



COMMUNITY DEVELOPMENT BLOCK GRANT

2021 Policy and Procedures Manual

Adopted January 19, 2021

Department of Planning and Protective Services

Neighborhood Services Division

City of Jefferson, Missouri

CITY OF JEFFERSON
DEPARTMENT OF PLANNING AND PROTECTIVE SERVICES
NEIGHBORHOOD SERVICES DIVISION

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INTRODUCTION

The Housing and Community Development Act of 1974 (HCDA), authorized HUD to create the Community Development Block Grant (CDBG) Program. The program seeks to provide decent housing, a suitable living environment, and expand economic opportunities for low and moderate income persons.

The City of Jefferson receives a yearly distribution for the CDBG entitlement program. The entitlement programs are for cities in metropolitan areas over 50,000 in population, designated principal cities of metropolitan statistical areas or urban counties with more than 200,000 people. The grant amounts are determined by the higher of two formulas: Data based on overcrowded housing, population and poverty; or Data based on age of housing, population growth lag, and poverty.

This policies and procedure manual is intended as guidance for the City of Jefferson's CDBG program, and is not meant to be a substitute for federal regulations. The federal CDBG program regulations can be found in Title 24 of the Code of Federal Regulations (CFR) Part 570.

This manual is effective January 1, 2021 and will remain in effect until updated or replaced. It can be revised to meet changes in federal regulations, actions of the City Council, or to meet administrative needs upon approval.

Key Definitions

24 CFR Part 85 (the Common Rule): This rule provides that the grantee shall take affirmative steps to encourage contracting with small minority and female owned business enterprises when possible as sources of supplies, equipment, construction, and services.

Action Plan: An annual update to HUD regarding the Consolidated Plan.

Consolidated Plan: The Consolidated Plan is prepared by the grantee in accordance with 24 CFR Part 91, and describes needs, resources, priorities and proposed activities to be undertaken with respect to CDBG program. An approved Consolidated Plan is one which has been approved by HUD.

Contractors: A contractor is an entity paid with CDBG funds in return for a specific service (e.g., construction). Contractors must be selected through a competitive procurement process based on the City's procurement standards.

Copeland Anti-Kickback Act: Makes it a criminal offense for a person to induce anyone employed in the construction, completion, or repair of any public building, public work, or building, or work financed in whole or in part by loans or grants from the United States, to give up any part of the compensation to which the employee is otherwise entitled. The Act also regulates payroll deductions, specifies methods of paying wages to covered employees, and requires the submission of weekly payrolls in conjunction with statements of compliance by all contractors in a format that meets the requirements of 29 CFR Section 5.5.

Davis-Bacon Act: The Act is triggered when construction work over \$2,000 is financed in whole or in part with CDBG funds. It requires that workers receive no less than the prevailing wages being paid for similar work in the same area.

Draw down: Refers to the process of requesting and receiving CDBG funds. Grantees draw down funds from a line of credit established by HUD, while sub recipients draw down funds from the grantee.

Executive Order 11063: This Executive Order provides that no person shall be discriminated against on the basis of race, color, religion, sex, or national origin in housing and related facilities provided with Federal assistance and lending practices with respect to residential property when such practices are connected with loans insured or guaranteed by the Federal government.

Executive Order 11246: This Executive Order applies to all federally assisted construction contracts and subcontracts. It provides that no person shall be discriminated against on the basis of race.

Executive Order 11259: This Executive Order provides that the administration of all Federal programs and activities relating to housing and urban development be carried out in a manner to further housing opportunities throughout the United States.

Grantee: Each entitlement community, or grantee, administers its local CDBG program in accordance with program requirements.

Household: All the persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any groups of related or unrelated persons who share living arrangements.

Income: Adjusted gross income as defined by the IRS Form 1040.

Limited Clientele: Persons (or groups of persons) who are presumed to be principally LMI, according to HUD. These include: abused children, battered spouses, elderly persons (age 62 and over), adults meeting the Bureau of the Census' definition of severely disabled, homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers.

Low and Moderate Income: Low and moderate income (LMI) means family or household annual income less than the Section 8 Low Income Limit, generally 80% of the area median income, as established by HUD.

Low-Income Household/Family: A household/family having an income equal to or less than the Section 8 Very Low Income limit (50% of the area median income) as established by HUD.

Moderate-Income Household/Family: A household/family having an income equal to or less than the Section 8 Low Income limit (80% of area median income) established by HUD, but greater than the Section 8 Very Low Income Limit (50% of area median income) established by HUD.

Restoration Act of 1987: This Act restores the broad scope of coverage and clarifies the application of the Civil Rights Act of 1964. It also specifies that an institution which receives Federal financial assistance is prohibited from discriminating on the basis of race, color, national origin, religion, sex, disability, or age in a program or activity which does not directly benefit from such assistance.

Section 109 of Title 1 of the Housing and Community Development Act of 1974: This section of Title 1 provides that no person shall be excluded from participation (including employment), denied program benefits, or subject to discrimination on the basis of race, color, national origin, or sex under any program or activity funded in whole or in part under Title I of the Act.

Section 3 of the Housing and Urban Development Act of 1968, as amended: Requires the provision of opportunities for training and employment that arise through HUD-financed projects

to lower-income residents of the project area, to the greatest extent feasible and consistent with Federal, State and local laws and regulations. Also required is that contracts be awarded to businesses that provide economic opportunities for low- and very low-income persons residing in the area. Amendments to Section 3 in 1992 included requirements for providing these opportunities in contracts for housing rehabilitation, including lead-based paint abatement, and other construction contracts.

Section 109 of Title I of the Housing and Community Development Act of 1974: Requires that no person shall be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded with CDBG funds on the basis of race, color, religion, national origin, or sex.

Section 504 of the Rehabilitation Act of 1973: It is unlawful to discriminate based on disability in federally assisted programs. This section provides that no otherwise qualified individual shall, solely by reason of his or her disability, be excluded from participation (including employment), denied program benefits, or subjected to discrimination under any program or activity receiving Federal funding assistance. Section 504 also contains design and construction accessibility provisions for multi-family dwellings developed or substantially rehabilitated for first occupancy on or after March 13, 1991.

