publicly funded institutions or systems of care (such as health care facilities, mental health facilities, foster care or other youth facilities, or correction programs and institutions) in order to prevent this discharge from immediately resulting in homelessness for these persons.

  
\_\_\_\_\_  
Signature/Authorized Official

4.2.15  
\_\_\_\_\_  
Date

Director OHCs  
\_\_\_\_\_  
Title

## APPENDIX TO CERTIFICATIONS

### INSTRUCTIONS CONCERNING LOBBYING:

#### A. Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

**Application for Federal Assistance SF-424**

**\* 1. Type of Submission:**

- Preapplication
- Application
- Changed/Corrected Application

**\* 2. Type of Application:**

- New
- Continuation
- Revision

**\* If Revision, select appropriate letter(s):**

**\* Other (Specify):**

**\* 3. Date Received:**

**4. Applicant Identifier:**

PY2015

**5a. Federal Entity Identifier:**

41-001

**5b. Federal Award Identifier:**

BC-15-DC-41-001

**State Use Only:**

**6. Date Received by State:**

**7. State Application Identifier:**

**8. APPLICANT INFORMATION:**

**\* a. Legal Name:**

State of Oregon

**\* b. Employer/Taxpayer Identification Number (EIN/TIN):**

93-0621491

**\* c. Organizational DUNS:**

8095795430000

**d. Address:**

**\* Street1:**

775 Summer Street NE, Ste. 200

**Street2:**

**\* City:**

Salem

**County/Parish:**

**\* State:**

OR: Oregon

**Province:**

**\* Country:**

USA: UNITED STATES

**\* Zip / Postal Code:**

97301-1280

**e. Organizational Unit:**

**Department Name:**

Oregon Business Dev Department

**Division Name:**

Infrastructure Finance Authori

**f. Name and contact information of person to be contacted on matters involving this application:**

**Prefix:**

Mrs.

**\* First Name:**

Becky

**Middle Name:**

**\* Last Name:**

Baxter

**Suffix:**

**Title:**

CDBG Program and Policy Coordinator

**Organizational Affiliation:**

Oregon Business Dev Department - Infrastructure Finance Auth

**\* Telephone Number:**

503-986-0104

**Fax Number:**

503-581-5115

**\* Email:**

becky.baxter@oregon.gov

**Application for Federal Assistance SF-424**

**\* 9. Type of Applicant 1: Select Applicant Type:**

A: State Government

Type of Applicant 2: Select Applicant Type:  
[Empty field]

Type of Applicant 3: Select Applicant Type:  
[Empty field]

\* Other (specify):  
[Empty field]

**\* 10. Name of Federal Agency:**

Department of Housing and Urban Development

**11. Catalog of Federal Domestic Assistance Number:**

CFDA 14.228

CFDA Title:  
Title I HUD Community Development Block Grant Program - State non-entitlement

**\* 12. Funding Opportunity Number:**

[Empty field]

\* Title:  
[Empty field]

**13. Competition Identification Number:**

[Empty field]

Title:  
[Empty field]

**14. Areas Affected by Project (Cities, Counties, States, etc.):**

Statewide non-entitlement area

**\* 15. Descriptive Title of Applicant's Project:**

FY2015 Annual Update to Oregon's Consolidated Plan (2011-2015) 2015 CDBG Method of Distribution

Attach supporting documents as specified in agency instructions.

**Application for Federal Assistance SF-424**

**16. Congressional Districts Of:**

\* a. Applicant

\* b. Program/Project

Attach an additional list of Program/Project Congressional Districts if needed.

Add Attachment

Delete Attachment

View Attachment

**17. Proposed Project:**

\* a. Start Date:

\* b. End Date:

**18. Estimated Funding (\$):**

* a. Federal	<input type="text" value="11,744,882.00"/>
* b. Applicant	<input type="text"/>
* c. State	<input type="text"/>
* d. Local	<input type="text"/>
* e. Other	<input type="text"/>
* f. Program Income	<input type="text" value="3,500.00"/>
* g. TOTAL	<input type="text" value="11,748,382.00"/>

**\* 19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

- a. This application was made available to the State under the Executive Order 12372 Process for review on
- b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- c. Program is not covered by E.O. 12372.

**\* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)**

Yes  No

If "Yes", provide explanation and attach

Add Attachment

Delete Attachment

View Attachment

**21. \*By signing this application, I certify (1) to the statements contained in the list of certifications\*\* and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances\*\* and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)**

\*\* I AGREE

\*\* The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

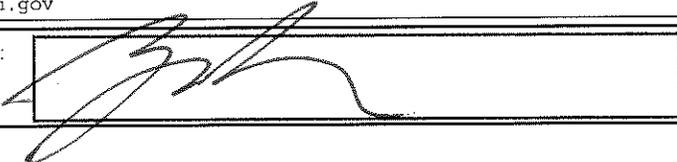
**Authorized Representative:**

Prefix:  \* First Name:   
Middle Name:   
\* Last Name:   
Suffix:

\* Title:

\* Telephone Number:  Fax Number:

\* Email:

\* Signature of Authorized Representative: 

\* Date Signed:

Application for Federal Assistance SF-424		
* 1. Type of Submission: <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application	* 2. Type of Application: <input type="checkbox"/> New <input checked="" type="checkbox"/> Continuation <input type="checkbox"/> Revision	* If Revision, select appropriate letter(s): <input type="text"/> * Other (Specify): <input type="text"/>
* 3. Date Received: <input type="text"/>	4. Applicant Identifier: <input type="text"/>	
5a. Federal Entity Identifier: <input type="text"/>	5b. Federal Award Identifier: <input type="text" value="QRH14-F999"/>	
State Use Only:		
6. Date Received by State: <input type="text"/>	7. State Application Identifier: <input type="text"/>	
<b>8. APPLICANT INFORMATION:</b>		
* a. Legal Name: <input type="text" value="Oregon Health Authority"/>		
* b. Employer/Taxpayer Identification Number (EIN/TIN): <input type="text" value="93-6001752"/>	* c. Organizational DUNS: <input type="text" value="8781440210000"/>	
d. Address:		
* Street1: <input type="text" value="800 NE Oregon Street"/>	Street2: <input type="text" value="Suite 1105"/>	
* City: <input type="text" value="Portland"/>	County/Parish: <input type="text" value="Multnomah"/>	
* State: <input type="text" value="OR: Oregon"/>	Province: <input type="text"/>	
* Country: <input type="text" value="USA: UNITED STATES"/>	* Zip / Postal Code: <input type="text" value="97232-2187"/>	
e. Organizational Unit:		
Department Name: <input type="text" value="Center for Public Health Pract"/>	Division Name: <input type="text" value="Public Health Division"/>	
f. Name and contact information of person to be contacted on matters involving this application:		
Prefix: <input type="text"/>	* First Name: <input type="text" value="Veda"/>	
Middle Name: <input type="text"/>	* Last Name: <input type="text" value="Latin-Green"/>	
Suffix: <input type="text"/>	Title: <input type="text" value="HIV/STD/TB Section Manager"/>	
Organizational Affiliation: <input type="text"/>		
* Telephone Number: <input type="text" value="971-673-0153"/>	Fax Number: <input type="text" value="971-673-0178"/>	
* Email: <input type="text" value="veda.latin@state.or.us"/>		

Application for Federal Assistance SF-424

16. Congressional Districts Of:

\* a. Applicant

\* b. Program/Project

Attach an additional list of Program/Project Congressional Districts if needed.

17. Proposed Project:

\* a. Start Date:

\* b. End Date:

18. Estimated Funding (\$):

* a. Federal	<input type="text" value="378,910.00"/>
* b. Applicant	<input type="text"/>
* c. State	<input type="text"/>
* d. Local	<input type="text"/>
* e. Other	<input type="text"/>
* f. Program Income	<input type="text"/>
* g. TOTAL	<input type="text" value="378,910.00"/>

\* 19. Is Application Subject to Review By State Under Executive Order 12372 Process?

