

CITY OF INDIANAPOLIS DEPARTMENT
OF METROPOLITAN DEVELOPMENT

CDBG Program Policies & Procedures Manual

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INTRODUCTION

The City of Indianapolis' Department of Metropolitan Development (DMD) administers a number of federal grant programs through a division within DMD known as the Division of Community Economic Development (CED). In order to carry out its administrative responsibilities, CED has established interdisciplinary teams, consisting of a Grant Manager, Grant Analyst and Program Coordinator to manage the oversight, financial administration and monitoring of each grant. These grant management teams have designed local Federal Grants Management Policies, applicable to any organization that receives City-grant funds.

This document consists of three sections. The first section provides reference information regarding grant programs administered by the Division, including definitions and eligibility requirements. The second segment details the processes in place to access funds through the Division. The third section highlights the principal federal regulations and local ordinances governing all CED grant contracts.

PROGRAM DESCRIPTIONS

Entitlement Programs/Formula Grants

Community Development Block Grant (CDBG)

Established by The United States Department of Housing and Urban Development (HUD), this grant is used to provide decent housing and a suitable living environment and to expand economic opportunities. This program is targeted principally for persons earning less than 80% of the area's median family income and/or activities that will prevent or eliminate slum and blight. Only 15% of the City's total award amount can go towards public service activities, which includes human and social services. For more information please visit the website located at

http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/programs.

RELATED PROGRAM DESCRIPTIONS

Non-Entitlement Programs/Competitive Grants

Economic Development Initiative (EDI)

A HUD grant to local governments that can be used to enhance both the security of loans guaranteed through the Economic Development Loan Fund and the feasibility of the large economic development and revitalization projects they finance. A local government may use an EDI grant to provide additional security for development loans, thereby reducing the exposure of its CDBG funds in the event of default. They may also be used to make the project more feasible by paying some of the project costs with grant funds or by reducing the interest rate to be paid for loans from a revolving fund.

Section 108 Loan

This is a HUD loan program that enables state and local governments participating in the CDBG program to obtain federally guaranteed loans that can help fund large economic development projects and other revitalization activities. For more information please visit the website located at

http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/programs/108.

DEFINITIONS

Affordable Housing

Generally defined as housing for which the occupant is paying no more than 30% of his or her gross monthly income for housing costs, including utilities.

Change Order

A Change Order must be executed for any deviation, addition, or deletion made to the approved scope of work, design specifications, project timeline, or project budget **after** construction starts.

Citizen Participation Plan

A plan that must be developed by all Participating Jurisdictions to describe and document efforts that will be undertaken to provide for and encourage citizens to participate in the development of the Consolidated Plan, any substantial amendments to the Consolidated Plan, and the performance report.

Claim

A reimbursement request for expenses incurred and paid by an award recipient.

Community-Based Development Organization (CBDO)

A federally-defined type of organization engaged in community development activities in a specific geographic area within a community whose primary purpose is to improve the physical, social, and/or economic environment of its service area, with particular attention directed to the needs of individuals earning less than 80% of the median family income.

Community Economic Development (CED)

A division of the Department of Metropolitan Development of the City of Indianapolis responsible for administering federal grants, economic development, real estate, and housing initiatives.

Community Development Corporation (CDC)

Private, non-profit, corporation established to serve a specific geographic area.

Community Based Development Organization (CBDO)

A federally-defined type of entity, CBDOs are governed by the regulations in §570.204 and can be either be nonprofit or for-profit entities. CBDOs can be treated as developers or subrecipients by the City. CBDOs perform neighborhood revitalization, community economic development, or energy conservation project activities.

Community Housing Development Organization (CHDO)

A federally-defined type of private non-profit grassroots organization serving as either an owner, developer, and/or sponsor of affordable housing projects.

Department of Metropolitan Development (DMD)

A Department of the City of Indianapolis-Marion County responsible for the oversight of housing and community development funds, permits, code enforcement, planning, historic preservation, zoning, and economic development.

E-Verify

Title IV, Subtitle A, of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, requiring employers to verify and confirm the accuracy of Social Security numbers provided by all employees.

Fair Market Rents (FMR)

Guidelines published annually by HUD that estimate the rents and utility costs that would be required to rent privately-owned, decent, safe and sanitary rental housing of a modest nature with suitable amenities.

Grant Analyst

Member of the City's grants management teams (within CED) responsible for financial oversight of a grant program.

Grant Coordinator

Member of the City's grants management team (within CED) responsible for claim payment, environmental review processing and main source of contact for subrecipients.

Grant Manager

Member of the City's grants management team (within CED) responsible for grant administration, including funding recommendations, regulatory compliance and project coordination.

Health and Hospital Corporation

Division of the Marion County Health Department responsible for inspecting housing units for compliance with health and safety standards.

Household

All persons, whether related or unrelated, living in a housing unit.

Leverage

Financial commitments for an organization or project used to obtain additional or other funding to support the organization or project.

Low-Income Housing Tax Credits/Rental Housing Tax Credits

The Indiana Housing and Community Development Authority (IHCDA), a quasi-autonomous statewide government agency, administers the Rental Housing Tax Credit (RHTC) program. RHTCs are federal tax credits that IHCDA allocates to developers of affordable rental housing. By reducing a developer's federal tax liability or selling of tax credits to investors, tax credits can contribute significantly to the financial viability of developing affordable rental units.

Median Family Income (MFI)

The level at which 50% of households have a higher income and 50% of households have a lower income, with adjustments made for household size. Program eligibility is often relative to a client's percentage of the MFI.

Participating Jurisdiction

The term given to any State or local government that HUD has designated to administer an Entitlement Program. HUD designation as a PJ occurs if a State or local government meets the funding thresholds, notifies HUD that it intends to participate in the program, and obtains approval by HUD of a Consolidated Plan.

Performance-Based Outcomes

Goals that measure the impact of the program on the client served. Performance-based outcomes must be specific, measurable, achievable, realistic and time-bound.

Program Income

Income generated from the use of grant funds. This includes but is not limited to income above project expenditures and any recapturing funds. All Program Income must be reported, and in some cases, repaid to the City annually.

Project-Based Rental Assistance

HUD rental subsidy assistance provided to a specific housing unit aimed at providing decent, safe and sanitary housing opportunities for low-income individuals.

Project Sponsor

Defined as a recipient of Federal grant funds from the City of Indianapolis.

Request for Proposals (RFP)

A solicitation of project proposals to meet a particular need. Annually, the City issues an RFP to identify projects that could receive housing and community development funding.

Sub-recipient

Defined as a public agency or nonprofit organization selected by the participating jurisdiction to administer all or a portion of the PJ's programs. Local government members of consortia that receive consortium funds and urban county members are also considered subrecipients.

Tenant-Based Rental Assistance

HOME program rental assistance provided to low-income families to obtain decent, safe, and sanitary housing in private accommodations that makes up the difference between what they can afford to pay and the approved rent for an adequate housing unit.

United States Department of Housing and Urban Development (HUD)

The Federal Department responsible for the implementation and administration of programs designed to provide assistance for housing and urban development, housing production and mortgage credit programs.

INCOME LIMITS

Individuals served under this program, must meet and/or track and report on persons served by the income limits established by HUD on an annual basis. Click following link to visit HUD Income Limit website ([Income limits](#)).

2015 HUD Income Limits

% of Median Income	Limit per Number of Persons in Household							
	1	2	3	4	5	6	7	8
30%	\$14,350	\$16,400	\$20,090	\$24,250	\$28,410	\$32,570	\$36,730	\$40,890
50%	\$23,850	\$27,250	\$30,650	\$34,050	\$36,800	\$39,500	\$42,250	\$44,950
80%	\$38,150	\$43,600	\$49,050	\$54,500	\$58,900	\$63,250	\$67,600	\$71,950

Requirement:

Project sponsors calculating potential CDBG beneficiaries' income are required to use the [Part 5 Annual Income](#) method for determining income.

Source Documentation:

Project sponsors are required to collect and use no less than **3 consecutive months of paystubs and bank statements** in order to calculate income eligibility. The source documentation and income calculation must be kept in the client file.

Project sponsors are required to use the [CPD Income Eligibility Calculator](#). When using the calculator you will want to use 2% Passbook Rate in the Guided (Step-by-Step) Method.

SUBSIDY LIMITS

The City will limit the amount of funds that may be used for rehabilitation/construction projects in order to maximize the use of grant funds for housing and community development activities.

CDBG Home Repair

1. Funding for owner-occupied home repairs or emergency home repairs may not exceed \$25,000 per unit. Funding may only exceed \$25,000 on specifically identified projects with **prior authorization** from the Community Development Block Grant (CDBG) Manager.

ADMINISTRATIVE EXPENSES

The City will limit the amount of funds that may be used for program delivery (salaries, benefits, supplies) expenses, in order to maximize the use of grant funds for housing and community development activities. Program Delivery funds must be drawn down in proportion to the amount of non-administrative funds drawn.

CDBG Home Repair

- A maximum of 20% of the total contract amount may be allocated for program delivery expenses directly related to that contract. Unless 100% of a line item is dedicated to the CDBG contract, all allocations must be pro-rated.

-If all of the program delivery is drawn down and not all of the entitlement expense is drawn down the project sponsor will owe grant funds back to City. The recommendation is to draw program delivery down in proportion to the construction draw-downs.

ENTITLEMENT GRANTS: CONSOLIDATED PLAN

In compliance with federal regulations, the City will publish a five-year Consolidated Plan and an Annual Action Plan that outline housing and community development priorities and detail the activities that will be undertaken with federal entitlement funds in a given year.