Sub recipient: An entity that assists the grantee to implement and administer its program. Sub recipients are generally nonprofit organizations that assist the recipient to undertake one or more activities on behalf of the grantee, such as a home rehabilitation. Sub recipients are also referred to as sub grantees.

The Age Discrimination Act of 1975: This Act provides that no person shall be excluded from participation, denied program benefits, or subject to discrimination on the basis of age under any program or activity receiving Federal funding assistance. Effective January 1987, the age cap of 70 was deleted from the laws. Federal law preempts any State law currently in effect on the same topic including: KRS 18A.140; KRS 344.040; 101 KAR 1:350 Paragraph 11; 101 KAR 1:375 Paragraph 2(3); 101 KAR 2:095 Paragraphs 6 and 7.

The Americans with Disabilities Act of 1990 (ADA): This Act modifies and expands the Rehabilitation Act of 1973 to prohibit discrimination against “a qualified individual with a disability” in employment and public accommodations. The ADA requires that an individual with a physical or mental impairment who is otherwise qualified to perform the essential functions of a job, with or without reasonable accommodation, be afforded equal employment opportunity in all phases of employment. Kentucky adopted this Act in 1992 with the enrollment and passage of Senate Bill 210.

The Equal Employment Opportunity Act: This Act empowers the Equal Employment Opportunity Commission (EEOC) to bring civil action in Federal court against private sector employers after the EEOC has investigated the charge, found “probable cause” of discrimination,

and failed to obtain a conciliation agreement acceptable to the EEOC. It also brings Federal, State, and local governments under the Civil Rights Act of 1964.

The Fair Housing Amendment Act of 1988: This Act amended the original Fair Housing Act to provide for the protection of families with children and people with disabilities, strengthen punishment for acts of housing discrimination, expand of the Justice Department jurisdiction to bring suit on behalf of victims in Federal district courts, and create an exemption to the provisions barring discrimination on the basis of familial status for those housing developments that qualify as housing for persons age 55 or older.

The Housing for Older Persons Act of 1995 (HOPA): Retained the requirement that the housing must have one person who is 55 years of age or older living in at least 80 percent of its occupied units. The Act also retained the requirement that housing facilities publish and follow policies and procedures that demonstrate intent to be housing for persons 55 and older.

The Immigration Reform and Control Act (IRCA) of 1986. Under IRCA, employers may hire only persons who may legally work in the U.S., i.e., citizens and nationals of the U.S. and aliens authorized to work in the U.S. The employer must verify the identity and employment eligibility of anyone to be hired, which includes completing the Employment Eligibility Verification Form (I-9).

The Uniform Guidelines on Employee Selection Procedures adopted by the Equal Employment Opportunity Commission in 1978: This manual applies to employee selection procedures in the areas of hiring, retention, promotion, transfer, demotion, dismissal and referral. It is designed to assist employers, labor organizations, employment agencies, licensing and certification boards in complying with the requirements of Federal laws prohibiting discriminatory employment.

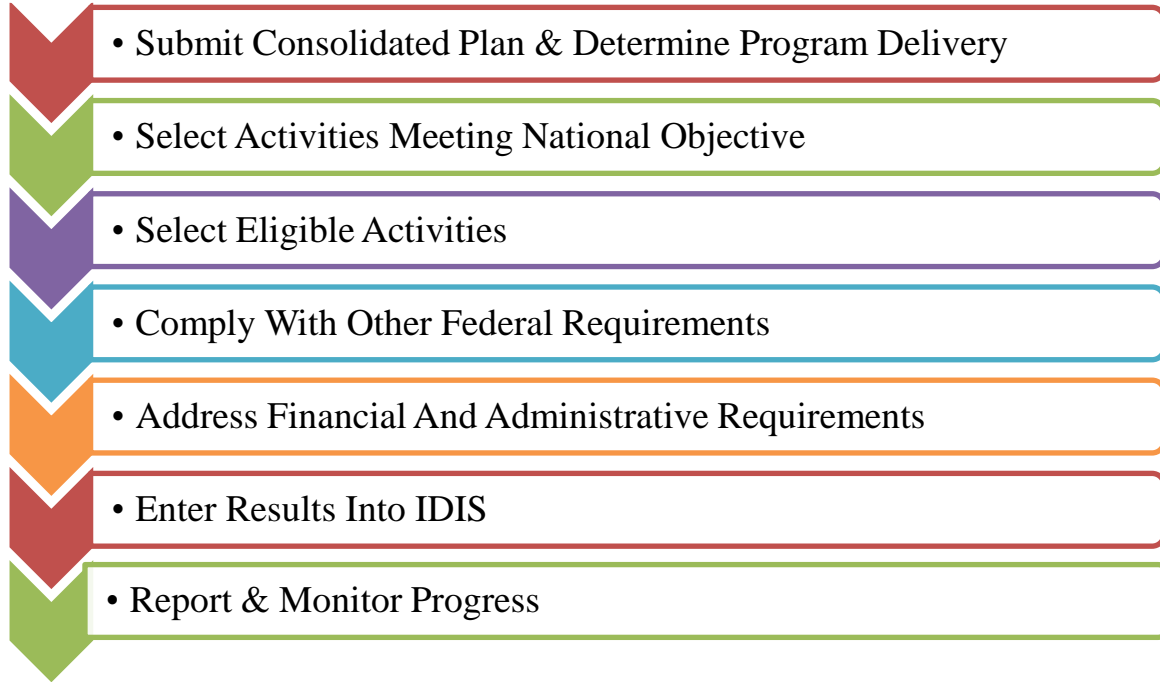
The Vietnam Era Veterans' Readjustment Act of 1974 (revised Jobs for Veterans Act of 2002): This Act was passed to ensure equal employment opportunity for qualified disabled veterans and veterans of the Vietnam War. Affirmative action is required in the hiring and promotion of veterans.

Title VI of the Civil Rights Act of 1964: This Act provides that no person shall be excluded from participation, denied program benefits, or subject to discrimination based on race, color, and/or national origin under any program or activity receiving Federal financial assistance.

Title VIII of the Civil Rights Act of 1968 (The Fair Housing Act): This Act prohibits discrimination in housing on the basis of race, color, religion, sex and/or national origin. This law also requires actions which affirmatively promotes fair housing.