- a. This application was made available to the State under the Executive Order 12372 Process for review on
- b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- c. Program is not covered by E.O. 12372.

\* 20. Is the Applicant Delinquent On Any Federal Debt? (if "Yes," provide explanation in attachment.)

Yes  No

If "Yes", provide explanation and attach

21. \*By signing this application, I certify (1) to the statements contained in the list of certifications\*\* and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances\*\* and agree to comply with any resulting terms if I accept an award. I am aware that any false, frivolous, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 216, Section 1001)

\*\* I AGREE

\*\* The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix:  \* First Name:

Middle Name:

\* Last Name:

Suffix:

\* Title:

\* Telephone Number:  Fax Number:

\* Email:

\* Signature of Authorized Representative: 

\* Date Signed:

Application for Federal Assistance SF-424		
* 1. Type of Submission: <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application	* 2. Type of Application: <input type="checkbox"/> New <input checked="" type="checkbox"/> Continuation <input type="checkbox"/> Revision	* If Revision, select appropriate letter(s): _____ * Other (Specify): _____
* 3. Date Received: _____	4. Applicant Identifier: _____	
5a. Federal Entity Identifier: n/a	5b. Federal Award Identifier: E13-DC-41-0001	
<b>State Use Only:</b>		
6. Date Received by State: _____	7. State Application Identifier: _____	
<b>8. APPLICANT INFORMATION:</b>		
* a. Legal Name: Oregon Housing and Community Services		
* b. Employer/Taxpayer Identification Number (EIN/TIN): 93-0952117	* c. Organizational DUNS: 8095802930000	
<b>d. Address:</b>		
* Street1: 725 Summer St NE Ste B	Street2: _____	
* City: Salem	County/Parish: Marion	
* State: _____	OR: Oregon	
Province: _____	* Country: _____	
* Zip / Postal Code: 97301-1266	USA: UNITED STATES	
<b>e. Organizational Unit:</b>		
Department Name: OHCS	Division Name: Multifamily Finance & Resource	
<b>f. Name and contact information of person to be contacted on matters involving this application:</b>		
Prefix: _____	* First Name: Carole	
Middle Name: _____	* Last Name: Dicksa	
Suffix: _____	Title: HOME Program Manager	
Organizational Affiliation: State of Oregon		
* Telephone Number: 503-986-2137	Fax Number: _____	
* Email: carole.dicksa@oregon.gov		

**Application for Federal Assistance SF-424**

**\* 9. Type of Applicant 1: Select Applicant Type:**

A: State Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

\* Other (specify):

**\* 10. Name of Federal Agency:**

Department of Housing and Urban Development

**11. Catalog of Federal Domestic Assistance Number:**

14.239

CFDA Title:

HOME Investment Partnership Program (HOME)

**\* 12. Funding Opportunity Number:**

6

\* Title:

State HOME Investment Partnership Program

**13. Competition Identification Number:**

Title:

**14. Areas Affected by Project (Cities, Counties, States, etc.):**

Add Attachment

Delete Attachment

View Attachment

**\* 15. Descriptive Title of Applicant's Project:**

The HOME Program makes funding available for multifamily rental housing development and tenant based rental assistance for low and very low income families.

Attach supporting documents as specified in agency instructions.

Add Attachments

Delete Attachments

View Attachments

**Application for Federal Assistance SF-424**

**16. Congressional Districts Of:**

\* a. Applicant

\* b. Program/Project

Attach an additional list of Program/Project Congressional Districts if needed.

**17. Proposed Project:**

\* a. Start Date:

\* b. End Date:

**18. Estimated Funding (\$):**

* a. Federal	<input type="text" value="5,997,570.00"/>
* b. Applicant	<input type="text"/>
* c. State	<input type="text" value="1,499,392.00"/>
* d. Local	<input type="text"/>
* e. Other	<input type="text"/>
* f. Program Income	<input type="text"/>
* g. TOTAL	<input type="text" value="7,496,962.00"/>

**\* 19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

- a. This application was made available to the State under the Executive Order 12372 Process for review on
- b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- c. Program is not covered by E.O. 12372.

**\* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)**

Yes  No

If "Yes", provide explanation and attach

**21. \*By signing this application, I certify (1) to the statements contained in the list of certifications\*\* and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances\*\* and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)**

\*\* I AGREE

\*\* The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

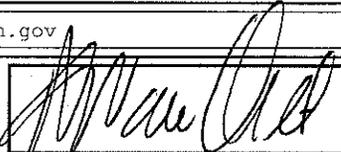
**Authorized Representative:**

Prefix:  \* First Name:   
Middle Name:   
\* Last Name:   
Suffix:

\* Title:

\* Telephone Number:  Fax Number:

\* Email:

\* Signature of Authorized Representative: 

\* Date Signed:

### Application for Federal Assistance SF-424

**\* 1. Type of Submission:**

- Preapplication
- Application
- Changed/Corrected Application

**\* 2. Type of Application:**

- New
- Continuation
- Revision

\* If Revision, select appropriate letter(s):

\* Other (Specify):

**\* 3. Date Received:**

**4. Applicant Identifier:**

**5a. Federal Entity Identifier:**

**5b. Federal Award Identifier:**

**State Use Only:**

**6. Date Received by State:**

**7. State Application Identifier:**

**8. APPLICANT INFORMATION:**

**\* a. Legal Name:**

**\* b. Employer/Taxpayer Identification Number (EIN/TIN):**

**\* c. Organizational DUNS:**

**d. Address:**

**\* Street1:**

**Street2:**

**\* City:**

**County/Parish:**

**\* State:**

**Province:**

**\* Country:**

**\* Zip / Postal Code:**

**e. Organizational Unit:**

**Department Name:**

**Division Name:**

**f. Name and contact information of person to be contacted on matters involving this application:**

**Prefix:**

**\* First Name:**

**Middle Name:**

**\* Last Name:**

**Suffix:**

**Title:**

**Organizational Affiliation:**

**\* Telephone Number:**

**Fax Number:**

**\* Email:**

**Application for Federal Assistance SF-424**

**16. Congressional Districts Of:**

\* a. Applicant

\* b. Program/Project

Attach an additional list of Program/Project Congressional Districts if needed.

Add Attachment

Delete Attachment

View Attachment

**17. Proposed Project:**

\* a. Start Date:

\* b. End Date:

**18. Estimated Funding (\$):**

* a. Federal	<input type="text" value="1,742,295"/>
* b. Applicant	<input type="text" value="0"/>
* c. State	<input type="text" value="1,742,295"/>
* d. Local	<input type="text" value="0"/>
* e. Other	<input type="text" value="0"/>
* f. Program Income	<input type="text" value="0"/>
* g. TOTAL	<input type="text"/>

**\* 19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

a. This application was made available to the State under the Executive Order 12372 Process for review on

b. Program is subject to E.O. 12372 but has not been selected by the State for review.

c. Program is not covered by E.O. 12372.