- I. The City, in collaboration with the public, will create a Consolidated Plan to comply with HUD regulations. The Consolidated Plan is a comprehensive five-year strategic plan that details the City's housing and community development needs and identifies strategies to meet those needs. The current Consolidated Plan covers the years 2015 through 2019. The Plan represents the City's application to HUD for the following federal grants: Community Development Block Grant, HOME Investment Partnerships Program, Emergency Shelter Grant, and Housing Opportunities for Persons with AIDS.

The 2015-2019 Consolidated Plan will incorporate several initiatives, or priorities, from Plan 2020 in a way that supports a diverse population. The priorities over the next five years include:

1. ***Livable Communities*** – Livable communities will be vibrant neighborhoods with buildings of quality design, accessible infrastructure and affordable housing for all income groups.
 - *Goal 1:* Support façade improvements in a focused effort. – 35 over 5 years.
 - *Goal 2:* Support neighborhood revitalization efforts of a CBDO or CDFI. – 2 projects in 5 years

- *Goal 3:* Support occupied repair/rehab through loans to persons earning less than 80% MFI. - 400 in 5 years
- *Goal 4:* Support public infrastructure projects that produce vibrant environments, creating neighborhood identification. – 2 projects in 5 years (NRSA areas only)
- *Goal 5:* Support the development of multi-family housing with low-income housing tax credits that improve the quality of aging urban communities. – 200 over 5 years.
- *Goal 6:* Create homeownership opportunities with exceptional design, for households at or below 80% MFI. -25 over 5 years.
- *Goal 7:* Create a wider range of housing opportunities for households living with disabilities through Tenant Based Rental Assistance. – 50 over 5 years.
- *Goal 8:* Support homeownership opportunities by providing down payment assistance for low-income households at or below 80% MFI throughout Indianapolis. – 50 over 5 years.
- *Goal 9:* Support the remediation of blighted properties – 2 projects over 5 years.
- *Goal 10:* Support organizations through technical assistance activities that will meet a National Objective once the assistance leads to a project. – 3 organizations over 5 years
- *Goal 11:* Demolition and clean up unsafe structures that are hazardous to the health of the community or residents. – 500 buildings over 5 years.

2. ***Youth Education and Employment*** – The City will support programs that provide youth of all ages, from pre-K to young adults, with affordable education and opportunities for summer employment.

- *Goal 1:* Support youth academic activities. –20,000 youth served in 5 years
- *Goal 2:* Support summer youth employment programs. – 100 youth in 5 years

3. ***Economic Opportunities***- Economic opportunities will be opened for business owners and the workforce they intend to hire. Preparing Indianapolis residents for jobs that will be created is important to increasing income for low-income residents but also attracting businesses to the area.

- *Goal 1:* Support job training and placement programs for low to moderate-income individuals. – 250 job placements in 5 years.
- *Goal 2:* Support business expansion and new businesses by job creation activities– aid at least four businesses to create 75 new full time equivalent jobs over five years.

4. ***Prevention and Stabilization*** – For some families, stabilizing their housing is of highest priority. The challenge not only lies in helping low income households find housing, it is helping them keep their housing, particularly for those households that are chronically homeless. The City will support programs that help extremely low-income households stabilize their housing.
 - *Goal 1:* Serve individuals/families with Prevention and Stabilization Services. Of those, 10% will meet the definition of “Chronic”. - 1,000 over 5 years.
5. ***Emergency Shelter Assistance*** – The City will continue to support households that fall on hard times, by helping them find shelter and quickly get back into housing. This is called Rapid Re-housing, with the intention of families and individuals finding permanent housing quickly and minimizing the time in a shelter. The City will also support programs reducing the length of shelter stays to ease overcrowding in the communities shelters.
 - *Goal 1:* Serve individuals/families with Rapid Re-Housing and Stabilization Services. Of those, 10% will meet the definition of “Chronic” homeless. - 750 over 5 years.
 - *Goal 2:* Indianapolis will reduce the average shelter stay by at least 10 percent from the preceding year.
 - *Goal 3:* Support the operation of the HMIS system, tracking the needs of the homeless population to create better programing and housing to match their needs.
6. ***Street Outreach*** – The City will support service providers going out into the community, away from their facilities, to reach homeless neighbors unable or unwilling to come in the shelter. The intention of this program is to connect these individuals and families with services they may not be aware of that could help them find permanent housing.
 - *Goal 1:* Serve individuals with outreach services. Of those, 15% will meet the definition of “Chronic”. – 1,000 over 5 years.
7. ***Services for Persons Living with HIV/AIDS*** – Affordable housing and supportive services are a high need for persons and households living with HIV/AIDS. Medical costs are exceptionally high for treatment, thus creating a challenge for these households when it comes to stabilizing housing. The City will support programs serving persons living with HIV/AIDS in many different ways, including emergency rent or utility assistance and case management services.
 - *Goal 1:* Tenant Based Rental Assistance will be provided to individuals/families that are HIV/AIDS positive. – 400 over 5 years.

- *Goal 2:* Short Term Rent, Utility and Mortgage Assistance will be provided to individuals/families that are HIV/AIDS positive. - 1,000 over 5 years.
- *Goal 3:* Supportive Services will be provided to individuals/ families that are HIV/AIDS positive. – 1,250 over 5 years.
- *Goal 4:* Individuals/families will remain stably housed for one year. - 250 over 5 years.

8. **Fair Housing** – The City of Indianapolis will strive to further fair housing in the community. Testing by local and national advocacy groups have found system-wide discrimination on the basis of race and disability in the community.

B. Each year, the City prepares an Annual Action Plan detailing how it will spend the four federal grants in that year to address the Consolidated Plan goals and strategies.

C. The City will seek citizen input in the preparation of both the Consolidated and Annual Action Plans. Public notices will be published in The Indianapolis Star and The Court & Commercial IJB to announce opportunities for citizen involvement in the process. The City will hold a minimum of two public hearings during the planning process to solicit citizen input.

D. Citizen input will be used in conjunction with the strategies outlined in the Consolidated Plan to create scoring criteria for evaluating annual requests for funding.

ENTITLEMENT GRANTS: REQUESTS FOR FUNDING

The Request for Proposal Process

The City will hold an open and competitive Request for Proposals (RFP) process to determine which projects will be awarded entitlement funds in a given year.

A. CED will issue an RFP for entitlement funds in conjunction with the consolidated planning process. The RFP will consist of instructions to complete the application, an application, and a listing of the evaluation criteria. A notice of the release of the RFP will be published in two newspapers of general circulation, two weeks prior to the issuance and a public hearing will be held to announce it. A deadline for proposal submission will be included in these announcements.

C. Proposals must be received in Suite 2062 of the City-County Building by **12:00 p.m.** (noon) on the due date. Applications will be date stamped for verification of receipt. Any proposals received after the announced deadline will be ineligible for consideration.

- D. A team or teams will be convened to review proposals. A standard evaluation form will be used to assess all proposals, based on the criteria identified in the RFP. Through this evaluation process, the review team(s) will establish recommendations for funding. The Grant Manager will create allocation recommendations.
- E. The Mayor and the Director of DMD will review the recommendations and will either approve or amend these recommendations.
- F. The proposals recommended through the above process will be presented to the appropriate governing body. This governing body has the final authority to approve or amend the funding recommendations.
- G. Applicants will receive written notification, indicating the level of support, if any, which will be awarded. Participation in further discussion regarding the outcomes of the application process will be at the discretion of review team members and City administration.
- H. Funds for those projects that have received approval will be made available upon the execution of a signed contract between the City and the Project Sponsor.

PRE-CONTRACT REQUIREMENTS

Prior to contract execution, Project Sponsors must submit a Federal Identification Number and proof of insurance, Federal Grants Single Audit Certification and E-verify registration documentation in order for a Purchase Order to be created by the City's Division of Purchasing.

Employer Identification Number

- A. If a Project Sponsor has not already been issued an employer identification number, one must be obtained from the Internal Revenue Service.
- B. Any organization must go to the City's Purchasing Department's website to register themselves as a vendor. The organization will have to upload a completed W-9. The Purchasing Department's website can be accessed at:
<http://www.indy.gov/eGov/City/OFM/Purch/Vendor/Pages/VendorRegistration.aspx>

Federal Grants Single Audit Certification

Circular A-133 requires the Department of Metropolitan Development to monitor Sub-grantees of federal awards, and determine whether they have met the audit requirements of the circular and whether they are in compliance with federal laws and regulations. Project Sponsors will be required to complete and return the *Federal Grants Single Audit Certification* worksheet before a purchase order will be issued. See the Monitoring section of this manual for more details. Information on OMB Circular A-133 can be found at [OMB Circular A-133](#).

E-Verify

Title IV, Subtitle A, of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, requiring employers to verify and confirm the accuracy of Social Security numbers provided by all employees. All Contractors working on a federally funded developments will be required to enroll and verify all subs and the subs employees as well. E-Verify documentation should be maintained in the developers project file. All project files are subject to annual monitoring by city staff to verify compliance with federal programs.

<https://e-verify.uscis.gov/enroll/StartPage.aspx?JS=YES>

Proof of Insurance

Project Sponsors will be required to submit proof that their organization's insurance policy is in compliance with its City contract, and the City must be listed as an additional insured on the policy. Each project sponsor must also have workers' compensation. The Proof of Liability Insurance Certification must be presented to City staff before a purchase order can be created.

Davis-Bacon Compliance

All Project Sponsors receiving federal grants for construction, rehabilitation, brownfields and/or demolition activities must complete a *Davis-Bacon Applicability Review form*. This form must be submitted to the Davis-Bacon Compliance Monitor for review, prior to issuance of contract.