CHAPTER 1: CDBG IMPLEMENTATION PROCESS

The following provides an overview of the framework in which the City must make decisions concerning activities and/or organizations to fund under the CDBG program.



STEP 1 – SUBMIT CONSOLIDATED PLAN & DETERMINE PROGRAM DELIVERY

CONSOLIDATED PLAN/ACTION PLAN

The process of completing the Consolidated Plan (and annual Action Plans) helps the City to determine what activities to fund in the coming year.

The Consolidated Plan is a plan of five years in length, which describes the community needs, resources, priorities, and proposed activities to be undertaken under CDBG program.

Each year, the City must submit an update to HUD, referred to as an Action Plan. The Action Plan describes the specific planned uses for CDBG.

The Consolidated Plan includes the following:

1. A description of the entity responsible for overseeing the development of the Consolidated Plan and a description of the process undertaken to develop the plan;
2. A housing and homeless needs assessment;
3. A housing market analysis;
4. A strategic plan; and
5. A one-year Action Plan.

The following is a timeline of the Consolidated Plan to ensure timeliness and accuracy.

- Pre-Public Hearing regarding the development of the Consolidated/Action Plan shall be held sometime in June.
- End of September, Public Hearing is held regarding the proposed Consolidated/Action Plan. Copies of the proposed Consolidated/Action Plan will be made available for public Review. The 30 day public comment period begins the day after the public hearing is held.
- Present the draft plan to the Public Works and Planning Committee and City Council. The Plan shall be approved by Council via Resolution.
- The Consolidated/Action Plan is due to HUD November 15th*

Since FY 2015, HUD has issued CPD Notices, concerning grantees' submission of Action Plans for funding under the CDBG, HOME, ESG and HOPWA programs. These notices instructs grantees not to submit their Action Plans or new 3-5 year Consolidated Plans until an appropriations bill has been enacted and HUD has notified grantees of their actual allocation amounts under the four formula programs. HUD field offices have been instructed to disapprove as substantially incomplete any Action Plan that contains estimated grant amounts.

PROGRAM DELIVERY METHOD

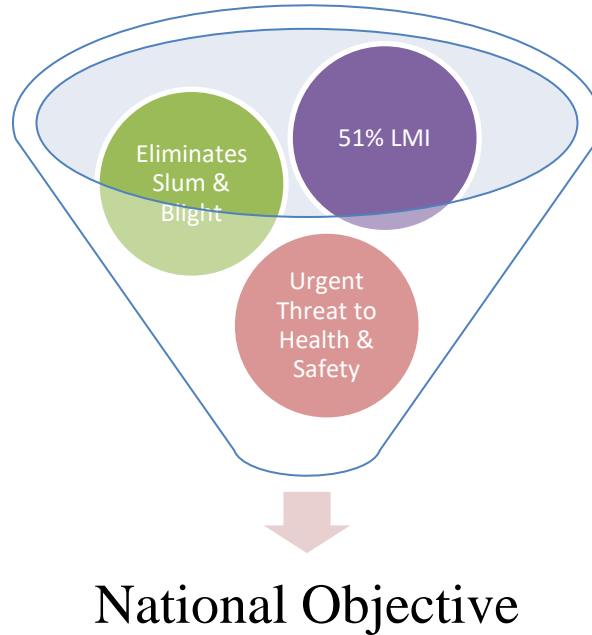
The City (grantee) is responsible for ensuring that CDBG funds are used in accordance with all program requirements. The use of designated public agencies, sub recipients, or contractors does not relieve the grantee of this responsibility. The grantee is also responsible for determining the adequacy of performance under sub recipient agreements and procurement contracts and for taking appropriate action when performance problems arise.

Before disbursing funds to any organization that is carrying out CDBG activities on behalf of the grantee as a sub recipient, a written agreement must be executed. The CDBG regulations stipulate that certain requirements be included in all written agreements with sub recipients.

Written agreements must remain in effect for the length of time that the sub recipient has control over any CDBG funds, including program income. However, it is good practice to update sub recipient agreements annually to ensure the agreements are current with regulations and requirements. This process also allows an opportunity to revisit and clarify problem areas or issues.

STEP 2 - NATIONAL OBJECTIVE

In order to use HUD funds, the project must meet a National Objective. They are the following.



The LMI national objective is the primary national objective because the statute requires that grantees expend 70% of the CDBG funds to meet the LMI national objective.

LMI Calculation Example:

Total entitlement grant amount:	\$300,000
<i>Less</i> actual planning and admin (up to 20%):	<u>(\$60,000)</u>
Equals amount subject to LMI calculation:	\$240,000
Multiplied by 70 percent:	<u>X 0.70</u>
Equals minimum to benefit LMI:	\$168,000
Amount subject to LMI calculation:	\$240,000
<i>Less</i> LMI minimum:	<u>(\$168,000)</u>
<i>Equals</i> maximum slum/blight and urgent needs allowable activities:	\$72,000

A) 51% Low and Moderate Income

At least 51% or more of the persons and families benefiting must be low and moderate-income (LMI) for public projects and public facilities and 100% LMI for housing activities. LMI can be determined by HUD census data or by conducting a survey. LMI is generally calculated on an area basis, such as census tracts.

1. A map must accompany the survey area, showing the project area and beneficiaries. If a survey is used to prove LMI, then the survey area and the houses surveyed should be clearly marked on the map.
2. Limited Clientele persons (or groups of persons) are presumed to be principally LMI, according to HUD. These include: abused children, battered spouses, elderly persons (age 62 and over), adults meeting the Bureau of the Census' definition of severely disabled, homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers. The disability data used for limited clientele are "persons with a mobility or self-care limitation." This data is broken into persons age 16 to 64 and 65 and older. The data for both age groups must be added together in total. Do not use the data for "persons with a work disability."
3. In addition, if a project's activities are limited exclusively to LMI persons (such as a food pantry with income restrictions either equal to or more restrictive than the LMI income limits for that area), the project may meet the LMI national objective through limited clientele.
4. Limited Clientele projects are those that exclusively serve a group defined as limited clientele. If this criterion is met, then no further LMI documentation, either by census or by survey is necessary. If the project is not exclusive or designed for only that group or groups, then LMI eligibility must be proven by another method.