**\* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)**

Yes  No

If "Yes", provide explanation and attach

Add Attachment

Delete Attachment

View Attachment

**21. \*By signing this application, I certify (1) to the statements contained in the list of certifications\*\* and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances\*\* and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)**

\*\* I AGREE

\*\* The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

**Authorized Representative:**

Prefix:  \* First Name:

Middle Name:

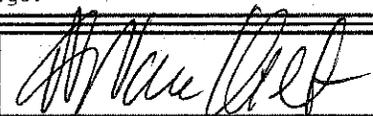
\* Last Name:

Suffix:

\* Title:

\* Telephone Number:  Fax Number:

\* Email:

\* Signature of Authorized Representative: 

\* Date Signed:

## OR-FY15 Allocations

KEY	CNSRTKEY	NAME	STA	CDBG15	HOME15	ESG15	HOPWA15
410012		Albany	OR	\$378,904	\$0	\$0	\$0
410042		Ashland	OR	\$165,550	\$0	\$0	\$0
410108		Beaverton	OR	\$583,652	\$0	\$0	\$0
410114		Bend	OR	\$460,237	\$0	\$0	\$0
410288		Corvallis	OR	\$476,046	\$233,323	\$0	\$0
410426	41C033	Eugene	OR	\$1,236,946	\$954,406	\$0	\$0
410540		Grants Pass	OR	\$275,061	\$0	\$0	\$0
410564		Gresham	OR	\$888,944	\$0	\$0	\$0
410636		Hillsboro	OR	\$661,908	\$0	\$0	\$0
410888		Medford	OR	\$625,366	\$0	\$0	\$0
411098	41C032	Portland	OR	\$7,800,415	\$2,798,912	\$708,283	\$1,075,693
411140		Redmond	OR	\$208,791	\$0	\$0	\$0
411200	41C212	Salem	OR	\$1,233,989	\$586,147	\$0	\$0
411290		Springfield	OR	\$466,694	\$0	\$0	\$0
419005		Clackamas County	OR	\$1,999,077	\$706,726	\$181,290	\$0
419051		Multnomah County	OR	\$291,631	\$0	\$0	\$0
419067	41C213	Washington County	OR	\$1,827,645	\$1,083,771	\$165,058	\$0
419999		Oregon Nonentitlement	OR	\$11,744,882	\$5,997,570	\$1,742,295	\$378,910

**State of Oregon**  
**2015 Proposed Annual Action Plan**

**Citizen Participation – Attachment F**

The Citizen Participation includes documentation to support citizen participation in response to the Proposed 2015 Annual Action Plan (AAP) and the Proposed Community Development Block Grant (CDBG) Method of Distribution (MOD)

Included are the following:

- I. OHCS webpage posting of Proposed Annual Action Plan .....F-1b
- II. OHCS E-List notice of hearing and public comment period and list of recipients F-2
- III. OHCS notice of hearing and public comment period ..... F-3
- IV. News Media Affidavits of Publication ..... F-28
- V. OHCS and CDBG public comments and response tables ..... F-34



# Oregon Housing and Community Services

Department ▼

Search

About Us

Contact Us

Housing Council

Agency News & Public Notices

Agency Programs

Compliance, Monitoring & Streamlining

Employment Opportunities

Energy / Weatherization

Farmworker Housing Finance Info. Center

Foreclosure Prevention

Homeownership

Housing Assistance

Manufactured Home Parks

Multifamily Loans, Grants & Tax Credits

Procurement and

## Consolidated Plan - 5 year plan, Annual Action Plans and CAPER

[OHCS Home](#) / Consolidated Plan

### Contact:

[Shoshanah E. Oppenheim](#)  
Federal Planning and Policy Manager  
(503) 986-2077 | [E-Mail](#)

Join Our E-News List

Join our media list to receive the Consolidated Plan Updates, News Releases, and Director's Messages.

### An Overview

The State of Oregon Consolidated Plan for Housing and Community Development is a planning requirement of the Department of Housing & Urban Development (HUD) for application and use of three federal programs: Community Development Block Grant (CDBG); HOME Investment Partnerships Program; Emergency Shelter Grant (ESG). The Consolidated Plan furthers the following goals of the program it covers to: provide decent housing; establish and maintain a suitable living environment and; expand economic opportunities for every American, particularly for low- and very low-income persons.

The Consolidated Plan is a five year planning document, consisting of the five year plan and annual updates.

### How can you be involved?

We are consulting with communities to direct Oregon's plan to address housing needs in Oregon over the next five years.

**Partner Survey:** We value our local community agencies who work directly with clients in their local communities. Please complete and submit the [Partner Survey](#) here by May 15, 2015.

**Community Survey:** Your input and advice is critical to determine how we can do better in serving our most vulnerable. Please complete and submit [this survey](#) by May 15, 2015.

**Contracts****Section 8****Upcoming Events!**

JOIN US and our local partners for two movie screenings of **American Winter**: an intimate portrait of eight Oregonian families living in a post-recession economy.



Download flyers below for more information:



[Ontario, Oregon](#)



[Tillamook, Oregon](#)

**2015 Proposed Annual Action Plan**

[2015 Proposed Annual Action Plan \(updated 02-27-2015\) - NEW!](#)

**Additional 30-day Public Comment Period** begins March 2, 2015.  [Read Notice here](#)



[2015 Action Plan: Attachments \(updated 02-27-2015\)](#)

**Note:** The Attachments file (above) uses PDF tabbed bookmarks viewed best in Internet Explorer browser.

**Coming Soon! - 2014 Proposed Consolidated Annual Performance Evaluation Report (CAPER):**

[2014 Proposed Consolidated Annual Performance Evaluation Report \(CAPER\)](#)



[2014 Proposed CAPER Attachments](#)



[2014 Proposed CDBG Performance Evaluation Report \(PER\)](#)



[2014 Proposed HOPWA Consolidated Annual Performance Evaluation Report \(CAPER\)](#)

**2014 Proposed Annual Action Plan:**

[Public Notice for Extended Public Comment Period](#)



[2014 Annual Action Plan](#)



[2014 Action Plan Attachments](#)

**2013 Consolidated Annual Performance Evaluation Report (CAPER):**

-  [2013 Consolidated Annual Performance Evaluation Report \(CAPER\)](#)
  -  [2013 CAPER Attachments](#)
  -  [2013 CDBG Performance Evaluation Report \(PER\)](#)
  -  [2013 HOPWA Consolidated Annual Performance Evaluation Report \(CAPER\)](#)
- 

### **2011–2015 State of Oregon Consolidated Plan**

-  [2011–2015 Consolidated Plan](#) Amended June 2012
-  [2011–2015 Consolidated Plan Attachments](#)
-  [2011–2015 Oregon Analysis of Impediments To Fair Housing Choice](#)

Note: 2006–2010 Consolidated Plan available upon request.

---

### **Recent Annual Action Plans & Performance Evaluations**

#### **2013**

-  [2013 Annual Action Plan](#)
-  [2013 Action Plan Attachments](#)

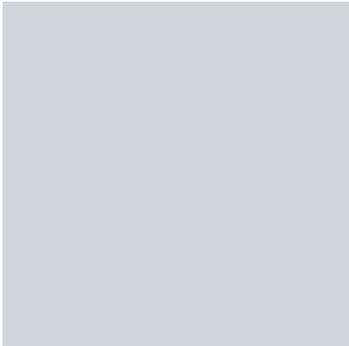
#### **2012**

-  [2012 Annual Action Plan](#) Amended June 2012
  -  [2012 Annual Action Plan ESG](#) Amended September 2012
  -  [2012 Annual Action Plan Attachments](#)
- 

### **2012 Consolidated Annual Performance Evaluation Report (CAPER) for Housing and Community Development**

-  [2012 Consolidated Annual Performance and Evaluation Report \(CAPER\)](#), includes related Attachments
  -  [2012-CDBG-PER](#) (12 MB)
- Attachment:  [CDBG Section 3 Report and FAX Proof](#)
-  [2012 HOPWA CAPER](#)
- 

[View previous year Consolidated Plan documents](#)



### OREGON.GOV

- State Directories
- Agencies A to Z
- Oregon Administrative Rules
- Oregon Revised Statutes
- Oregon - an Equal Opportunity Employer
- About Oregon.gov



### WEB SITE LINKS

- Text Only Site
- Accessibility
- Oregon.gov
- File Formats
- Privacy Policy
- Site Map
- Web Site Feedback

### PDF FILE ACCESSIBILITY

**Adobe Reader, or equivalent, is required to view PDF files. Click the "Get Adobe Reader" image to get a free download of the reader from Adobe.**



# OREGON HOUSING AND COMMUNITY SERVICES

## NOTICE OF ADDITIONAL PUBLIC COMMENT PERIOD

The State of Oregon, through its agencies: Oregon Housing and Community Services (OHCS), Oregon Health Authority (OHA), and Business Oregon, is seeking additional public comments on the 2015 Proposed Annual Action Plan. The **2015 Proposed Annual Action Plan** covers U.S. Department of Housing and Urban Development funding for the Home Investment Partnership Program (HOME), Emergency Solutions Grants (ESG), and Housing Opportunities for Persons with HIV/AIDS (HOPWA). The 2015 Proposed Annual Action Plan can be viewed at <http://tinyurl.com/l8ee5tr>

Two previous public comment periods were open to allow comments on the Method of Distribution and the Proposed Action Plan. This additional public comment period is open to allow comments on the 2015 Proposed Annual Action Plan and complies with Oregon's Citizen Participation Plan.