Project Sponsor Contact Information

All Project Sponsors must submit to DMD staff any new contact information for their organization at the beginning of the grant year.

DMD relies on performance-based contracts. During the contract negotiation process, all Project Sponsors must submit project-based outcomes, timelines, and budget, to give DMD staff a mechanism to monitor the organization's progress based on its projected results. The outcomes, timelines, and, budget will be the standard by which the city will monitor performance. Any changes to these standards during the course of the contract period must attain prior approval from City Staff. This includes the reallocation of unused funds towards the end of the contract period.

In general, award notification letters will include a request for the submission of timelines, outcomes and benchmarks for those activities that will be funded and carried out specifically with City-grant funds. Contracts cannot be drafted until the necessary information is received.

- A. All Project Sponsors must submit performance-based outcomes. Upon city approval, performance quarterly based outcomes will be included in grant contracts.
- B. The Grant Manager will consult with the Project Sponsor to determine if the timeline should be amended or if an alternate course of action should be taken to correct the situation. All requests for amendment to contracts must be submitted to the CDBG Grant Manager for approval no later than **August 1st** of the year the contract is due to expires.

Compliance Training

Prior to contract execution, two representatives of each Project Sponsor must attend the appropriate training session sponsored by the City, to ensure Project Sponsor familiarity with the rules and regulations of grant programs.

- A. Once award notification has been given, grant management and compliance personnel will hold training sessions to provide background information for each grant and to answer any questions about the grant programs. The employees who will be managing the contract must attend.
- B. Training sessions will provide an overview of all HUD and City requirements for each grant program. All forms and documentation that will be required for claiming funds and reporting activities will be discussed during these sessions.

(DAVIS-BACON)

All projects receiving federal funds will be reviewed to determine applicability of the Davis-Bacon Act (29 CFR 1, 3, 5, 6, 7) and other related Davis-Bacon regulations.

- A. All projects receiving federal funds must complete a *Davis-Bacon Applicability Review Form*. This form must be submitted to the Davis-Bacon Compliance Monitor for review.
- B. The Davis-Bacon Compliance Monitor will notify each Project Sponsor in writing as to the applicability of Davis-Bacon requirements on their project.
- C. Where Davis-Bacon is applicable:
 - 1. The applicable Wage Decision and *HUD Form 4010* (Federal Labor Standards Provisions) must be incorporated and physically attached to all construction contracts and bid packets.
 - 2. Pre-Construction training is recommended in order to review Davis-Bacon requirements and regulations. Project Sponsors and contractors will receive a copy of the Davis-Bacon Requirements information booklet.

3. Project Sponsors are responsible for completing and submitting: (a) Project Sponsor Agreement and (b) Davis-Bacon Project Checklist
4. All contractors and subcontractors performing work on a Davis-Bacon project must complete and submit (a) Contractor Agreement and (b) Wage and Fringe Benefit Certification form.
5. The Davis-Bacon Compliance Monitor will conduct monthly on-site monitoring visits per project. These monitoring visits may consist of employee interviews.
6. A *Davis-Bacon Payment Request Form* signed by the Davis-Bacon Compliance Monitor must accompany all reimbursement claims. Claims submitted for projects not in compliance with the Davis Bacon requirements will not be approved for payment.

EXCEPTIONS:

The Davis-Bacon Act does not apply to CDBG used for supportive services or operation cost, except where funds are received for the same project from other federal sources that are applicable to the Act.

SPECIAL COMPLIANCE ISSUES

Projects involving rehabilitation and, construction, must obtain an environmental review, receive DMD approval of work specifications, adhere to proper bidding procedures and have required inspections.

Environmental Reviews

Before work specifications will be approved or funds disbursed for property acquisition, an environmental review must be performed on all properties receiving federal funds. No construction may begin without a Rehabilitation/ Construction Approval Form (RCA)

- A. The Project Sponsor must submit three color photos of each property/lot intended for construction/rehabilitation activities for Environmental Review. The three photos should depict the front of the property, the rear of the property, and the subject of repair. If the subject of repair is difficult to visually depict (i.e. electrical work, plumbing, etc.) the description of the work to be completed will aid greatly in the review process. The photos must be attached to the *Environmental Review Request Form*. The entire environmental review process can take, on average, about two weeks to complete depending on volume.

For new construction projects, the Project Sponsor must submit a brief description of the project, such as funding, number of units, whether it is single/multi, etc.

For projects that involve rehabilitating existing buildings for special needs (shelters, transitional housing, etc.), the Project Sponsor must submit a brief description of the project, list the exact intended use(s) of the site and how the federal grant money will be used.

In the event of an emergency repair, a health or safety concern, Project Sponsors should contact the Environmental Review Officer or City Staff. Project Sponsors shall provide the Environmental Review Officer with an environmental review request form that does not have to have photos attached and the nature of the emergency repair. The Environmental Review Officer will email an Emergency Rehabilitation/Construction Approval (ERCA) form. ERCAs will only be issued for issues that may cause individuals or families to leave their residence. Some of these repairs include but are not limited to:

- Hot water heater
- Furnace
- Leaking roof
- Residence contaminated by sewer water (plumbing)

B. The City will perform the environmental review, consisting of the following elements:

1. Historic and Archeological Review

- a. The Project Sponsor will forward the Environmental Review Request Form and supporting information to the Indianapolis Historic Preservation Commission (IHPC) Preservation Planner, Chris Myers (Christopher.Myers@indy.gov) and the CDBG coordinator Chase Schulte (Chase.Schulte@indy.gov) to initiate the review.
- b. IHPC will perform an initial 106 Review. If the property is historic, the Environmental Review Officer will notify the Project Sponsor that he/she needs to contact the IHPC office.
- c. If the property is historic, the Project Sponsor may need to send more detailed specifications as well as additional photographs of work areas to IHPC.
- d. IHPC will perform a detailed 106 Assessment to ensure that all anticipated construction/rehabilitation is compliant with the Secretary of the Interior's Standards for Rehabilitation set forth by the Department of Natural Resources.
- e. If the detailed 106 Assessment reveals areas of non-compliance, IHPC will advise the Project Sponsor on acceptable activities to bring the project into compliance.
- f. For new construction projects IHPC will need to seek comment from the State Historic Preservation Office (SHPO) regarding archeological potential of the site. This second tier review is likely to add two to three weeks to the expected completion of the environmental review process.
- g. Once the Project Sponsor receives their Section 106 review documentation they must send that documentation along with the following maps to the Environmental Review Officer or City staff responsible for reviewing this documentation.

2. Flood Plain Review

The Project Sponsor will submit a map of the property in order for the Environmental Review Officer to determine if the property is located in a 100-year flood zone or 100-year floodway. Generally, the City does not invest any federal funds into

properties located in a 100-year flood zone or 100-year floodway but can and may do so under certain circumstances.

- a. The project sponsor will create and email to the Environmental Review Officer a [FEMA Flood Map](#) and a [Wetlands Inventory Mapper](#) of the project site.

3. Zoning Review

- a. The Environmental Review Officer will verify that all work is compatible with zoning.
- b. The Environmental Review Officer will notify the Project Sponsor of any findings.

4. Noise Abatement, Hazardous Operations, Airport Hazards, Protection of Wetlands, Toxic Chemicals & Radioactive Materials, and Other 50.4 Authorities

- a. Environmental Review Officer will verify that all work is in compliance.
- b. Environmental Review Officer will notify the Project Sponsor of any findings.
- c. The project sponsor will create and email to the Environmental Review Officer a [MyNeighborhood Map](#) of the project site.

5. For all projects property taxes must be paid in full.

- C. Once all necessary information has been gathered and all outstanding issues surrounding the Environmental Review have been resolved, the Project Sponsor must send that documentation to the Environmental Review Officer or City staff responsible for reviewing this documentation. The Environmental Review Officer will sign a *Rehabilitation/Construction Approval* (RCA) form, indicating that the Environmental Review is complete. This form will be forwarded to the Project Sponsor.
- D. Approved Environmental Reviews will remain current for up to three (3) years unless there is a significant change to the property or scope of work to be completed. If there is a change, the project sponsor should contact the Environmental Review Officer to determine if an updated environmental review will be required.

Work Specifications

On all construction projects, a Rehabilitation Specialist must review and approve all work specifications before work may begin.

- A. All soft costs must be solicited either by RFQ/RFP or a cost reasonableness process (i.e. bidding/quoting).
 1. Rehabilitation Specialist must review and approve all bids, regardless if it is commercial or housing, before work may begin.
- B. Project Sponsors must submit work specifications/estimates, attached to the *RCA form*, detailing the scope of work to be completed using the following guidelines:

1. The specifications may be prepared using any industry accepted automated specification writing system in a commonly accepted format, e.g.; room by room, by construction trade, etc.
 2. Specifications must be clearly written and prepared with sufficient detail to direct a contractor.
 3. Specifications must use commonly accepted dimensions (i.e. square feet, linear feet, each, lump sum, etc.).
 4. Specifications must include a construction budget (estimate) on a line-item basis.
- C. After specifications/estimates are prepared, the Project Sponsor must forward the *RCA* and the specifications/estimates to a City Rehabilitation Specialist for review and approval.
1. For projects funded with CDBG dollars, the Rehab Specialist will perform an on-site visit to review and approve specifications/estimates on the basis that the repairs will be brought into compliance with the applicable Indiana Residential Code and Indiana Building Code. Rehab Specialist will take pictures to document repairs.
 2. The Rehabilitation Specialist may offer non-binding recommendations on the appearance of existing conditions that are not code-compliance issues.
 3. The Rehabilitation Specialist is not responsible for determining which construction method is to be used for a particular activity. To the extent that the specifications call for acceptable construction methods, practices, and residential design, the exact construction solutions are the responsibility of the Project Sponsor. Please refer to the General Requirements document included in your introduction packet.
 4. Within five business days of receiving the construction budget (estimate) and specifications, the Rehabilitation Specialist will either approve them or request modifications and/or addenda.
 - a. If modifications and/or addenda are requested, the City Rehabilitation Specialist will contact the Project Sponsor.
 - b. Any modifications and/or addenda to the specifications occurring after initial approval must be approved in writing by the Rehabilitation Specialist prior to undertaking the changes.
 5. Upon approval of the specifications/estimate, the Rehabilitation Specialist will sign and date the *RCA* form and return it to the Project Sponsor for the organization's records. Specifications will then be considered final and ready for bid solicitation.