B) Elimination of Slums and Blight

To prove this HUD national objective, a project must propose one of the two different methods.

1. The first method occurs when a structure is blighted; when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to health, safety and public welfare.

For the City to participate in this activity it must, at a minimum, determine blighted structures by applying existing dangerous building ordinance, building code level of violation or applicable occupancy or habitability designation or code violation in a manner consistent with their ordinance. The ordinance, code violation or designation must be applied to the specific structure, not to the area as a whole. The predominance of blight in an area does not allow blight to be assumed for each structure inside the area.

2. The second method covers area blight, and includes submitting a resolution passed by the governing legislative body declaring the area blighted in accordance with 24 CFR 570. As stated, the definition of the national objective *elimination of slum and blight* reads as follows. The area meets the conditions of either (a) or (b):

- i. At least 25% of the properties throughout the area experience one or more of the following conditions:
 - Physical deterioration of buildings or improvements,
 - Abandonment of properties
 - Chronic high occupancy turnover rates or chronic high vacancy rates in commercial or industrial buildings,
 - Significant declines in property values or abnormally low property values relative to other areas in the community, or
 - Known or suspected environmental contamination.
- ii. The public improvements throughout the area are in a general state of deterioration.

C) Urgent Threat to Health and Safety

The use of the urgent need national objective is rare. It is generally used for activities to alleviate emergency conditions. According to “Basically CDBG” Course Training Manual examples include:

- Acquisition of property located in a flood plain that was severely damaged by a recent flood;
- Public facility improvements like the reconstruction of a publicly-owned hospital that was severely damaged by a tornado;
- Demolition of structures that are severely damaged by a major earthquake;

Urgent need qualified activities must meet the following criteria:

- The existing conditions must pose a serious and immediate threat to the health or welfare of the community;
- The existing conditions are of recent origin or recently became urgent (generally, within the past 18 months);
- The grantee is unable to finance the activity on its own; and
- Other sources of funding are not available.

STEP 3 – ELIGIBLE ACTIVITIES

Section 105(a) of the Community Development Act and HUD regulations specified the activities that are eligible for CDBG assistance. A general listing of eligible activities is below, and a detailed description is provided in 105(a) of the Act and in 24 CFR 570.482.

1. Property Acquisition
2. Property Disposition
3. Property Clearance/Demolition
4. Architectural Barrier Removal
5. Senior Center
6. Community Facilities
7. Centers for the Handicapped
8. Historic Properties
9. Water Treatment/Storage
10. Sanitary Sewer Collection
11. Storm Sewers
12. Flood and Drainage Facilities
13. Streets (or Roads)
14. Street Accessories
15. Parking Facilities
16. Bridges
17. Sidewalks
18. Pedestrian Malls
19. Recycling or Conversion Facilities
20. Parks and Recreation Facilities
21. Fire Protection/Facility Equipment
22. Solid Waste Disposal Facilities
23. Other Utilities
24. Public Service/Supportive Services
25. Rehabilitation of Private Residential Properties
26. Rehabilitation of Public Residential Properties
27. Payments for Loss of Rental Income
28. Relocation
29. Code Enforcement
30. Energy Use Strategy
31. Non-Federal Share Payment
32. Interim Assistance
33. Planning
34. Commercial or Industrial Facilities
35. Administration
36. Engineering/Design
37. Housing Rehab/Demo Inspection
38. Engineering/Construction Inspection
39. Airports
40. Natural Gas Lines
41. Electrical Distribution Lines
42. Rail Spurs
43. Lighting
44. Other Professional Services
45. Security Fencing
46. Site Preparation
47. Purchase Land/Building
48. Facility Construction Renovation
49. Machinery/Equipment
50. Working Capital
51. Sewage Treatment
52. LDC Homeownership Assistance – up to \$15,000 to purchase a new home
53. Legal
54. 911 Emergency Systems
55. Homeowners Assistance- up to \$5,000 to purchase an existing DSS home
56. Lead-Based Paint Risk Assessment
57. Asbestos Removal
58. Job Training
59. Home-Ownership Counseling
60. Substantial Reconstruction of Private Residential Properties on Same Lot- Up to \$15,000
61. Water Distribution
62. Lead Reduction NOT incidental to Rehab
63. Asbestos Inspection

Pursuant to 24 CFR 570.207 Ineligible Activities are as follows:

- A. Maintenance or operation costs: Any cost that recurs on a regular basis (generally, less than five years) is considered a maintenance or operation cost, therefore ineligible for CDBG assistance.
- B. General government expenses.
- C. Political activities.
- D. Improvements to city halls and courthouses, except those required to meet the Americans with Disabilities Act. Note: CDBG funds used for ADA projects may only convert existing facilities to accessibility. CDBG funds may not be used to add new facilities.
- E. Purchase of equipment, except for fire protection, public services, landfills or recreation.
- F. Income payments, except for loss of rental income due to displacement.
- G. Application preparation costs or a bonus award for writing a successful application.
- H. Religious purposes.

STEP 4 – COMPLY WITH OTHER FEDERAL REQUIREMENTS

ENVIRONMENTAL REVIEW

An Environmental Review Record must be completed for each project in order to meet the Environmental Review Requirements set forth at 24 CFR Part 58. All projects will publish appropriate notices (including HUD 8-Step Process), submission of the Request for Release of Funds and Certification and Authority to Use Grant Funds will be issued by HUD prior to commencing with project activities.

DOCUMENTATION OF LOW-MODERATE AREA

For projects benefitting an area, LMA must be documented by downloading the current year American Community Survey LMI Summary Data from www.hudexchange.info/programs/acs-low-mod-summary-data/acs-low-mod-summary-data-summarized-block-groups/. In the file includes a copy of the summary data along with a zoning map with the project area marked.

FAIR HOUSING, ACCESSIBILITY, AND EQUAL EMPLOYMENT

The City and any sub-recipient(s) must adhere to all the basic tenets of fair housing and equal opportunity regulations. Recipients are prohibited from practicing discrimination on the grounds of race, color, national origin, religion, sex, handicap, or familial status.

This prohibition applies to all project contractors or subcontractors. Beneficiary information should be determined and demographic data compiled, with this information made available in the project file for public review.