All Oregon residents are invited to submit written or verbal comments beginning Monday March 2, 2015.

- **Public Comment Period:** The 30-day public comment period for the 2015 Proposed Annual Action Plan concludes 5:00 pm on Wednesday April 1, 2015.
- Public comments, questions, or concerns should be directed to Shoshanah Oppenheim, Federal Planning and Policy Manager, OHCS, 725 Summer Street NE, Suite B, Salem, Oregon 97301 503-986-2077 or by email at [shoshanah.oppenheim@oregon.gov](mailto:shoshanah.oppenheim@oregon.gov).

Requests for accommodations, materials in alternative formats, or other languages should be submitted by March 20, 2015. Deaf and hearing-impaired individuals may use a TTY by calling 503-986-2100.

The State of Oregon's programs are administered in a nondiscriminatory manner, consistent with Equal Opportunity Employment Opportunities, Affirmative Action, and Fair Housing requirements.

## Preview

[Close Window](#)

**From:** Oregon Housing and Community Services <housinginfo@oregon.gov>

**Subject:** 02-27-2015 Public Notice: Additional Comment Period for 2015 Proposed Annual Action Plan

**Reply:** housinginfo@oregon.gov

[Send a Test Version](#)[Anti-Spam Check](#)[\[View HTML Version\]](#) [\[View Text Version\]](#)[View Printable Version](#)

# Technical Advisory



You are subscribed to receive Technical Advisories from Oregon Housing and Community Services.

February 27, 2015

Partners and Stakeholders -

### **Public Notice:**

#### **Additional Public Comment Period for the 2015 Proposed Annual Action Plan**

The State of Oregon, through its agencies: Oregon Housing and Community Services (OHCS), Oregon Health Authority (OHA), and Business Oregon, is seeking additional public comments on the 2015 Proposed Annual Action Plan. The **2015 Proposed Annual Action Plan** covers U.S. Department of Housing and Urban Development funding for the Home Investment Partnership Program (HOME), Emergency Solutions Grants (ESG), and Housing Opportunities for Persons with HIV/AIDS (HOPWA). The 2015 Proposed Annual Action Plan can be viewed at <http://tinyurl.com/l8ee5tr>

Two previous public comment periods were open to allow comments on the Method of Distribution and the Proposed Action Plan. This additional public comment period is open to

allow comments on the 2015 Proposed Annual Action Plan and complies with Oregon's Citizen Participation Plan.

All Oregon residents are invited to submit written or verbal comments beginning on **Monday, March 2, 2015**.

- Public Comment Period: The 30-day public comment period for the 2015 Proposed Annual Action Plan concludes 5:00 pm on Wednesday April 1, 2015.
- Public comments, questions, or concerns should be directed to [Shoshanah Oppenheim](#), Federal Planning and Policy Manager, OHCS, 725 Summer Street NE, Suite B, Salem, Oregon 97301, by phone at 503-986-2077, or by email at [shoshanah.oppenheim@oregon.gov](mailto:shoshanah.oppenheim@oregon.gov).

Requests for accommodations, materials in alternative formats, or other languages should be submitted **by March 20, 2015**. Deaf and hearing-impaired individuals may use a TTY by calling 503-986-2100.

The State of Oregon's programs are administered in a nondiscriminatory manner, consistent with Equal Opportunity Employment Opportunities, Affirmative Action, and Fair Housing requirements.

View all public notices at <http://www.oregon.gov/ohcs/Pages/agency-public-notice.aspx>

###

Know someone interested in receiving news and updates from Oregon Housing and Community Services? Forward this [Signup link](#) to them, so they can join our mailists. Thank you!



[Forward email](#)



Try it FREE today.

This email was sent to housinginfo@oregon.gov by [housinginfo@oregon.gov](mailto:housinginfo@oregon.gov) | [Update Profile/Email Address](#) | Rapid removal with [SafeUnsubscribe™](#) | [Privacy Policy](#).

Oregon Housing and Community Services | 725 Summer St NE Ste B | Salem | OR | 97301

## Public Notice E-List Recipients

A notice for public hearing and comment period on the 2015 Annual Action Plan was sent electronically through a subscription-based e-newsletter service to approximately 775 agencies representing public and private organizations, as well as private citizens.

An example of agencies receiving the notice include the following:

ACCESS	Kate Allen Community Development Services
African American Alliance for Homeownership	Klamath & Lake Community Action Services
Ambrowse Law Group LLC	MHT Housing, Inc.
Bergsund DeLaney Architecture	Multnomah County Human Services
Bienestar	National Affordable Housing Trust
Bridge Housing Corporation	Neighborhood Partnerships
Caine Mitter & Associates	NeighborImpact
CASA of Oregon	NeighborWorks Umpqua
Cascade Housing Association	Network for Oregon Affordable Housing
Catholic Community Charities	Oregon Housing Stability Council
Central Oregon Veteran's Ranch	Oregon On
Chrisman Development Inc.	Oregon Opportunity Network
City Planners and Architects	Oregon Rehabilitation Association
City of Medford Board for Housing Development	Portland Business Alliance
Clatsop Community Action	Portland General Electric
ColumbiaCare Services	Portland Housing Bureau
Community Action Serving Washington County	Prospect Mortgage
Community Action Team, Inc.	Rural Community Assistance Corporation
Community Services, Inc.	Shelter America Group
Community Vision, Inc.	Shelter Resources, Inc.
Cornerstone Community Housing	State of Oregon Audits Division
Department of Human Services	Studio C Architecture, LLC
Fair Housing Council of Oregon	Transition Projects, Inc.
Gerding Builders	Umatilla County Housing Authority
GSL Properties	USDA RD
Guild Mortgage Company	U.S. Department of Housing and Urban
Habitat for Humanity, Portland Metro East	Development (HUD)
Holly Hill Ventures, LLC	Viridian Management
Home Forward	WC Construction
Housing Authorities in Oregon	
Housing Development Center	
Human Solutions	

## HARRIS Suzanne \* HCS

---

**From:** Claire Speidel <claire.speidel@findly.com>  
**Sent:** Monday, February 23, 2015 4:37 PM  
**To:** HARRIS Suzanne \* HCS  
**Subject:** Your Medford notice is ready to approve

Hi Sue,

Please let me know if you approve. I'll send the others as I receive the quotes from the media.

To view your ads, go online to <http://exchangeho.hodes.com>. After logging in, choose search & reporting and then select search option 2 (for specific IO) and enter an IO # from the ads listed below.

Media: MEDFORD MAIL TRIBUNE  
IO #: 11365  
Run date(s): 2/27/2015  
Estimate amount: \$337.32  
Ad type: Incolumn  
Key:  
Position title: Public Notice

Thanks!  
Claire  
503.758.7786

FINDLY TALENT LLC  
220 E 42ND ST 14TH FLOOR  
NEW YORK NY 10017

710652

Affidavit of Publication

\*\*\*THIS IS NOT A BILL\*\*\*

State Of Oregon  
County of Jackson

I, Miranda Moore, being first duly sworn, depose and say that I am the principal clerk of Medford Mail Tribune, a newspaper of general circulation, as defined by ORS 193.010 and 193.020; printed at Medford in the aforesaid county and state; that the

Public Notice, a printed copy of which is hereto annexed, was published in the entire issue of said newspaper for 1 successive and consecutive insertion in the following issues February 27, 2015.  
(HERE SET FORTH DATES OF ISSUES)

Miranda Moore

Subscribed and sworn to before me this 2 day of March, 2015

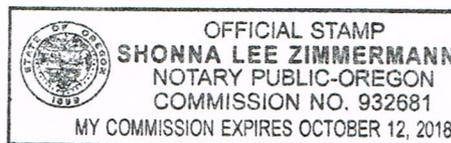
Shonna L Zimmermann  
NOTARY PUBLIC FOR OREGON

My Commission expires 12 day of October, 2018

Southern Oregon Media Group - Mail Tribune - Ashland Daily Tidings  
111 N. Fir St.  
Medford, OR 97501

\*\*\*THIS IS NOT A BILL\*\*\*

PUBLICATION	EXPIRE DATE	AD CAPTION	# TIMES	AMOUNT
MAIL TRIBUNE	2/27/15	OREGON HOUSING	1	193.22
START DATE: 2/27/15	END DATE: 2/27/15			



## HARRIS Suzanne \* HCS

---

**From:** Claire Speidel <claire.speidel@findly.com>  
**Sent:** Tuesday, February 24, 2015 3:35 PM  
**To:** HARRIS Suzanne \* HCS  
**Subject:** Your Oregonian and East Oregonian notices are ready to approve

Hi Sue,

Please let me know if you approve.