D. Federal Funds used for Soft Costs

1. Project Sponsor is required to be in compliance with the applicable Indiana Residential Code, Indiana Building Code, local codes, standards and ordinances, the manufacturers' specifications and industry standards and all contractual obligations including the approved work specifications, plans, drawings, project manuals, construction budget, and workmanship practices.

Bidding Procedures

Project Sponsors must comply with procurement standards to ensure that supplies, construction and other services acquired in whole or in part with federal funds are obtained in a manner that fosters open and free competition.

- A. All organizations seeking to administer CDBG funds must complete and submit an application for eligibility review. This process must be undertaken even if the application is being submitted outside the department's traditional application cycle.
- B. Project Sponsors must solicit goods and services based on a clear and accurate description of the material, product or service to be procured and cannot contain features which unduly restrict competition, such as:
 - unreasonable qualifying requirements;
 - unnecessary experience or excessive bonding requirements;
 - specifying only brand name products, instead of allowing an "equal to" product;
 - non-competitive pricing practices between firms or affiliated companies; or
 - non-competitive awards to consultants on retainer contracts.
- C. Project Sponsors must solicit bids from an adequate number of qualified sources. All projects expected to exceed **\$2,000** will attempt to receive at least **two bids**. All bids must be based on approved specifications, in writing and signed by the contractor. If an adequate number of bids are not received, Project Sponsors must document the efforts made to ensure an open competition (such as a public notice requesting bids). City staff may request solicitation of a third bid at its discretion.
 - Notices or Instructions to bidders must include an open and close date. If an extension is needed, the proper notification must be submitted to all prospective bidders to ensure fair and open competition. Rehab Specialist will ensure compliance. No bids will be accepted after the close date.
 - All prospective bidders must receive the same Notice/Instruction to bidders.
 - Questions or changes to bid documents must be answered in the form of an addendum to all prospective bidders. All such Addenda must be acknowledged by the Bidder and will become a part of the Contract Documents. The City will not be responsible for or bound by any oral or written interpretations or clarifications of the Contract Documents which anyone presumes to make on its behalf, except by an Addendum.

- No negotiating may take place during or after bidding. You may accept alternate bids. Any changes will be in the form of a change order and must be approved by the Rehab Specialist prior to contract/change order signing.
- All bids must be based on approved specifications, in writing and signed by the contractor. If an adequate number of bids are not received, Project Sponsors must document the efforts made to ensure an open competition (such as a public notice requesting bids). City staff may request solicitation of a third bid at its discretion.
- If bids are expected to exceed **\$100,000** in Federal Grant Funds, the Project Sponsor must publish a public notice requesting bids in a local newspaper, specifying where bid packages may be obtained and a due date for bid submission.
- All bids received by the project sponsor shall be organized, collated, and reviewed for accuracy and thoroughness.
- If only one bidder responds, the procurement process will be the same as if multiple bidders responded. Award of the contract will be made to the lowest, responsive and responsible bidder and will be compared to a cost analysis. The bid will not be chosen if it is outside 10% of what the cost analysis indicates a bid should be at.
- The City reserves the right to reject all bids and may waive or allow a bidder to correct errors, omissions or other irregularities in bid documents that are found not to have afforded the bidder a substantial competitive advantage over other bidders.
- Cost analysis and final award are determined by the department, but must be awarded to the lowest, responsive and responsible bidder, within project's budgetary estimate.

D. If a project is expected to be less than **\$2,000**. The Project Sponsor must still comply with all applicable policies, such as the environmental review, specifications, estimates and approvals even though only **one bid** is required.

E. The Project Sponsor must ensure that the award is:

1. Made to contractors, with the lowest and/or responsible bid and able to perform successfully under the terms and conditions of the proposed contracts;
2. Made to contractors who are licensed, bonded and insured as required by the City of Indianapolis' Department of Code Enforcement.
3. Not made to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in federal assistance programs;
 - Project sponsor must go to the [SAM - System for Award Management](#) website to check contractor's debarment status.
 - Project sponsor must print the screen that shows the contractors non-debarment status. This screen print must be maintained in client/contractors file.
4. Not made to any contractor or persons that participated in the development or drafting of specifications, requirements, statements of work, invitations for bids and/or other requests for proposals.
5. Not made to a construction manager, who does self-performing work.
6. Not made to any contractor or any person that is a member of the project sponsor's board of directors.

- F. No modifications and/or addenda can be made to a bid without prior approval of the City Rehabilitation Specialist.
- G. If a pre-qualified list of contractors is used, it must be developed through an open Solicitation that allows entry of other firms at any time during the solicitation period. They must also include an adequate number of qualified sources.
- H. Minority Business Enterprises (MBEs), Women Business Enterprises (WBEs) and Veteran Business Enterprises (VBE's) shall have the maximum feasible opportunity to participate in the performance of Federal contracts. In order to achieve significant utilization of minority, veteran, and women-owned businesses, the City is requesting all Project sponsors, who receive Federal Entitlement funds for construction activities, to make a good faith effort to meet and carry out the following policies:
 - 1. A minimum of 15% of the total contract amounts awarded for construction work, for which any portion of the funds provided by the grant agreement are utilized, are encouraged to be awarded to MBE contractors.
 - 2. A minimum of 8% of the total contract amounts awarded for construction work, for which any portion of the funds provided by the grant agreement are utilized, are encouraged to be awarded to WBE contractors.
 - 3. A minimum of 3% of the total contract amounts awarded for construction work, for which any portion of the funds provided by the grant agreement are utilized, are encouraged to be awarded to VBE contractors.
 - 4. When a Project Sponsor awards a General Contractor (GC) or a Construction Manager (CM) the total contract for construction work, and the GC and CM is a MBE, WBE, or VBE entity, their entire contract amounts may be counted towards the minimum percentages above.
 - 5. When a Project Sponsor awards a GC or CM the total contract for construction work, and that GC or CM is not a MBE, WBE, or VBE entity, the subcontracted amounts are encouraged to meet the minimum percentages above.
 - 6. To help facilitate minority, veteran, and women-owned business enterprise participation, obtain information on participating enterprises from the Division of Equal Opportunity at mybid@indygov.org or (317) 327-5262. In addition, encourage MBE/WBE/VBE eligible entities to become certified with the City's Department of Minority Women Business Development
- I. All bids received by the project sponsor shall be organized, collated, and reviewed for accuracy and thoroughness.

- J. All project sponsor approved bids for single-family projects that are either 10% less than the City-approved construction budget/estimate, or exceed the City-approved construction budget/estimate by 10% or more, must be reviewed and approved by the City Rehab Specialist. Please see the Multifamily and Commercial Construction Appendix for multifamily rental and commercial projects. (Available upon request)
- K. All contractors must be registered with E-verify.

CDBG Homeowner Repair

To be eligible for Homeowner Repair using CDBG funds, the following criteria must be met:

- The household income must be at or below 80% of MFI. The following income must be included:
 - (a) all adult household members (18 and over);
 - (b) temporarily absent family member regardless of the amount of income contributed;
 - (c) adult students living away from home (only the first \$480 must be counted);
 - (d) for permanently absent family member (e.g. nursing home), you have the choice on whether to count that persons income.
- Property taxes must be paid to the most current assessment
- Person(s) applying for assistance must be listed as the holder of the mortgage or deed of trust (land sale contracts, lease to purchase, and rent to buy contracts are **not** eligible).The following list denotes some eligible and ineligible construction activities under CDBG Homeowner Repair contracts. Activities that are not listed as acceptable require the written approval of the CDBG Grant Manager or the Assistant Administrator, prior to the undertaking of the activity.

Acceptable

- Any repair to the structure or attached structures of the home (i.e., porches, attached garage, additions, etc.)
- Non-publicly owned steps, sidewalks and handrails allowing for ONE access to the home, as per Indiana Residential Code
- Securing open cisterns that present a safety hazard
- Removal of trees, or trimming of branches that present a hazard to the home

Unacceptable

- Demolition of any structure, except where Federal Lead Based Paint Regulations mandate
- Repair to any accessory building (i.e., detached garages, sheds, doghouses, etc) except where Federal Lead Based Paint Regulations mandate
- Fence repair or construction
- Landscaping
- City owned property (i.e. sidewalks, steps)

For Homeowner Repair projects, all construction/rehabilitation, with the exception of emergencies and interior repairs, must be started no later than **November 1st** of each contract year.

Permits

The value of construction work shall determine the need for obtaining building permits.

- A. City funded projects whose construction value is less than \$2,000 shall not require a building permit, unless the work performed requires one pursuant to City of Indianapolis Division of Compliance rules and regulations; e.g.; electric service panel.
- B. City funded projects whose construction value meets or exceeds \$2,000 shall require a building permit.

Inspections

All City funded construction projects (except for when CDBG funds (less than \$100,000) are used for soft costs only) shall be inspected by a City Rehabilitation Specialist.