A. Fair Housing

As part of HUD's certification the City is required to complete an analysis of impediments to fair housing choice. Although not part of the consolidated plan, the City must certify that it completed the analysis, is taking appropriate actions to overcome the effects of any impediments identified and maintain records reflecting the analysis and related actions.

The most recent Analysis of Impediments was completed in 2018. The following impediments were identified for the City:

- Lack of adequate funding allocated for fair housing enforcement and outreach activities.
- Lack of fair housing awareness
- Inadequate information and awareness of the city's housing programs
- Lack of fair housing testing to determine where fair housing discrimination is taking place.
- Concentration of affordable rental housing in certain neighborhoods with higher minority and low income populations.
- Need for ADA education and the lack of availability of housing for persons with disabilities.
- Lack of specific and comprehensive planning efforts around affirmatively furthering fair housing in the City of Jefferson.

Actions in addressing the above identified impediments should be implemented through the Consolidated Plan and/or Action plan.

B. Handicapped Accessibility

The City shall abide by HUD regulations in Section 504, HUD's implementation of the American with Disability Act (ADA). The City is to conduct a self-evaluation of accessibility to determine their current programs, services, policies, and practices meet the requirements of Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act.

C. Equal Employment Opportunities

Congress established Section 3 to ensure that the employment and other economic opportunities generated by Federal financial assistance for housing and community development programs shall, to the greatest extent feasible, be directed toward low and very low income persons, particularly those who are recipients of government assistance for housing.

Section 3 applies to training, employment, contracting and other economic opportunities that are in connection with the CDBG funds. Contractors and subcontractors providing a service on projects for which the total amount of federal assistance exceeds \$200,000 and the amount of the contract or subcontract exceeds \$100,000 are required to comply with Section 3.

The following is a detailed listing of laws applicable to the CDBG program.

Federal and State Laws and Regulations (included amendments)	Fair Housing & Nondiscrimination	Accessibility	Equal Employment & Contracting
Title VI of the Civil Rights Act of 1964	X		
Title VIII of the Civil Rights Act of 1968 (The Fair Housing Act)	X	X	
Restoration Act of 1987	X		
Section 109 of Title I of the Housing and Community Development Act of 1974	X		X
The Fair Housing Amendment Act of 1988	X		
The Housing for Older Persons Act of 1995 (HOPA)	X		
The Age Discrimination Act of 1975	X		
Section 504 of the Rehabilitation Act of 1973	X	X	X
The Americans with Disabilities Act of 1990 (ADA)	X	X	X
Executive Order 11063	X		
Executive Order 11259	X		
Section 109 of Title I of the Housing and Community Development Act of 1974	X		X
The Equal Employment Opportunity Act			X
The Immigration Reform and Control Act (IRCA) of 1986			X
The Uniform Guidelines on Employee Selection Procedures adopted by the Equal Employment Opportunity Commission in 1978			X
Section 3 of the Housing and Urban Development Act of 1968, as amended			X
The Vietnam Era Veterans' Readjustment Act of 1974 (revised Jobs for Veterans Act of 2002)			X
Executive Order 11246			X
24 CFR Part 85 (the Common Rule):			X

PROCUREMENT

According to the table below, the City procurement policy is stricter than CDBG’s procurement policy. Therefore, City procurement policy will take precedence*.

<u>City of Jefferson</u>	<u>HUD Requirements</u>	<u>HUD Requirement Notes</u>
\$5,000 or less without competitive bids.	See Below	
\$5,000 and not more than \$25,000 bids to be in writing, electronic and online sellers acceptable from at least 3 vendors.	3 written quotes should be obtained for all purchases up to \$100,000.	<i>Award should be made to the lowest responsive and responsible source.</i>
Over \$25,000 requires advertise for sealed bids allowing 14 days before bids are received and opened. Lowest and best bid submitted by responsible bidder meeting specifications will be recommended for award.	Over \$100,000 a) Competitive Sealed Bids. Publish one time in widest circulation paper. b) Competitive Proposals for professional services	All bids must be opened publically at the time and place stated in the invitation for bids. A firm-fixed price contract award must be made in writing to the responsive bidder whose bid is lowest, most responsible and responsive. <i>All unsuccessful bidders must be notified in writing.</i>

Non-competitive proposals may be used only when the award of a contract is infeasible under small purchase procedures, sealed bids, or competitive proposals and one of the following circumstances applies:

1. Where the item is available only from a single source;
2. Where a public emergency or urgent situation is such that the urgency will not permit a delay beyond the time needed to employ one or the other procurement methods; or
3. Where after solicitation of a number of sources, competition is determined inadequate.

When bidding out projects with HUD funds, the city must ensure that the equal opportunity housing symbol is included within the publication.



A. Conflict of Interest

The CDBG program will follow the City’s Purchasing Policy and Procedures Manual, including the conflict of interest policy.

It shall be unethical for any city employee to participate directly or indirectly in a procurement contract where the city employee knows that:

- The city employee or any member of the city employee’s immediate family has a financial interest pertaining to the procurement contract; or
- Any other person, business, or organization with whom the city employee or any member of a city employee’s immediate family is negotiating or has an arrangement concerning prospective employment is involved in the procurement contract.

A city employee or any member of a city employee’s immediate family who holds a financial interest in a disclosed blind trust shall not be deemed to have a conflict of interest with regard to matters pertaining to that financial interest.

Note: Personnel Policy

1. Section 20-5 Conflict of Interest

No employee of the municipal service shall hold a financial interest in a firm, institution, corporation, or other establishment supplying goods or services to the city. No employee shall be employed in any capacity with a firm, institution, corporation or other establishment supplying goods or services to the city when that capacity means the possession, direct or indirect, of the powers to direct or cause the direction of the management and policies of that organization. No employee shall receive any payment, gifts, favors, or other consideration from any person, firm, institution, corporation, or other establishment supplying goods or services to the city.

2. Section 20-6 Penalties

Any employee found guilty of any violation of this section shall be subject to any disciplinary action up to and including dismissal as defined by these rules and such other penalties as may be deemed appropriate and consistent with the laws of the City of Jefferson and the State of Missouri.

B. Excluded Parties

Prior to making any award (sub grant or contract) the organization must be checked for debarment, suspension or otherwise excluded from participation in Federal assistance programs under Executive Order 12549, “Debarment and Suspension.”