To view your ads, go online to <http://exchangeho.hodes.com>. After logging in, choose search & reporting and then select search option 2 (for specific IO) and enter an IO # from the ads listed below.

Media: PORTLAND OREGONIAN

IO #: 11362

Run date(s): 2/27/2015

Estimate amount: \$633.31

Ad type: Incolumn

Key:

Position title: Public Notice

Media: PENDELTON EAST OREGONIAN

IO #: 11363

Run date(s): 2/27/2015

Estimate amount: \$238.82

Ad type: Incolumn

Key:

Position title: Public Notice

Thanks!

Claire

503.758.7786

## HARRIS Suzanne \* HCS

---

**From:** Claire Speidel <claire.speidel@findly.com>  
**Sent:** Wednesday, February 25, 2015 11:19 AM  
**To:** HARRIS Suzanne \* HCS  
**Subject:** Your Bend and Salem-News notices are ready to approve

Hi Sue,

Please let me know if you approve, these are the last 2.

To view your ads, go online to <http://exchangeho.hodes.com>. After logging in, choose search & reporting and then select search option 2 (for specific IO) and enter an IO # from the ads listed below.

Media: BEND BULLETIN  
IO #: 11364  
Run date(s): 2/27/2015  
Estimate amount: \$517.07  
Ad type: Incolumn  
Key:  
Position title: Public Notice

Media: Salem-News.com  
IO #: 11366  
Run date(s): 2/27/2015  
Estimate amount: \$324.13  
Ad type: Incolumn  
Key:  
Position title: Public Notice

Thanks!  
Claire  
503.758.7786

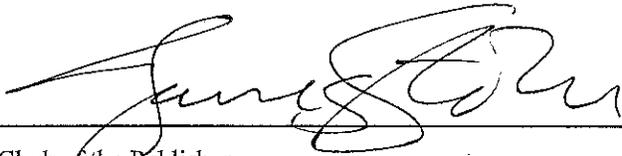
# OREGONIAN MEDIA GROUP

1515 SW 5th Ave, Suite 1000 Portland, OR 97201-5615

## Affidavit of Publication

I, James Stobie, being first duly sworn depose and say that I am the Principal Clerk Of The Publisher of The Oregonian, a newspaper of general circulation, published at Portland, in Multnomah County, Oregon; that I know from my personal knowledge that the advertisement, a printed copy of which is hereto annexed, was published in the entire issue of said newspaper in the following issues:

1/10/2015



Principal Clerk of the Publisher

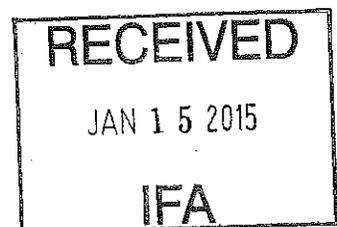
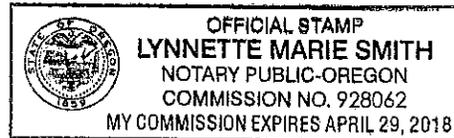
Subscribed and sworn to before me this date: 12<sup>th</sup> day of January, 20 15.



Notary Public for Oregon

My commission expires 29<sup>th</sup> day of April, 20 18.

Ad Order Number: 0003670087



NOTICE OF PUBLIC COMMENT PERIOD

The State of Oregon, through its agencies: Oregon Housing and Community Services (OHCS), Oregon Health Authority (OHA), and Business Oregon, is seeking public comment on the 2015 Proposed Annual Action Plan and the Community Development Block Grant (CDBG) Proposed 2015 Method of Distribution.

The 2015 Proposed Annual Action Plan covers U.S. Department of Housing and Urban Development funding for the Home Investment Partnership Program (HOME), Emergency Solutions Grants (ESG), and Housing Opportunities for Persons with HIV/AIDS (HOPWA). The 2015 Proposed Annual Action Plan can be viewed at <http://www.oregon.gov/ohcs/docs/2015-Proposed-AAP.pdf>.

The Community Development Block Grant (CDBG) Proposed 2015 Method of Distribution covers U.S. Department of Housing and Urban Development funding for the Community Development Block Grant (CDBG) Program. The CDBG Proposed 2015 Method of Distribution can be viewed at: <http://www.rastructure.org/assets/docs/IFA/2015-proposed-MOD.pdf>.

All Oregon residents are invited to submit written or verbal comments beginning January 10, 2015.

Public Comment Period:

The 30-day public comment period for the 2015 Proposed Annual Action Plan and Proposed 2015 Method of Distribution concludes 5:00 p.m. on February 9, 2015.

Public Comments:

oHOPWA comments should be directed to Annick Benson-Scott, HIV Community Services Manager, OHA, 800 NE Multnomah, Portland, Oregon 97232 or by e-mail at [annick.benson@state.or.us](mailto:annick.benson@state.or.us).

oHOME and ESG comments should be directed to Theresa Wingard, Operations and Policy Analyst, OHCS, 725 Summer Street NE, Suite B, Salem, Oregon 97301 or by e-mail at [theresa.wingard@oregon.gov](mailto:theresa.wingard@oregon.gov).

oCDBG comments should be directed to Becky Baxter, Program and Policy Coordinator, 775 Summer Street NE, Ste. 200, Salem, Oregon 97301 or by e-mail at [becky.baxter@oregon.gov](mailto:becky.baxter@oregon.gov).

NOTE: If public comments for any of the above-referenced documents were previously provided, comments do not need to be re-submitted. The purpose of this notice is to meet the federal citizen participation requirements outlined in the State of Oregon 2011 Citizen Participation Plan.

Persons needing copies in other languages should contact the respective person listed above at their earliest convenience. Questions, concerns, complaints, or requests for information in alternative formats from individuals with disabilities must be submitted at least ten days before the end of the comment period. Deaf and hearing-impaired individuals may use a TTY by calling 503-986-2100.

The State of Oregon's programs are administered in a nondiscriminatory manner, consistent with Equal Opportunity Employment Opportunities, Affirmative Action and Fair Housing requirements.