- A. The Rehabilitation Specialist will verify that work completed with City funds is in compliance with the applicable Indiana Residential Code, Indiana Building Code, HOME Program Property Standards, Section 8 Housing Quality Standards, local codes, standards and ordinances, the manufacturers specifications and industry standards and all contractual obligations including the approved work specifications, plans, drawings, project manuals, construction budget, and workmanship practices.
- E. Inspections are required prior to periodic payment requests and/or at the time of completion. City Rehabilitation Specialists must be contacted for these inspections. All work components must be completed and in place for those items for which payment is being requested. City Rehabilitation Specialists will submit written reports as to any deficiencies discovered upon inspection.
- F. Project Sponsors shall comply with all required City of Indianapolis Division of Compliance permit inspections. The Project Sponsor must contact The Inspection Services Section for these inspections. All construction work requiring a permit shall have one.
- G. Once an inspection is complete, the Project Sponsor is responsible for obtaining all appropriate signatures on the following forms, as applicable, which must be completed and attached to the project claim:
 - 1. Certificate of Completion of Work Specifications
 - 2. RCA Form
 - 3. Partial Payment Request
 - 4. Final Payment Request or invoice from contractor (attach lien waivers)
 - 5. Subcontractor's List for all HOME funded homebuyer and rental projects
 - 6. Davis-Bacon Payment Request (if applicable)

Lead-Based Paint

All project sponsors must have a Lead Based Paint policy that is posted and notify clients of Lead Based Paint hazards. All project sponsors receiving federal assistance for rehabilitation activities for projects constructed prior to 1978 must comply with the following notification requirements. Likewise all project sponsors must complete the Lead Requirements Worksheet, attached as an addendum to this manual, for each unit repaired and keep this worksheet in each client file.

All project sponsors undertaking construction activities must complete the LEAD REQUIREMENTS WORKSHEET located on the City website.

Exemptions to the new Lead Based Paint Requirements

1. Exemptions still applicable from the Current Regulations
 - A. Residential Structures built after January 1, 1978
 - B. Emergency activities
2. Existence of Lead-Based Paint Unlikely
 - A. Areas where state and local governments banned lead-based paint prior to January 1, 1978.
 - B. Properties found not to have lead-based paint during earlier testing that meets the requirements of proper evaluations.
 - C. Properties where all lead-based paint has been identified and removed using approved methods.
3. Human Threat Unlikely
 - A. Unoccupied units that will be demolished.
 - B. Property not suitable for human habitation.
 - C. Rehabilitation that does not disturb paint.
4. Child Occupancy Unlikely
 - A. Zero-room dwelling units.
 - B. Elderly and disabled housing.

All unit occupants must receive the HUD/EPA/CPSC pamphlet "Protect Your Family from Lead in Your Home". [LEAD Documents and Outreach materials](#)

If a unit is known to contain lead-based paint or lead-based paint hazards, occupants or prospective purchasers must be notified by the Project Sponsor.

All unit occupants must be notified of any lead hazard evaluation results (or the presumption of lead-based paint/hazards) and of the hazard reduction activities and clearance.

1. Requirements for properties constructed prior to 1978 and receiving less than or equal to \$5,000 of federal funds per unit for rehabilitation activities include the following.

A. Lead hazard evaluation

Paint testing must be conducted by a licensed Risk Assessor to identify lead-based paint on painted surfaces that will be disturbed or replaced, or

Project Sponsors may assume that these surfaces contain lead-based paint as confirmed by Visual Assessment from a licensed contractor.

B. Lead hazard reduction

If lead-based paint is detected, safe work practices must be used during rehabilitation.

If lead-based paint is assumed, all paint disturbed during rehabilitation must be repaired using HUD approved Lead Safe Work Practices Certifications. Safe Work Practices include protecting occupants from lead-based paint hazards associated with lead hazard reduction activities, preparing the worksite to prevent the release of lead dust and debris, and appropriate worksite cleanup to remove dust and debris from the work area.

C. Clearance

Clearance is required only for the work area.

Clearance must be performed by a certified risk assessor, certified lead-based paint inspector or clearance technician.

2. Requirements for properties constructed prior to 1978 and receiving federal assistance between \$5,000-\$25,000 per unit for rehabilitation activities include the following:

A. Lead hazard evaluation

Paint testing must be conducted to identify lead-based paint on painted surfaces that will be disturbed or replaced, or Project Sponsors may assume that these surfaces contain lead-based paint.

B. Lead Hazard Reduction

If lead-based paint or lead-based paint hazards are detected during the evaluations, safe work practices and interim controls must be implemented to reduce lead-based paint hazards.

Safe work practices include protecting occupants from lead-based paint hazards associated with lead hazard reduction activities, preparing the worksite to prevent the release of lead dust and debris, and appropriate worksite cleanup to remove dust and debris from the work area.

Interim control methods include paint stabilization; treatment for friction and impact surfaces; treatment for chewable surfaces; lead-contaminated dust control; and lead-contaminated soil control.

If lead-based paint or hazards are assumed, the Project Sponsor must follow safe work practices and perform standard treatments in lieu of interim controls on all applicable painted surfaces and lead-based paint hazards.

Safe work practices include protecting occupants from lead-based paint hazards associated with lead hazard reduction activities, preparing the worksite to prevent the release of lead dust and debris, and appropriate worksite cleanup to remove dust and debris from the work area.

Standard treatments include paint stabilization, smooth horizontal surfaces that can be cleaned, correcting dust generating conditions, and bare residential soil.

C. Clearance

Clearance is required when lead hazard reduction activities are completed in the unit, common areas servicing the unit, and exterior surfaces where hazard reduction took place.

Clearance must be performed by a certified risk assessor, certified lead-based paint inspector or clearance technician.

3. Requirements for properties constructed prior to 1978 and receiving federal assistance over \$25,000 per unit for rehabilitation activities include the following.

A. Lead hazard evaluation

Paint testing must be conducted to identify lead-based paint on painted surfaces that will be disturbed or replaced, or Project Sponsors may assume that these surfaces contain lead-based paint.

A risk assessment must also be conducted prior to rehabilitation to find lead-based paint hazards in assisted units, in common areas that service those units, and on exterior surfaces, including soil; or Project Sponsors may assume that lead-based paint hazards are present.

B. Lead hazard reduction

If lead-based paint hazards are detected during the evaluation, abatement must be completed to permanently reduce these hazards. Abatement permanently removes lead-based paint and lead-based paint hazards by removing lead-based paint and its dust, or permanently encapsulating or enclosing the lead-based paint, replacing components with lead-based paint, and removing or permanently covering lead contaminated soil. Encapsulation and enclosure require ongoing maintenance to check their effectiveness.

Contractor would need to be certified to complete this work; in addition, notification must be given to the Indiana State Department of Health.

If lead-based paint hazards are detected on the exterior surfaces that are not disturbed by rehabilitation during the risk assessment, interim controls may be completed instead of abatement to reduce these hazards. Interim control methods include paint stabilization; treatment for friction and impact surfaces; treatment for chewable surfaces; lead-contaminated dust control; and lead-contaminated soil control.

If lead-based paint is detected or assumed, safe work practices must be used during lead hazard reduction. Safe work practices include protecting occupants from lead-based paint hazards associated with lead hazard reduction activities, preparing the worksite to prevent the release of leaded dust and debris, and appropriate worksite cleanup to remove dust and debris from the work area.

C. Clearance

Clearance is required when lead hazard reduction activities are completed in the unit, common areas servicing the unit, and exterior surfaces where hazard reduction took place.

Clearance must be performed by a certified risk assessor, certified lead-based paint inspector or clearance technician.

REPORTING REQUIREMENTS

In order to manage all grant programs in the most efficient manner possible, CED has uniform reporting requirements governing claims, report submissions and monitoring procedures for all grants.

General Claim Procedures

1. Claim Procedures and Documents

1. **Claims are paid upon a reimbursement basis only.** The Project Sponsor must have already paid all vendors or contractors for services provided prior to the submission of a claim.
2. **Documentation must be provided:** In order to submit a claim, the Project Sponsor must submit copies of all invoices or receipts totaling the amount to be claimed.
3. Copies of timesheets signed by the employee and their direct supervisor (in the case of an Executive Director, the Board President must sign the timesheet) detailing hours worked on specified projects for salaries being claimed.

The Claim Documents (Excel workbook)

4. **Claim Form/ Cover Page** is a listing of the amount to be claimed, on the Project Sponsor's letterhead signed by an authorized individual. (photocopies are not acceptable)
5. **Accounting Report** is an accumulated total of invoices for which reimbursement is being requested.
6. **Detail of Salaries and Wages** is an itemized accounting of the expenses being claimed for hours worked. Signed timesheets including employee and supervisor's signatures are required for all staff salaries.
7. **Detail of Expenses** is an itemized accounting of the expenses being claimed. Document of expenses will be checks or other documentation showing expenses have been incurred.
8. **CDBG MBE/WBE/VBE/Section 3** participation form must be completed by all project sponsors performing construction or rehabilitation activities. If the form is not completed then the claim will not be paid.

Other Documents

9. For all construction projects, a **Rehabilitation/Construction Approval (RCA)** Form signed by the Rehabilitation Specialist and initialed by the Environmental Review Officer fully filled out with appropriate number of bidders must accompany each claim.
 10. All changes from the original bid on the Rehabilitation/Construction Approval Form must have a **Change Order** submitted in the claim.
 11. For all Davis-Bacon Projects, the **Davis Bacon Payment Request Form** signed by the Davis-Bacon Compliance Monitor and the Rehabilitation Specialist must accompany each claim.
 12. For construction projects requesting partial or final payment the **Partial Payment** and/or **Certification of Completion** forms must be signed by the Rehab Inspector. Invoices will not be reimbursed for more than what the Rehab Inspector indicates on the Certification of Completion form.
- * The Construction project sponsor must update the Online Reporting System and the information on the claim must reflect what is on the Online Reporting System. If a claim is inconsistent with the reporting system it will not be paid.
 - * The Public Service project sponsor's must be up to date on all quarterly reports to have their claim processed.