Contractor must be cleared through the following links:

1. Secretary of State’s website. Check and see if they are registered to do business in the State. For this website you will have to have to know exactly how they registered their company. <https://bsd.sos.mo.gov/BusinessEntity/BESearch.aspx?SearchType=0>
2. HUD’s debar website. Click on Limited Denial of Participation list & if nothing shows up for the company they are not debarred with HUD. https://www5.hud.gov/ecpcis/main/ECPCIS_List.jsp
3. State Department of Labor Contractor Department List http://labor.mo.gov/DLS/PrevailingWage/debarment_list
4. System for Award Management (SAM) <https://www.sam.gov>

CONTRACT MANAGEMENT

Contract management is a large part of any project’s success. It is important that all parties in a contract are held to the roles and responsibilities for which they are receiving payment. Project delays or problems are often the result of misunderstandings, assumptions of the responsibilities of different parties in a contract, or of parties not performing their work to a standard. To correct these problems, contract language must be clear and must take the management of the contracts seriously as a working role.

Before entering into a contract you must ensure that all contracts are written so that they are based on a lump sum or unit price. Please be careful of any hidden or unexpected costs or additional fees that may have been added to the contract. Such fees may include per hour additional fees for surveying, obtaining easements, etc. Often grantees may think these costs are part of the base contract and have not allowed for the additional cost in their budget.

A. Contract Content

According to 24 CFR 85.36(i) contract provisions, a grantee's and sub grantee’s contracts must contain provisions listed below. Federal agencies are permitted to require changes, remedies, changed conditions, access and records retention, suspension of work, and other clauses approved by the Office of Federal Procurement Policy.

1. Administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as may be appropriate. (Contracts more than the simplified acquisition threshold)

2. Termination for cause and for convenience by the grantee or sub grantee including the manner by which it will be effected and the basis for settlement. (All contracts in excess of \$10,000)
3. Compliance with Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity", as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 CFR chapter 60). (All construction contracts awarded in excess of \$10,000 by grantees and their contractors or sub grantees)
4. Compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR part 3). (All contracts and sub grants for construction or repair)
5. Compliance with the Davis-Bacon Act (40 U.S.C. 276a to 276a-7) as supplemented by Department of Labor regulations (29 CFR part 5). (Construction contracts in excess of \$2000 awarded by grantees and sub grantees when required by Federal grant program legislation). ***Davis-Bacon does not apply to the rehabilitation of residential structures containing less than eight units or force account labor.***
6. Compliance with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327A 330) as supplemented by Department of Labor regulations (29 CFR part 5). (Construction contracts awarded by grantees and sub grantees in excess of \$2000, and in excess of \$2500 for other contracts which involve the employment of mechanics or laborers)
7. Notice of awarding agency requirements and regulations pertaining to reporting.
8. Notice of awarding agency requirements and regulations pertaining to patent rights with respect to any discovery or invention which arises or is developed in the course of or under such contract.
9. Awarding agency requirements and regulations pertaining to copyrights and rights in data.
10. Access by the grantee, the sub grantee, the Federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records of the contractor which are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions.
11. Retention of all required records for three years after grantees or sub grantees make final payments and all other pending matters are closed.
12. Compliance with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857 (h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations

(40 CFR part 15). (Contracts, subcontracts, and sub grants of amounts in excess of \$100,000).

13. Mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94A 163, 89 Stat. 871).

[53 FR 8068, 8087, Mar. 11, 1988, as amended at 60 FR 19639, 19642, Apr. 19, 1995]

B. Common Rules Regarding Contracting

1. All services, professional, or construction, paid in whole or in part with CDBG funds, require the execution of a formal contract.
2. The use of CDBG dollars, regardless of the amount, for payment of any service under contract in a grant, initiates the contracting requirements described. The total amount of the contract will often indicate the proper documentation to be included in the contract.
3. All contracts should contain a clear, concise, and detailed description of the:
 - scope of work
 - total cost
 - duration or life of the contract
 - compliance requirements
 - reporting responsibilities
 - contract content paragraphs listed above
4. If proposals involving architectural/engineering professional services are evaluated with respect to factors other than price, the program participant must be able to document the basis for negotiation of fair and reasonable compensation.

C. Acceptable Contract Cost Structures

All construction contract fees shall be based upon a lump sum or unit price. All professional service contracts shall be based upon a lump sum or a cost-plus-fixed-fee. Cost plus a percentage of cost and percentage of construction cost methods are prohibited.

D. Alternative Deductibles/Alternate Add-Ons In Construction Bidding

In an effort to remain flexible in the bidding process for construction activities, the grantee may set in place alternative deductibles or alternate add-ons. These items must be clearly marked as such and, in the event of bids received over budget, may be “deducted” from the scope of the project, or in the event of bids received under budget, may be “added” to the scope of the project. All alternative deductibles/additions must be assigned a number in order of preference to be eliminated/added. Any elimination/additions of these items must follow that numerical guide (e.g., Item #2 may not be deducted/added prior to Item #1). No items may be eliminated/added from a bid process if they were not initially indicated as an alternative deductible or alternate

add-on. Alternate deductibles should include, but not be limited to, items the grantee may be able to complete on its own or items that would not have an adverse effect on the project if omitted.

E. Addendum Procedure

If changes or additions to the bid packet must be made prior to the bid deadline date, an addendum must be executed. The addendum must spell out the change or addition and must be distributed to all interested bidders. This action must not take place later than 72 hours prior to the bid submission deadline. If this time period is not possible, the addendum may be distributed and the deadline may be delayed exactly one week. All bidders obtaining bid documents must be made aware of all addenda in order not to interrupt the procurement procedure.

F. Amendment Procedure

If, during the life or duration of any formal contract, the parties agree to a change in the design, duration, cost, or any of the terms of the contract, a formal amendment may be executed. For this amendment to be valid and recognized by CDBG, it must be in writing, signed, and attested by both parties and attached to all original contract documents. The grantee may require review by their attorney prior to implementing the process. Any changes or change orders that directly affect the use of CDBG dollars, the scope of the project, or greatly changes the duration of the contract should be reviewed prior to execution.