**Oregon Housing and Community Services  
2015 ANNUAL ACTION PLAN  
PUBLIC COMMENTS**

COMMENT	COMMENTOR OR AGENCY	STATE RESPONSE
<p>The State has an obligation to house persons with mental illness. The obligation should be prioritized in the NOFA.</p> <p>A higher goal needs to be set for special needs units.</p> <p>OHCS should support a housing first model and efforts to support persons with mental illness should be specified in the AAP.</p>	<p>Oregon Health Authority</p>	<p>OHCS is working in partnership with the Addictions and Mental Health Division of the Oregon Health Authority to identify and address the housing challenges facing people with mental illness. As part of OHCS' NOFA process, and ongoing effort to provide services and housing to person with mental illness and other disabilities, the agency will reach out to partner agencies for input regarding priorities for the 2016 NOFA.</p> <p>The Housing Needs Assessment in Attachment 8 of the 2010-2015 Consolidated Plan serves to estimate the percentage of each special needs population that is served with current affordable housing by examining population information as well as information about the total units identified to serve each population in the State's affordable housing inventory. At the time of the analysis, it was reported that 586 units were needed to serve the chronically mentally ill. However, the goal is to increase the supply and housing options for people with special needs using all relevant state resources. OHCS is currently initiating the process of developing the 2016-2020 Consolidated Plan. This plan will provide an accurate look at the needs of households with special needs residents to provide guidance and direction to addressing the diversity of Oregonian's housing and service needs.</p> <p>Currently, OHCS' efforts to serve special needs populations is not limited to the HOME program housing development funds. OHCS serves special needs populations through its service programs as well as having established priorities for projects that serve special needs populations in both its HOME and 9% LIHTC NOFA multifamily funding processes. In the 2014 NOFAs alone, nearly half of the units funded were to serve special needs populations. These OHCS NOFA awards provided funding for 290 units to serve special needs populations including the elderly, chronically mentally ill, alcohol and drug rehabilitation, and survivors of domestic violence.</p> <p>OHCS recognizes many persons experiencing homelessness also have other needs and disabilities. OHCS strongly encourages the housing first and rapid re housing models. They are some of the many tools used to address the devastating housing need across the state.</p>
<p>CDBG and HOME funds should be available for all housing needs to support working families. Stabilizing home ownership frees up affordable rentals for lower income families.</p>		<p>This recommendation will be evaluated in the consolidated planning process.</p>
<p>Clarify which version of the operations ESG manual will apply for the 2015 Action Plan</p>		<p>The ESG Operations Manual will be updated in July 2015 and apply to this plan after adoption.</p>

**COMMUNITY DEVELOPMENT BLOCK GRANT  
2015 PROPOSED METHOD OF DISTRIBUTION  
PUBLIC COMMENTS**

<b>REGIONAL HOUSING REHABILITATION (HR)</b>		
<b>COMMENT</b>	<b>COMMENTOR OR AGENCY</b>	<b>STATE RESPONSE</b>
Consider increasing the total allowable for a Housing Rehabilitation Revolving Loan Program from \$400,000 to \$450-500,000 per grant. It would allow recipients of the program to serve several additional households during each program cycle.	Community Action Team (CAT)	During, 2015 the Oregon Business Development Department – Infrastructure Finance Authority (OBDD-IFA), will evaluate the need to increase the maximum housing rehabilitation grant for 2016.
CAT would like to request that OBDD recommend to HUD that a “Rural Coefficient” be added to the funding formula for the State of Oregon. There is a much different cost to doing business in a rural area. Often times Housing Rehabilitation Loan Programs cover vast areas – sometimes thousands of square miles.	CAT	The U.S Department of Housing and Urban Development (HUD) has a prescribed formula to determine the states non-entitlement annual allocation. Details of the formula can be found in Chapter 1 of the document entitled “Basically CDBG for States” at the following link: <a href="https://www.hudexchange.info/onecpd/assets/File/Basically-CDBG-State-Chapter-1-Overview.pdf">https://www.hudexchange.info/onecpd/assets/File/Basically-CDBG-State-Chapter-1-Overview.pdf</a>  With the required submission of this comment/response table with the final 2015 Method of Distribution (MOD) to HUD, OBDD-IFA will have accomplished the submission of this comment to HUD.
CAT blends the Coordinated Care Organizations funding with weatherization and other small grant funding sources, it is clear the \$50,000 investment will not even to begin to meet the need in Scappoose and St. Helens, our initial target area. One of the lessons learned in this program is that there is a high case management to construction cost ratio. In fact, because the actual construction costs are very low, the ratio of design/case management to construction is approximately 50-50.  We proposed that the IFA include a small grant program in this method of distribution, separate from the current CDBG rehab programs. This activity needs to be distinguished from housing rehab due to its small-scale, and high case management to construction ratio.	CareOregon	OBDD-IFA will research this matter further in 2015 for consideration.

<b>MICROENTERPRISE ASSISTANCE</b>		
<b>COMMENT</b>	<b>COMMENTOR OR AGENCY</b>	<b>STATE RESPONSE</b>
<b>No comments were received.</b>		

**COMMUNITY DEVELOPMENT BLOCK GRANT  
2015 PROPOSED METHOD OF DISTRIBUTION  
PUBLIC COMMENTS**

<b>PUBLIC WORKS PUBLICLY OWNED OFF SITE INFRASTRUCTURE</b>		
COMMENT	COMMENTOR OR AGENCY	STATE RESPONSE
No comments were received.		
<b>PUBLIC WORKS</b>		
COMMENT	COMMENTOR OR AGENCY	STATE RESPONSE
No comments were received.		
<b>PUBLIC / COMMUNITY FACILITIES (CF)</b>		
COMMENT	COMMENTOR OR AGENCY	STATE RESPONSE
<p>The MOD retains percentages for allocating funding between types of projects that were used in previous year's MOD. Our understanding is that the target percentages were developed based upon previous need/demand for different types of projects. IFA is currently indicating a target percentage of 26% for community/public facilities. We ask IFA increase this percentage to align CDBG expenditures with two of the Governor's highest priority initiatives-early childhood education and healthcare reform.</p> <p>Of the four types of projects eligible for CDBG funds – microenterprise assistance, public works, community/public facilities, and regional housing rehabilitation – only community/public facilities can support early child education and health care reform. The Governor's early education initiative can be supported through development of community facilities such as head start centers, family resource centers and community centers. The Governor's health care reform initiative can be supported through development of community facilities such as drug and alcohol treatment facilities, mental health treatment facilities, health clinics, senior centers, domestic violence shelters and homeless shelters. We would request that IFA increase the target percentage and funding amounts targeted for community/public facilities such as those described above to reflect present priorities rather than past demand.</p>	<p>United Community Action Network (UCAN)</p>	<p>The target funding shown in the MOD is the minimum "goal" the State hopes to achieve with the use of CDBG funds. However, the state has no control over the type and quantity of applications submitted for funding by local governments each funding quarter. Therefore, the MOD allows OBDD-IFA to move funding from one category to another to address current program needs, thus giving OBDD-IFA investment flexibility.</p> <p>What this means is that if a sufficient number of projects are not awarded in a particular category, applications in other categories may be funded. Every quarterly application round the department conducts a target review to determine if funds need to be moved from one category to another to address current program needs.</p> <p>This flexibility was utilized in the recent 2014 -3<sup>rd</sup> quarter application round, where OBDD-IFA exceeded the 26% targeted for community/public facilities by awarding 48% of the states available CDBG funds for these types of facilities.</p> <p>This investment flexibility is very important to address the present and changing needs of the program, and has allowed the State to meet present demand in each application round. This investment flexibility language will remain unchanged in 2015.</p>