2. **Completed forms and supporting documentation should be mailed to the attention of:**
 CDBG Management
 City-County Building
 200 East Washington Street
 Room 2062
 Indianapolis, Indiana, 46204

Additional Contact Information:

Jeff Hasser (CDBG Manager)	(317) 327-7876 or jeff.hasser@indy.gov
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3. The CDBG staff will verify that all expenses being claimed are eligible, reports are complete and that supporting documentation, such as; signed timesheets for payroll expenses, RCA, invoices, applicable bills for supplies, operating costs and completion certificates, are sufficient.
1. Ineligible expenses include, but are not limited to:
 - Purchase of non-expendable equipment (i.e. computer, printer)
 - Sales tax on purchases or services
 - Food and beverage items
 - Late fees (utilities, etc.)
 - **Travel must be pre-approved by both executive director of project sponsor’s organization and grant manager**
 - Cell phones
 - Stipend payments
 - Cable bills
 - Gift Certificates
4. Claims for Program Delivery funds must be made in proportion to claims on program specific activities (Pro-rate). If a claim reflects 50% of the budget for program activities, then 50% of the total administration budget is available to be claimed. As an exception, Project Sponsors with may claim 20% of admin in advance of construction costs for homeowner repair programs.
1. Project sponsors claiming program delivery should take care to claim their entire construction budget if program delivery funds have been drawn down first.
 2. If total program delivery budget is drawn down and a portion of the construction funds has not been drawn down, then the project sponsor owes funds back to the City.
5. If the CDBG staff determines that insufficient documentation has been provided and will contact the Project Sponsor and request additional information. The claim will not be processed and will be returned to the Project Sponsor.
1. Repeated instances of this will result in a Finding being issued and future funding will be affected.
- F. The claim will be forwarded to the Accounts Payable Department within four business days (depending on workload) of receipt of all completed documentation. Payment will then be sent to the Project Sponsor in a timely manner, generally within thirty business days.

- G. All claims must be submitted no later than 15 days after the contract expiration date to be eligible for reimbursement. (Note: All expenses must have been incurred within the terms of the contract to be eligible for reimbursement.)
- H. The City will not process any claims received between December 3, 2014 and December 31, 2014. Claims received during this time will be processed for payment on or after January 1, 2015.
- I. For construction projects, the City will not process a claim unless the online reporting system has been updated to reflect the expenses that are presented in the claim.
- J. Public Service project sponsors must reach the benchmarks set out in their city contract or 10% of the grant funds will be held back until the benchmarks have been reached and a quarterly report has been emailed to City staff showing this. Also a claim must be sent in requesting the balance of the grant funds (documentation of expenses provided) or the funds will not be distributed.
- K. If quarterly reports or other required documents have not been submitted in a timely fashion, the City will withhold payment on claims until these outstanding reporting requirements are resolved. All quarterly reports must be turned in on the Second Monday following the close of each quarter. The City will withhold 10% of the grant funds until project sponsor reaches benchmarks set out in their city contract. The Benchmarks are tracked through the quarterly reports.
- L. The Project Sponsor must be in compliance with all city and federal programs, grants, laws and regulations. The City will withhold all funding on claims and activities (i.e. environmental reviews) until the Project Sponsor is in full compliance.

Quarterly/Year End Reports

The City will use progress reports, submitted quarterly and at year-end, to measure the progress of Project Sponsor activities throughout the year.

- A. During pre-contract training, Public Service Project Sponsors will receive a reporting form that is to be submitted on a quarterly basis. If your organization is doing construction/rehabilitation, then those reports must be updated VIA the Internet at http://www.indy.gov/eGov/City/DMD/Community/Forms_Policies/Pages/reports.aspx.
- B. Public service Project Sponsors must complete the quarterly report form and **email** it to CDBG staff (Chase.Schulte@indy.gov). Reports must be received by the CDBG staff no later than the second Monday following the close of each quarter. The City operates on a calendar year, thus the last day of March, June, September, and December marks the close of the Fiscal quarters for 2015. Quarter reports for FY 2015 will be due on April 14, July 14, October 13, and January 12, 2016.

- C. Project Sponsors overseeing construction/rehabilitation must update the online system as work is completed in lieu of quarterly report. The City reports construction/rehabilitation numbers on a monthly basis so it is in the best interest of the Project Sponsor to update the online reporting system early in the month so the most up to date data is available to the City. This data is used to show the need for more homeowner repair grants.
- D. At the end of each year the Project Sponsor is responsible for submitting a cumulative report for each Public service grant. This year-end report should detail annual accomplishments, and provide insight into a number of other areas, including the average duration of the activities, the amount of funding used per activity, and demographic information concerning the individuals who benefited from the use of grant funds throughout the year.
- E. If a Project Sponsor's reports are not submitted, and complete, by the due date, CDBG staff will withhold payment **on all federal claims** until all reports are current. In addition, failure to return reports in on a timely manner will reflect on future funding decisions and may be cause for termination of the current contract. **All construction and rehab unit reports must reflect the completed work prior to reimbursement for that unit.**
- F. CDBG staff will closely monitor the activities reported on a quarterly basis. If the quarterly reports reveal that the activities being reported vary significantly from the timeline established prior to contract execution, the Grant Manager will meet with the Project Sponsor to determine a proper course of action.
- G. Additionally, Project Sponsors utilizing the Internet based Quarterly Report system for construction/rehabilitation projects are expected to regularly update reports to reflect on-going progress.
- H. Financial leveraging and allowable match for the entire project shall be included on the quarterly report, not just federal funding received.

Program Income

To ensure compliance with federal reporting requirements while allowing flexible use of funds, the City may use its discretion in allowing program income to be retained by the recipient for a specific use covered by the contract. However, when generated all program income must be reported back to the City.

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

- Proceeds from the disposition by sale or long-term lease of real property acquired, rehabilitated or constructed with CDBG funds;
- Proceeds from the disposition of equipment purchased with CDBG funds;
- Gross income from the use or rental of real or personal property acquired by the recipient or by a subrecipient with CDBG funds, less costs incidental to generation of the income;

- Gross income from the use or rental of real property, owned by the recipient or by a subrecipient, that was constructed or improved with CDBG funds, less costs incidental to generation of the income;
 - Payments of principal and interest on loans made using CDBG funds;
 - Proceeds from the sale of loans made with CDBG funds;
 - Proceeds from the sale of obligations secured by loans made with CDBG funds;
 - Interest earned on program income pending its disposition; and
 - Funds collected through special assessments made against properties owned and occupied by households not of low and moderate income, where assessments are used to recover all or part of the CDBG portion of the public improvement.
- A. Project Sponsors will be required to report program income to the City on an annual basis, by completing a program income form and submitting it before the end of the program year. Program income forms are available on the attached Program Income addendum.
- B. Any award recipient who desires to retain realized program income must submit a written request to the CDBG Manager, detailing a proposed use of the funds.
- C. The CDBG Manager or City Staff will respond to the request in writing, approving, denying or amending the request.
- D. If the CDBG Manager or City Staff approves the Project Sponsor’s retention of program income, those funds will be treated as additional federal dollars, subject to all applicable requirements governing their use.

Section 3

All Project Sponsors receiving federal funds for construction related projects such as, but not limited to, housing rehabilitation, new construction, and public facility improvements must complete the **Section 3 Project Sponsor Form**. This form will be used to determine Section 3 applicability and collect necessary information in regards to Section 3 reporting requirements.

A. Applicability

When a Project Sponsor receives an award for non-construction activities at any dollar amount or for construction activities for less than \$200,000, Section 3 will not apply to the City or the Project Sponsor.

When a project sponsor receives an award for construction activities totaling \$200,000 or more, Section 3 will apply to the City and the Project Sponsor.

When a project sponsor receives an award for construction activities totaling \$200,000 or more **and** the project involves contracts and subcontracts that exceed \$100,000, Section 3 will apply to the City, the Project Sponsor, contractors and subcontractors.

B. Implementation

1. All contract and subcontract agreements related to the project must include the following language:

Section 3

- a. The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (“Section 3”). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
- b. The parties to this contract agree to comply with HUD’s regulations in 24 CFR part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.
- c. The contractor agrees to send to each labor organization or representative or workers with which the contractor has a collective bargaining agreement or other standing, if any, a notice advising the labor organization or workers’ representative of the contractor’s commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; the name and location of the person(s) taking applications for each of the positions, and the anticipated date the work shall begin.
- d. The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge the subcontractor has been found in violation of regulations in 24 CFR part 135.
- e. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed were not filled to circumvent the contractor’s obligations under 24 CFR part 135.
- f. Noncompliance with HUD’s regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.
- g. With respect to work performed in connection with Section 3 covered Indian housing assistance, Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) (“Section 7(b)”) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (1) preference

and opportunities for training and employment shall be given to Indians, and (2) preference in the award of contracts and subcontractors shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract are subject to the provisions of Section 3 and Section 7(b) agrees to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with Section 7(b).