Reports should be prepared and submitted by each contractor whenever it is determined that any change in the design, cost, or duration of the project is necessary.

G. Award of Contract

Awarding contracts using CDBG funds shall be completed in the same manner as if using local funds. The required process for entering into contracts should be reviewed and used for CDBG projects.

H. Federally Debarred Contractors

Before signing a contract with a proposed contractor, the grantee must ensure that the contractor is not on the Federal listing of Contractors Unable to Perform Work Under a Federally Sponsored Project at https://www5.hud.gov/ecpcis/main/ECPCIS_List.jsp. Click on Limited Denial of Participation list & if nothing shows up for the company then they are not debarred with HUD. In addition, must check the System for Award Management (SAM) at www.sam.gov.

I. Contractors Licensed To Do Business In Missouri

All professional service contracts and construction contracts paid for with CDBG funds must use firms/businesses that are licensed to operate in the State of Missouri. No grant funds will be released to pay businesses that do not hold this license. Check <https://bsd.sos.mo.gov/BusinessEntity/BESearch.aspx?SearchType=0> and search for the company's name which has to be exactly how they registered with the State.

J. Businesses In Good Standing With The Department of Labor

All licensed businesses must be in good standing with the Missouri State Department of Labor office. State debar website http://labor.mo.gov/DLS/PrevailingWage/debarment_list.

K. Department Of Treasury's Listing Of Approved Sureties

The bonding company used by the contractor to provide payment and performance bonds must be listed with the Department of the Treasury's Listing of Approved Sureties. At the time the contract is awarded check http://www.fiscal.treasury.gov/fsreports/ref/suretyBnd/c570_a-z.htm to ensure that the Missouri is listed for the surety as being licensed in the state. Print off the listing as compliance documentation for the file & ensure the date is included on the copy.

L. Internal Control

Proper internal control for each contractor may include a contract file that includes the following:

- A signed contract and amendments or change orders;
- A schedule of payments supported by:
 - Copies of time sheets or payroll records;
 - Copies of checks or transfer notifications; and
 - Copies of invoices;
- All project-related correspondence;
- Property records (where appropriate);
- Any notice of cancellation, termination, or suspension of the contract;
- All field inspection reports and employee interviews; and
- Other data as required by the recipient to properly administer the contract.

M. Engineer/Consultant's Certificate of Completed Work

A copy of the Certificate for Acceptance, and Final Payment, signed by the project engineer/consultant, must be obtained prior to closeout. This certificate must cover all work included in the project (regardless of funding source), including grantee cash and in-kind. The certificate must state that work has been completed in accordance with drawings and specifications and is functioning properly with the recommendation for Final Payment.

LABOR STANDARDS

Construction work that is financed in whole or in part with CDBG funds must adhere to certain Federal labor standards requirements. Additional information can be found at https://www.hudexchange.info/resources/documents/Module3_TrainingSlides.pdf.

A. Davis-Bacon Act

The Davis-Bacon Act (40 USC, Chapter 3, Section 276a-276a-5; and 29 CFR Parts 1, 3, 5, 6 and 7) is triggered when construction work over \$2,000 is financed in whole or in part with CDBG funds. It requires that workers receive no less than the prevailing wages being paid for similar work in the same area. *Davis-Bacon does not apply to the rehabilitation of residential*

structures containing less than 8 units or force account labor (construction carried out by employees of the grantee).

HUD's Office of Labor Relations Letter No. LR 2009-01 Davis-Bacon applicability to demolition work states demolition, by itself, is not necessarily considered to be *construction, alteration, or repair* (i.e. activities to which Davis-Bacon requirements may apply). As a result, Davis-Bacon wage requirements are not typically triggered by demolition work, alone. However, if subsequent construction at the site is planned as part of the same contract or if subsequent construction is contemplated as part of a future construction project, then the demolition work is considered to be part of the overall construction project. In such cases, if the subsequent construction work is subject to Davis-Bacon requirements, then the demolition would likewise be covered by Davis-Bacon requirements.

B. Copeland Anti-Kickback Act

The Copeland Anti-Kickback Act (40 USC, Chapter 3, Section 276c and 18 USC, Part 1, Chapter 41, Section 874; and 29 CFR Part 3) requires that workers be paid weekly, that deductions workers' pay be permissible, and that contractors maintain and submit weekly payrolls.

C. Contract Work Hours and Safety Standards Act

The Contract Work Hours and Safety Standards Act (40 USC, Chapter 5, Sections 326-332; and 29 CFR Part 4, 5, 6 and 8; 29 CFR Part 70 to 240) applies to contracts over \$100,000 and requires that workers receive overtime compensation (time and one-half pay) for hours they have worked in excess of 40 hours in one week. Violations under this Act carry a liquidated damages penalty (\$10 per day per violation).

D. Section 3 of the Housing and Urban Development Act of 1968

Section 3 of the Housing and Urban Development Act of 1968, as amended requires the provision of opportunities for training and employment that arise through HUD-financed projects to lower-income residents of the project area. Also required is that contracts be awarded to businesses that provide economic opportunities for low- and very low-income persons residing in the area.

E. Missouri Prevailing Wage Law

Missouri's Prevailing Wage Law establishes a minimum wage rate that must be paid to workers on public works construction projects in Missouri for contracts over \$75,000, such as bridges, roads, and government buildings. The prevailing wage rate differs by county and for different types of work.

The Prevailing Wage Law applies to all public works projects constructed by or on behalf of state and local public bodies.

ACQUISITION AND RELOCATION

Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) generally applies to projects involving acquisition, rehabilitation or demolition of real property. In some cases, the use of CDBG funds in a project involving demolition or conversion of lower income dwellings may also trigger another Federal law under Section 104 (d) of the Housing and Community Development Act of 1974.

HUD issued [CPD Notice 14-09](#) which provided guidance concerning the October 1, 2014 effective date of Moving Ahead for Progress in the 21st Century Act (MAP-21) that changed payment limits and replacement housing payment eligibility criteria in the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA). The revised regulations at 49 CFR Part 24 are consistent with MAP-21, which other proposed changes underway.

The following changes to the URA become effective on October 1, 2014.