**COMMUNITY DEVELOPMENT BLOCK GRANT  
2015 PROPOSED METHOD OF DISTRIBUTION  
PUBLIC COMMENTS**

<b>GENERAL / ADMINISTRATIVE</b>		
<b>COMMENT</b>	<b>COMMENTOR OR AGENCY</b>	<b>STATE RESPONSE</b>
<p>We are concerned with IFA's short-term goals as expressed in the 2014 Action Plan (page 59). The Action Plan seems to indicate that IFA has the goal of funding one drug and alcohol treatment facility, head start center, mental health treatment facility, or health clinic every two years, as opposed to funding one such facility annually. As these facilities all would support implementation of the Governor's education /health reform initiatives, we believe that IFA's goal should be to fund at least one of these types of facilities annually.</p>	<p>UCAN</p>	<p>The States CDBG program is operating under the HUD approved 2011-2015 Consolidated Plan, which is a general five year document setting the direction of the States CDBG program for the next five years. Annually, thereafter the state is required to submit annual action plans to HUD that specifically address what the program will do that year, and demonstrating conformance with the Consolidated Plan.</p> <p>The outcome and performance goal being referred to, of funding one drug and alcohol treatment, head start, mental health treatment, health clinic facility every other year was established in the fall of 2010, prior to the 2011-2015 Consolidated Plan submission to HUD..</p> <p>OBDD-IFA welcomes the ability to exceed this goal, if enough applications are received requesting this type of funding. However, the state has no control over the type and quantity of the applications received under the program. Since 2011, OBDD-IFA has only received 2 applications for these types of facilities and both were funded.</p> <p>This is an excellent comment as OBDD-IFA prepares in 2015 to undergo the next 5 year Consolidated Plan development for 2016-2020. This comment will be taken into consideration and OBDD-IFA welcomes comments on the draft consolidated plan, when it is made available for public comment in the fall of 2015.</p>
<p>The current MOD allows for special income surveys if "2014 LMISD data shows that 47% to 50.9% of the persons in an area are low and moderate income, but the applicant believes that local economic conditions have significantly changed." In the past, communities outside of this range have been able to successfully demonstrate eligibility by completing local income surveys. We, therefore, strongly recommend IFA allow any community interested in conducting an income survey at their own expense be permitted to do so.</p>	<p>MWVCOG, MWVMC</p>	<p>This requirement was developed after issuance of the annual Low and Moderate Income Survey Data (LMISD) data from HUD. Since the LMISD data is updated annually, rather than once every 10 years as it was in the past, the data is anticipated to be of a higher quality.</p> <p>The current requirement "...that 47% to 50.9% of the persons in an area are low and moderate income but the applicant believes that local economic conditions have significantly changed" was implemented in 2011 and will remain unchanged in 2015.</p>
<p>The MOD allows a community to conduct a special income survey at their own cost, if a comparison with 2013 LMISD shows a 10 point or greater difference from the 2014 LMISD. It is unclear why IFA is opting to restrict a jurisdictions ability to conduct an income survey at their own costs. If a community shows an 8 point differential from 2013 data, are they not entitled to challenge the ACS data the same as a community with an 11 point differential would be?</p>	<p>MWVCOG, MWVMC</p>	<p>OBDD - IFA is in the process of reassessing the criteria that guides communities who have an interest in conducting an income survey. It is worth noting that that criteria mentioned in the public comment (a community to conduct a special income survey at their own cost, if a comparison with 2013 LMISD shows a 10 point or greater difference from the 2014 LMISD) is a major shift in IFA policy and dramatically expands the ability of many entities to initiate a survey. Further changes in the policy are being considered at this time</p>

**COMMUNITY DEVELOPMENT BLOCK GRANT  
2015 PROPOSED METHOD OF DISTRIBUTION  
PUBLIC COMMENTS**

<p>We appreciate that IFA acknowledges the expense related to translation of documents, as needed, and appreciate that the State has made translation services an eligible expense for jurisdictions. However, we recommend that IFA provide Spanish and Russian translations, at a minimum, for all materials required to be posted or published under the CDBG guidelines. This service would reduce the need of each awarded jurisdiction to spend CDBG funds on repeated translations throughout the State. Each jurisdiction could then use the templates provided by IFA to personalize the publication and materials to their area, at a reduced cost to the program overall. Could the one percent set-aside under Community Capacity/Tech Assistance be used by IFA to provide such provisions?</p>	<p>MWVCOG</p>	<p>OBDD-IFA is currently moving forward with the Spanish translation of document posted or published. This will be completed in 2015. We are also assessing the need of the documents in other languages and will initiate that effort as need is demonstrated. We are currently researching translation services, costs and identifying which documents/templates would need to be translated for the program.</p>
<p>There have been increased rules, regulations and requirements added every year, but there has never been an increase in payment for Grant Administration.</p>	<p>CAT</p>	<p>The list below contains the history of the grant administration (GA) and program management (PM) costs allowed under the states' Community Development Block Grant (CDBG) program since 2005:</p> <p><b>2005: (Maximum for GA \$15,000 and PM \$80,000)</b></p> <ul style="list-style-type: none"> <li>• Grant Administration 10% with a cap of \$15,000</li> <li>• Program Management 20% including grant administration.</li> </ul> <p><b>2006: (Maximum for GA \$20,000 or \$25,000 and PM \$85,000 or \$90,000)</b></p> <ul style="list-style-type: none"> <li>• Grant Administration 10% with a cap of \$20,000 (\$25,000 if utilizing an Oregon certified grant administrator)</li> <li>• Program Management 20% plus \$5,000, including grant administration. (Could be 20% plus \$10,000, including grant administration if utilizing an Oregon certified grant administrator)</li> </ul> <p><b>2013: (Maximum for GA \$58,000 and PM \$108,000)</b></p> <ul style="list-style-type: none"> <li>• Grant Administration 10% with a cap of \$25,000</li> <li>• Program Management 20% plus \$10,000, including grant administration</li> <li>• Environmental Review \$15,000</li> <li>• Federal Labor Standards Compliance Monitoring \$15,000</li> <li>• New Additional Allowance: Limited English Translation Services \$3,000</li> <li>• Public Works Funding Application Preparation \$7,500</li> </ul> <p>The GA and PM allowances under the program have been slowly and steadily increasing through the years. OBDD-IFA will re-consider additional increases to the base allowances for grant administration and program management during 2015.</p>

## COMMUNITY DEVELOPMENT BLOCK GRANT 2015 PROPOSED METHOD OF DISTRIBUTION PUBLIC COMMENTS

<p>The Agency's stated mission is to help existing business retain jobs while growing and attracting additional business. Oregon's land use system, while able to retain a strong quality of life, makes development upon land outside the Urban Grow Boundaries or "green fields" difficult. As such, use of land within UGBs is extremely important. We encourage IFA to reinstate the ability of jurisdictions to use CDBG funds for brownfield revitalization projects and elimination of slum and blight, as previously permitted by IFA and as permitted by HUD. We believe any funds that allows for the use of grant funds for brownfield cleanup and elimination of blighted properties helps to secure future use of already scarce industrial lands in Oregon.</p>	<p style="text-align: center;">Mid-Willamette Valley Council of Governments (MWVCOG)</p> <p style="text-align: center;">Mid-Willamette Valley Mayors Coalition (MWVMC)</p>	<p>Although brownfield revitalization and downtown revitalization projects are not identified as a priority for funding under the State's CDBG program, if OBDD-IFA receives a well developed funding proposal that demonstrates every reasonable likelihood that the proposed project could meet the CDBG program requirements, (including national objective) there is nothing in the MOD that precludes an applicant from applying to the CDBG program from that project. Page 1-1 of the proposed 2015 MOD states "<i>Section 106(d)(2)(C)(iii) of the Housing and Community Development Act (HCDA) prohibits a state from declaring certain statutorily eligible activities as ineligible for funding under the state's program, but allows a state to establish funding priorities among the types of eligible activities. The State of Oregon's funding priorities for 2015 are described within the 2015 Method of Distribution (MOD). In accordance with the HCDA the state will consider applications for funding consistent with the identified funding priorities within the 2015 MOD.</i></p> <p><i>The priorities eligible for funding under Oregon's 2015 Community Development Block Grant program are:</i></p> <ol style="list-style-type: none"> <li>1. <i>Microenterprise Assistance Public Services</i></li> <li>2. <i>Public Works</i></li> <li>3. <i>Community/Public Facilities</i></li> <li>4. <i>Community Capacity/Technical Assistance</i></li> <li>5. <i>Emergency Projects</i></li> <li>6. <i>Housing Rehabilitation</i></li> </ol> <p>Slum and blight eligible project priorities are not identified as a priority under the states' program because of the federally required five-year continued use requirement, which requires that the site must remain in the same use for five years after administrative closeout of the grant between the recipient and the state. The continued use requirement is the biggest hurdle for using the slum and blight national objective for local communities. The site, once the blight has been cleared, must continue to meet the federal national objective of slum and blight removal, meaning that the property must remain vacant or be converted to another eligible use during this time. If the property is converted to another use during the five-year period, the new use must meet a federal national objective or the recipient must repay the grant to the State, in accordance with 24 CFR 570.489(j).</p> <p>The language contained in the 2014 MOD will remain unchanged for 2015.</p>
<p>Goal 4 aims to "assist small communities to build infrastructure capacity to address public health, safety and compliance issues as well as support their ability to attract, retain, and expand businesses." HUD permits the use of CDBG funds for downtown revitalization projects and we believe strong commercial and industrial cores are integral for low to moderate income populations as well as healthy businesses and a strong tax base for communities. We encourage IFA to reinstate downtown revitalization projects as eligible for CDBG funding.</p>		
<p>We strongly support the greatest amount of latitude possible in the projects that can be funded with CDBG funds. This allows local citizens and their duly elected leaders to identify and prioritize community development needs. Examples of this include IFA reinstating the ability of jurisdictions to use CDBG funds for brownfield revitalization projects and for downtown revitalization projects.</p>		