2. Hiring Section 3 Residents

- a. Any employment resulting from Section 3 eligible projects, including administration, management, clerical support, and construction, is subject to compliance with Section

Examples of Opportunities Include:

- Accounting
- Architecture
- Appliance repair
- Bookkeeping
- Bricklaying
- Carpentry
- Carpet Installation
- Catering
- Cement/Masonry
- Computer Information
- Demolition
- Drywall
- Electrical
- Elevator Construction
- Engineering
- Fencing
- Florists
- Heating
- Iron Works
- Janitorial
- Landscaping
- Machine Operation
- Manufacturing
- Marketing
- Painting
- Payroll Photography
- Plastering
- Plumbing
- Printing Purchasing
- Research
- Surveying
- Tile Setting
- Transportation
- Word Processing

- b. All job openings resulting from Section 3 eligible projects must be posted in the Project Sponsor's office in a place that is visible to the public. In addition, all job openings shall be posted with the neighborhood community center that provides services within the project area and the Indianapolis Housing Agency.

Signs must be posted in a visible location at each Section 3 job site notifying the public of where they can go to inquire about possible employment and job training opportunities.

3. Contracting with Section 3 Businesses

- a. The City will provide Project Sponsors with Section 3 Certification forms. These forms are to be copied and given to each contractor and subcontractor working on a Section 3 project.
- b. The Project Sponsor will submit the completed Section 3 Certifications to the City.
- c. The City will maintain a database that includes all Section 3 certified businesses.

C. Goals

The following goals shall to the greatest extent feasible be obtained when Section 3 is applicable:

Employment Opportunities:

Where Section 3 is applicable, recipients, Project Sponsors, their contractors and subcontractors shall commit to employ Section 3 residents as 30 percent of the aggregate number of new hires for each year over the duration of the Section 3 project.

Contract Opportunities:

Where Section 3 is applicable, recipients/Project Sponsors shall commit to award to Section 3 businesses at least 10 percent of the total dollar amount of all Section 3 covered construction contracts and at least 3 percent of the total dollar amount of all other Section 3 covered contracts (other includes architectural, engineering, etc.)

D. Reports

All Project Sponsors receiving federal funds for construction related activities are required to complete quarterly reports on the City's On-line Quarterly Report system. This report tracks all contractor/subcontractor activities, including Section 3 contractors.

Projects Sponsors are required to submit the Section 3 Project Sponsor Report and the Section 3 Contractor Report with their final claim. Final payment will be withheld until these reports have been completed and submitted to the City.

E. Compliance

Project Sponsors that do not meet numerical goals identified in section III of this policy shall demonstrate why it was not feasible to meet the numerical goals and explain the efforts undertaken to comply with Section 3.

Monitoring

At least once a year, the City will conduct an on-site monitoring visit for open contracts to verify compliance with all federal regulations and City policies. Additional visits may be made, as deemed necessary by the grant's

A. City staff will determine which project sponsors to monitor for the current grant year by reviewing the current year Action Plan that is submitted to HUD. Not all project sponsors listed as performing eligible CDBG activities will be monitored. City staff will use a risk analysis to determine which project sponsors must be monitored. Additional project sponsors may be monitored to insure the appropriate numbers of project sponsors are monitored.

1. The Action Plan will be cross-checked against City staff monitoring schedule to ensure that the appropriate number of project sponsors are monitored.

B. Preparation

1. The Project Sponsor will be notified by email. This notification will include potential dates and times of the visit and a list of documents to be reviewed (Documents to be Maintained). These documents must be readily available at the monitoring visit. If documents are not available or are insufficient a Finding will be issued.
2. An interview during the site visit with the Project Sponsor's Executive Director is required. Any additional staff (i.e., financial staff, etc.) that will need to be present for the visit should also plan to be available during the designated time.

C. On-Site Visit

1. An initial and exit interview will be held with the Executive Director of the Program. A CDBG staff member will ask a series of questions relating to the capacity of the organization, program effectiveness, contractual compliance and any recent changes that the organization has undergone. CDBG staff or CED staff member will also describe the review process that will occur throughout the remainder of the visit to verify that all required data/files are accessible.
2. Using the guidelines established in the monitoring form, CDBG staff or other CED staff member will review the client files thoroughly, noting any missing/incomplete information. Client eligibility and other requirements will be verified to demonstrate compliance with federal regulations.
3. Claims will be reviewed to verify that the organization is maintaining appropriate and sufficient records. Specifically, the City reserves the right to assess any financial back-up documentation for these claims to determine whether unnecessary or unreasonable expenditures occurred.

CDBG staff or CED staff member will conduct an exit interview with the Executive Director; in order to answer any questions or clarify any missing or unusual information found during the visit.

Audit

A. Project Sponsor's Financial Audits & A-133 Audits

2. Project Sponsors of federal grants from DMD must submit their prior year financial audit to City staff during the current calendar/ grant year. Any findings or concerns from the Subrecipient's auditor must be brought to City staff's attention during a monitoring visit or when the audit is delivered to City staff. City staff will review the audit, but the preference is to discuss it with the Project Sponsor during the monitoring visit.
 - i. If the Financial Audit or the A-133 Audit have not been performed for you organization prior to a monitoring visit, the subrecipient must submit their audit to CDBG staff as soon as it has been completed.
 - ii. All prior year audits must be reviewed during the current contract period.
3. If the financial audit, or if applicable, the A-133 Audit is not submitted to City staff for review the Subrecipient's future funding will be affected.
4. The CDBG Analyst will review the audit for findings and contact subrecipient to ensure that findings are resolved. A lack of resolution for prior year findings will affect future funding.
5. The CDBG Analyst will review the subrecipients *Federal Grants Single Audit Certification* has been completed accurately to reflect the type of audit that has been submitted to the City. The CDBG Analyst will determine whether an A-133 is mandated.
6. The Office of Management and Budget (OMB) mandate that Recipients and Subrecipients/ Project Sponsors comply with the OMB Circular A-133. The purpose of the circular is to set forth standards for obtaining consistency and uniformity among federal agencies for the audit of non-Federal entities expending Federal awards.
7. An A-133 audit is required if non-federal entities that expend \$500,000 or more in a year in total Federal awards shall have a single or program-specific audit conducted for that year.
8. Additional information about A-133 Audits can be found at the following website:
<http://www.whitehouse.gov/sites/default/files/omb/assets/omb/circulars/a133/a133.pdf>

B. Post-Visit Procedures

1. The grant management team will mail a Monitoring Evaluation letter to the Project Sponsor, citing both strengths and weaknesses in addition to any corrective actions that should be taken. An organization may receive either a *Finding*, which is a regulatory or contractual violation, or they may receive a *Concern*, which is a programmatic violation or problem. A deadline will be set for these actions to be taken (no more than 60 days),

and directions will be given regarding how to demonstrate compliance (i.e. a follow-up visit, written response, etc.).

2. If a Project Sponsor does not complete all corrective actions in the time allotted, a letter will be sent to the Project Sponsor, detailing areas of non-compliance, copies of previous correspondence, and listing sanctions that will be taken (including possible funding decrease) if the situation is not rectified. In addition, no claims will be paid on any grant contracts until the necessary documentation is received.

F. Desk Monitoring

1. In certain instances, City staff may monitor projects through a “desk monitoring” process of reviewing documents submitted by project sponsors of relevant activities.

Notification of Board Presidents

- A. The Board President/Chair of each Project Sponsor may be included on all monitoring correspondence and other communications relating to contractual agreement(s) between the City and the Project Sponsor.
- B. This correspondence is an effort by the City to ensure that the Board Members are kept informed of the activities within the organization.

Reporting to HUD via another city agency

- A. If DMD will be reporting CDBG activity accomplishments through another city agency; DMD will provide data to be reported and will write the narrative to be reported. The reported data will be maintained by DMD staff.
- B. DMD will schedule the report due dates and request that the submission of the reports to the appropriate agency by the due date.

Federal Funding and Transparency Act (FFATA)

- A. The Federal Funding Accountability and Transparency Act (FFATA) was signed with the intent to empower American citizens with the ability to hold government accountable for spending decisions. The FFATA legislation requires information on federal awards be made available to the public via a searchable website located at <http://www.usaspending.gov/>.
- B. Before the end of the following month in which an agreement is made between a project sponsor and the City/DMD, in an amount greater than or equal to \$25,000; City staff will enter in the organizations’ information, which are receiving CDBG funds into the FFATA website.

OTHER REGULATORY REQUIREMENTS

Project Sponsors must familiarize themselves with all federal, state, and local regulations governing the grant they receive. However, the following regulatory requirements could apply.

Marion County Health and Hospital Orders

A. If an *Order to Repair* by the Marion County Health Department is pending on a property acquired by a community organization, the Health Department will determine the amount of time that a buyer has to bring the property into compliance, based on the following:

- Length of time the orders have been pending;
- Complaints and/or concerns of neighbors or other governmental agencies regarding the property;
- Availability of funding for repairs; and
- Timeframe within which buyer will make the needed repairs.

B. If an *Order to Demolish* by the Health Department is pending on a property acquired by a community organization, the following factors will be considered when analyzing the situation on a case by case basis:

- Financial ability to complete rehabilitation in accordance with Health and Hospital standards;
- Timetable for repairs submitted by buyer;
- Complaints and/or concerns of neighbors or other governmental agencies regarding the property;
- Condition of the structure; and
- Length of time the property has been in disrepair.

C. Waivers of Health Department liens pending on a property acquired by a community organization will generally not be granted. Organizations requesting a waiver must submit a written request to the Unsafe Building Manager which must include the following:

- Reason the waiver is being requested
- Timetable for repairs to be made
- Funding sources for the completion of repairs

D. The Health Department will report to DMD on community organizations' participation and cooperation.

E. Quiet Title Action taken on property acquired through the Marion County Tax Sale will automatically release liens and orders, and will produce a clean title.

Relocation

- A. Project Sponsors must comply with the Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970, as amended, whenever permanent displacement occurs as a direct result of rehabilitation, demolition or acquisition.
- B. When temporary relocation occurs, as a direct result of rehabilitation, demolition or acquisition, the following City guidelines must be adhered to:
 - 1. A maximum of \$100 per day will be reimbursed by the City for temporary housing.
 - 2. A maximum of \$40 per day will be reimbursed for meals, per person.
 - 3. Mileage will be reimbursed, at forty-five cents per mile, for distances that exceed what would be traveled if the relocation had not occurred (i.e. if a homeowner would normally travel ten miles to work, and must drive fifteen miles due to the relocation, then the additional five miles would be paid for.)

Conflict of Interest

Project Sponsors must agree to the following provisions, applicable to any person who is an employee, agent, consultant, officer, board member, elected or appointed representative of a Project Sponsor which is receiving funds for any City program:

No person who is in a position to participate in the decision making process or gain inside information, can have any financial interest and shall not acquire any financial interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under their agreement. In the performance of their agreement, no person having such a financial interest shall be employed or retained by the Project Sponsor. Any person having such a financial interest shall not personally benefit from the contract agreement.

If it is possible that a conflict of interest will occur, the Project Sponsor must submit a written request for a waiver of the regulatory requirements to the Grant Manager. Additionally, the Project Sponsor must place a public notice in a newspaper of general circulation, disclosing the conflict of interest and requesting public comment prior to the commencement of any activity. This notice must be attached to the request for a waiver and submitted to the grant manager. The City will forward the Project Sponsor's request for waiver to HUD. HUD may, on a case-by-case basis, grant an exception to this rule.

Use of Funds by Primarily Religious Organizations

- A. A primarily religious organization may establish a wholly secular private non-profit entity to serve as a recipient of CDBG grant funds.
- B. Where allowable by regulation, CED may award CDBG funds to a Project Sponsor that is a primarily religious organization, provided that the Sponsor agrees to conduct activities in a secular manner.

C. All Project Sponsors must agree to the following in connection with the provision of services with CDBG -grant funds:

1. It will not discriminate against any employee or applicant for employment on the basis of religion and will not limit employment or give preference in employment to persons on the basis of religion.
2. It will not discriminate against any person applying for such public services on the basis of religion and will not limit such services or give preference to persons on the basis of religion.
3. It will provide no religious instruction or counseling, conduct no religious worship or services, engage in no religious proselytizing, and exert no other religious influence in the provision of such public services.

Complaint Procedures

A. All Project Sponsors are required to resolve any complaints that are received by the City regarding a project using City-grant funding. Project Sponsors are required to have in place a written grievance policy that addresses complaints from clients and staff.

B. Upon receipt of a complaint or request for service from a client (such as a homeowner, renter, or social service recipient) or a citizen, the Grant Manager will contact the Project Sponsor, in writing, detailing the nature of the complaint.

C. In response, the Project Sponsor must submit to the Grant Manager, on letterhead, the following information:

1. Any actions that have been taken, to date, by the Project Sponsor to bring resolution to the situation.
2. A plan defining the ultimate resolution method and estimated date.
3. Commitments or procedures which will be implemented to prevent future complaints.

D. The Grant Manager will contact the Project Sponsor to verify that the situation was resolved by the estimated date.

Program Income addendum

Program Income Reporting Form

Project Sponsor Name:

Report Date:

Preparer's

Name:

Preparer's Contact Information:

email

phone#

	Program/ Activity	Purchase Order Number	Date PI Received	Amount
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
			Total PI	

**CITY OF INDIANAPOLIS
200 EAST WASHINGTON STREET
INDIANAPOLIS, INDIANA 46204**

LEAD REQUIREMENTS WORKSHEET

DIRECTIONS: This worksheet must be placed in the project file for all residential properties that are assisted with Federal funds. Parts 1, 2 and 3 should be completed for all projects. Part 4 should be completed for rehabilitation projects.

Street Address: _____

Unit _____

City: _____ State: _____

Zip: _____

Part 1: Regulation Eligibility Statement

Check all that apply:

_____ Property is receiving Federal funds.

_____ Unit was built prior to 1978.

NOTE: If both Eligibility Statements above have been checked, continue with the Exemption Statements below. Otherwise, the regulation does not apply, sign and date form.

Part 2: Full Exemptions from All Requirements of 24 CFR Part 35 (The Lead Regulation)

If the answer to any of the following questions is yes, the property is exempt from the requirements of

24CFR Part 35 per the regulatory citation.

- Was the property constructed after January 1, 1978? [35.115(a)(1)] YES NO
- Is this a zero-bedroom unit? (e.g. SRO, efficiency) [35.115(a)(2)] YES NO
- Is this dedicated elderly i housing? (i.e. over age 62) [35.115(a)(3)] YES NO
- Is this housing dedicated for the disabled ii? [35.115(a)(3)] YES NO
- Has a paint inspection conducted in accordance with 35.1320(a)
Established that the property is free of lead-based paint? [35.115(a)(4)] YES NO

- The date of the original paint inspection was _____. An optional paint inspection conducted on_____ confirmed this prior finding.

- Has **ALL** lead-based paint in the property been identified and removed, and has clearance been achieved? [35.115(a)(5)] YES NO
- Is the currently vacant unit to remain vacant until it is demolished? [35.115(a)(6)] YES NO
- Is the property used for non-residential purposes, i.e. commercial, agricultural, industrial, publiciii? [35.115(a)(7)] YES NO
- Will **ALL** rehab **exclude** disturbing painted surfaces? [35.115(a)(8)] YES NO
- Are emergency actions immediately necessary to safeguard against imminent danger to human life, health or safety, or, to protect the property from further structural damage? (e.g. after natural disaster or fire) [35.115(a)(9)] YES NO
- Will the unit be occupied for less than 100 days under emergency leasing assistance to an eligible household? iv [35.115(a)(11)] YES NO

Part 3: Hazard Reduction Requirements – Partial Waivers

If the answer to any of the following questions is yes, the grantee and/or occupant may waive certain requirements as described below.

De minimis [35.1350(d)(1) & (2)]

- Is the amount of painted surface that is being disturbed during construction below “de minimis” levels? If so, safe work practices and clearance are not required in that work area.
 - Less than 9 SF of bare soil? YES NO
 - Less than 20 square feet on an exterior surface YES NO
 - Less than 2 square feet in the following rooms: YES

_____, _____, _____, _____
 _____, _____, _____, _____

Elderly Relocation Waiver [Interpretive Guidance Question J-24]

- Is the unit occupied by an elderly person(s)? If so, relocation of the elderly occupant(s) is not required if complete disclosure of the nature of the work is provided and informed consent is obtained prior to rehabilitation. YES NO

Historic Abatement Waiver [35.115(13)]

- Is a unit that is subject to abatement requirements listed or eligible for listing on the National Register of Historic Places, or does it contribute to a National Register Historic District? If so, the State Historic Preservation Office may request that interim controls be implemented rather than abatement. YES NO

No Exterior Work [35.930(d)(3)]

- Is no exterior paint to be disturbed during renovation? YES NO
(Only exterior stabilization required even in abatement jobs.)

No Children [35.1330(d)(1)]

- Are all of the residents over the age of 6? YES NO
(No chewable or play area treatments required.)

No Bite Marks [35.1330(d)(1)]

- Are all chewable surfaces free of bite marks made by children under 6? YES NO
(No chewable surface treatment required)

No Dust Hazards [35.1330(c)(1)(i)]

- Is the closest horizontal surface dust wipe below the clearance threshold? YES NO
(No friction and impact surface treatments required in the following work areas:

_____, _____, _____, _____)

Part 4: Rehabilitation Projects

Per Unit Level of Rehabilitation Assistance [35.915]

- A. Average Federal Funding Per Unit \$ _____
- B. Average Per Unit Rehabilitation Hard Costs \$ _____
(not including any acquisition soft cost or costs of lead hazard evaluation, reduction, clearance and training)
- C. Level of Assistance (lower of A or B) \$ _____

Approach Required (Based on answer to C, above)

- \$0 _____ Exempt from Lead Regulation
- \$1 – \$5,000 _____ Test & Repair Damaged Paint
- \$5,001 - \$25,000 _____ Risk Assessment and Interim Control of Lead Hazards
- \$25,001 and above _____ Risk Assessment and Abate Lead Hazards

Calculated by _____ Date _____

I have evaluated the site, the specifications, estimated the rehab hard costs, interviewed the occupants and reviewed any hazard evaluation reports. In my professional opinion, this project meets the above requirement for federal lead hazard reduction under 24 CFR Part 35.

Signature Date

i Defined as retirement communities or dedicated types of housing reserved for households composed of one or more persons over age 62, or other age if recognized by a specific Federal housing assistance program. However, if a child under age 6 resides or is expected to reside in such a unit, the unit is not exempt.

ii The housing must be designated exclusively for persons with disabilities, defined as any person who has a physical or mental impairment that substantially limits one or more major life activities, has a record of impairment, or is regarded by others as having such an impairment. However, if a child under age 6 resides or is expected to reside in such a unit, the unit is not exempt.

iii Except that spaces such as entryways, hallways, stairways, etc. serving both residential and nonresidential uses in a mixed-use property are not exempt.

iv When a household is provided short-term emergency leasing assistance and will occupy a unit for less than 100 days, the unit is exempt from lead paint regulations. This emergency leasing exemption is attached to the unit, not the family, and is a one-time exemption. After being assisted for a total of 100 consecutive days, the unit becomes subject to regular Subpart K requirements. Multiple families cannot be cycled through the same unit at intervals of less than 100 days under this exemption.