**COMMUNITY DEVELOPMENT BLOCK GRANT  
2015 PROPOSED METHOD OF DISTRIBUTION  
PUBLIC COMMENTS**

<p>We encompass almost 1 square mile, and have a population of approximately 2,144, of which nearly 30% are over the age of 65. We are considered a bedroom community to Grants Pass and Medford with the majority of our employed citizens working outside of Rogue River. Our growth has always been slow, but of course it was at a complete standstill during the just ending economic crisis years. For these reasons, I find it very difficult to believe that our low to moderate income level could have changed as significantly as the American Consumer Survey has found (13.37%).</p> <p>It is my belief that the survey was inherently flawed and that the 2010 American Census is a more reliable source of data. I believe people are more willing to respond to the Census than to a survey such as the American Consumer Survey.</p> <p>I am grateful that we will at least be given the opportunity to have our own income survey done, albeit at a cost to my city. As many other municipalities have experienced, our revenue has not kept up with the cost of providing the basic services that our citizens expect and deserve and though we have weathered the recession storm, we still continue to be frugal with our spending. However, the alternative of losing our eligibility for Community Development Block Grants could have such dire consequences that we will pursue our own survey and hopefully prove the flaws in the ACS.</p>	<p>City of Rogue River</p>	<p>The new addition to the 2015 MOD, allowing a comparison of the LMI data for communities that were 51% or more LMI based upon the 2013 LMISD or a previous OBDD-IFA approved local income survey and that comparison shows a 10 point difference from the new 2014 LMISD and the community is no longer 51% or more LMI to conduct an income survey has allowed the City of Rogue River the opportunity to conduct a their new income survey.</p> <p>OBDD-IFA is pleased to see that this change to the 2105 MOD is helping the City of Rogue River.</p>
---	----------------------------	--

**COMMUNITY DEVELOPMENT BLOCK GRANT  
2015 PROPOSED METHOD OF DISTRIBUTION  
PUBLIC COMMENTS**

<p>The City of Monmouth would like to voice our opposition to the proposed changes to the Method of Distribution (MOD) for CDBG. It seems like the proposed changes are a continuing example of IFA trying to limit access to CDBG funds. This is puzzling, as it seems like the point of administering these funds is to help jurisdictions improve their communities.</p> <p>If a project is eligible per HUD rules, it should be allowed to be submitted. If a jurisdiction can prove that they can meet income eligibility standards, they should be allowed to do so without limits. We're not sure, at a philosophical level, why barriers are being set by IFA that limit our access to CDBG funds?</p>	<p>City of Monmouth</p>	<p>There were only four proposed changes for 2015:</p> <ul style="list-style-type: none"> <li>• Two changes pertained to the new income limits established by HUD, not the State of Oregon. The new 2014 LMISD information was issued by HUD through Community Planning Development (CPD) Notice 14-10 which the state is required to implement.</li> <li>• One changes was simply an expansion of the written narrative for grant contract amendments and waivers to better clarify the existing processes; and,</li> <li>• One change eliminated a requirement to have the Oregon Department of Environmental Quality (DEQ) and the Oregon Health Authority – Drinking Water Program (OHA-DWP), approve scope of works for wastewater facilities plans and water master plans.</li> </ul> <p>If OBDD-IFA receives a well developed funding proposal that demonstrates every reasonable likelihood that the proposed project could meet the CDBG program requirements, (including national objective) there is nothing in the MOD that precludes an applicant from applying to the CDBG program from that project. Page 1-1 of the proposed 2015 MOD states "<i>Section 106(d)(2)(C)(iii) of the Housing and Community Development Act (HCDA) prohibits a state from declaring certain statutorily eligible activities as ineligible for funding under the state's program, but allows a state to establish funding priorities among the types of eligible activities. The State of Oregon's funding priorities for 2015 are described within the 2015Method of Distribution (MOD). In accordance with the HCDA the state will consider applications for funding consistent with the identified funding priorities within the 2015 MOD.</i>"</p>
--	-------------------------	---

## COMMUNITY DEVELOPMENT BLOCK GRANT 2015 PROPOSED METHOD OF DISTRIBUTION PUBLIC COMMENTS

<p>The IFA proposes a return to rating and ranking criteria of all applications upon submission. This process was revised in previous years to be on an “as needed” basis if funding for a category to become competitive. As IFA has not awarded all the funding previous years, it appears rating and ranking all applications, once they are determined to meet all threshold requirements for a category, appears to be an extra and excessive burden upon IFA staff. We propose rating and ranking of applications only occur if funding for category become limited and a competitive award process is required. Additionally, IFA proposes to rank fire stations or head start facilities as able to receive a maximum of 80 points while libraries and community centers can receive a maximum of 25 points. We believe it should be up to the jurisdiction to determine their essential facilities and use of CDBG funding. We discourage IFA from placing the same importance valuations upon unique and varied jurisdictions who may have varied community priorities.</p>	<p>MWVCOG</p>	<p>In 2013 the rating and ranking of applications was re-instituted, because under 24 CFR 91.320(k), HUD regulations state “The Method of Distribution shall contain a description of all criteria used to select applications from Local governments for funding, including the relative importance of the criteria, where applicable.”</p> <p>In 2013 and 2014 the State of Oregon received applications for CDBG funds in excess of the available funds to award and a competitive process was essential in determining the successful applicants to the program.</p> <p>OBDD-IFA cannot refuse applications from units of general local government for eligible activities. Refer to page 1-1 of the 2015 MOD where it states “<i>Section 106(d)(2)(C)(iii) of the Housing and Community Development Act (HCDA) prohibits a state from declaring certain statutorily eligible activities as ineligible for funding under the state’s program, but allows a state to establish funding priorities among the types of eligible activities. The State of Oregon’s funding priorities for 2015 are described within the 2015 Method of Distribution (MOD). In accordance with the HCDA the state will consider applications for funding consistent with the identified funding priorities within the 2015 MOD.</i></p> <p>However, the state can develop funding priorities (eligible activities) and funding criteria to ensure that the state identified priority projects (eligible activities) receive funding priority under the states’ program. To accomplish this, in 2013 the application process was modified, as requested by HUD to return to a quarterly competitive application process, allowing the state to fund priority projects, the process contained in Chapter 7 of both the 2013 and 2014 MOD is a fair and transparent review process, and will remain unchanged for 2015.</p> <p>Under the state’s rating and ranking system and priority determination, different maximum point limits are assigned by project type to ensure the highest needed (priority) projects are funded first i.e. facilities to reduce homeless and hunger will receive greater points than a facility library or community center. These priorities are the states priority for funding under the program. The state does not determine which facility a community should apply for, this determination is made by the community/applicant. Communities already submit applications for funding consideration based upon their locally identified priorities and needs.</p>
---	---------------	--

**Abbreviations:**

ACS	American Community Survey	MWVMC	Mid-Willamette Valley Mayors Coalition
CAT	Community Action Team	OBDD-IFA	Oregon Business Development Department – Infrastructure Finance Authority
CDBG	Community Development Block Grant	UCAN	United Community Action Network
CFR	Code of Federal Regulation		
CPD	Community Planning Division		
HCDA	Housing and Community Development Act		
HUD	Housing and Urban Development		
LMI	Low and Moderate Income		
LMISD	Low and Moderate Income Survey Data		
MOD	Method of Distribution		
MWVCOG	Mid-Willamette Valley Council of Governments		