Residential Relocation:

- Length of occupancy requirement to receive Replacement Housing Payment for homeowner occupants is reduced from 180 days to 90 days [42 U.S.C. 4623(a)(1) and 42 U.S.C. 4624(b)];
- Maximum Replacement Housing Payment for displaced 90 day (formerly 180 day) homeowner-occupant increased from \$22,500 to \$31,000 [42 U.S.C. 4623(a)(1)]; and
- Maximum Replacement Housing Payment for displaced 90 day residential tenant increased from \$5,250 to \$7,200 [42 U.S.C. 4624(a)].

Nonresidential Relocation:

- Maximum Reestablishment Expense Payment increased from \$10,000 to \$25,000 [42 U.S.C. 4622(a)(4)] and
- Maximum Fixed Moving Expense Payment increased from \$20,000 to \$40,000 [42 U.S.C. 4622(c)].

STEP 5 - ADDRESS FINANCIAL AND ADMINISTRATIVE REQUIREMENTS

A. ADMINISTRATION & PLANNING

CDBG funds can be used for administrative and planning activities. Funds under these categories are subject to the 20% statutory limitation.

The following are eligible administrative activities:

- General management, oversight and coordination
 - Providing local officials and citizens with information about the CDBG program;
 - Preparing budgets and schedules;
 - Preparing reports;
 - Monitoring program activities
- Fair Housing Activities;
- Indirect costs; and
- Submission of applications for Federal programs.

Eligible planning activities are the following:

- Comprehensive plans;
- Community development plans (i.e. Consolidated Plan);
- Functional plans (i.e. land use, economic development, floodplain management, transportation, historic preservation, etc.).
- Other plans and studies (i.e. neighborhood plans, capital improvements, individual plans, historic preservation studies, etc.).

Any costs and time charged must be documented through the appropriate means such as invoices, receipts, time and attendance records, etc. Documentation shall be kept on file and will be reviewed at financial monitoring.

Under this category, CDBG funds may not be used for the following activities:

- Engineering, architectural and design costs related to a specific project; or
- Other costs of implementing plans.

These costs may be eligible as part of an eligible project.

CALCULATING PLANNING AND ADMINISTRATION CAP

In accordance with 24 CFR 570 planning and administration costs are capped at 20% of the sum of grant plus program income plus reallocated funds.

Calculating the cap example:

Total grant amount	\$227,500
Program income & reallocated funds	<u>\$2,500</u>
Total: the basis for calculating the cap	\$230,000
Multiplied by 20 percent	<u>X 0.20</u>
Maximum dollar level that may be charged	\$46,000

B. TIMELY DISTRIBUTION OF FUNDS

CDBG funds are to be distributed in a timely fashion. Timeliness refers to how quickly funds are able to be committed and expended. It is vital that every effort is made to quickly distribute and use funds.

Timeliness is defined as the annual grant being obligated within 15 months of the City signing a grant agreement with HUD.

If the City was to award funds to sub grantees, obligation means the date which the City officially announces the selection of its awards to the sub grantee. Obligation could mean the following:

- Contract;
- Letter;
- Press release;
- News announcement; and/or
- Public Notice.

Currently there are no timely regulatory requirements in either the statute or regulations. HUD tracks expenditures through the Line of Credit Control System (LOCCS). Through this system several reports can be created by HUD staff such as the Ratio of Unexpended Funds to Grant, Ratio of Funds Expended in the Last 12 Months to Grant, Expenditure Report and National Chart.

C. PROGRAM INCOME

Program income is the gross income received by the City of Jefferson which was directly generated from the use of CDBG funds. Program income is treated as additional CDBG funds subject to all requirements.

Examples of program income include:

- Proceeds from the sale or lease of property purchased or improved with CDBG funds;
- Funds collected through special assessments on properties not owned and occupied by LMI households in order to recover the CDBG portion of a public improvement.

Program income does not include:

- Any income received in a single year by the City and its sub grantees, that does not exceed \$35,000; and
- Amounts generated and kept by a nonprofit development organization under 105(a)(15).

Program income must be disbursed prior to the drawdown of additional funds from IDIS. Therefore program income works on a last in first out scenario.

D. UNIFORM ADMINISTRATIVE REQUIREMENTS

HUD has adopted 2 CFR 200 as requirements for Federal financial assistance programs by the interim final rule published December 19, 2014 (at 79 Federal Register 75871). The 2 CFR 200 streamlines Federal government's guidance on administrative requirements, cost principles, and audit requirements to more effectively focus Federal resources on improving performance and outcomes, while ensuring the financial integrity of taxpayer dollars in partnership with non-Federal stakeholders.

For additional information on uniform administrative rules for Federal grants and cooperative agreements visit <https://files.hudexchange.info/resources/documents/Notice-DC-2015-01-Transition-to-2-CFR-Part-200-Guidance.pdf>.

E. AUDIT REQUIREMENTS

The City of Jefferson’s fiscal year runs from November 1 through October 31. Each year since 1996 the City has been awarded the prestigious national Certificate of Achievement for Excellence in Financial Reporting. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized CAFR whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

The City currently grants out the CDBG funds to sub-recipients. The City of Jefferson has measures in place to ensure that the sub-recipients are aware of federal expenditure thresholds of \$750,000, audit requirements, timeframes, and applicable OMB principals.

F. CITIZEN PARTICIPATION

The City shall follow its Citizen Participation Plan. Any changes to this plan shall be approved by the City Council. The City shall hold public hearings at least two times per year and encourage public participation during preparation of the Affirmatively Furthering Fair Housing, five year Consolidated Plan, Annual Action Plan and the Consolidated Annual Performance Evaluation Report (CAPER).

G. RECORD RETENTION PERIOD

Under the uniform administrative requirements of the CDBG regulations, the City is required to retain CDBG records for a period of not less than four years. The record retention period begins from the date of submission of the CAPER in which the specific activity is reported on for the final time rather than from the date of submission of the final expenditure report for the award.

To be consistent with Consolidated Plan regulations, which require that grantees maintain information and records relating to the Plan and the use of funds under the programs covered by the Consolidated Plan, record(s) must be maintained for a period of not less than five years.

H. INTERNAL CONTROLS

The CDBG program is administered by the Neighborhood Services Division within the Department of Planning and Protective Services. Other individuals and/or departments play a key role in the day to day of the CDBG program such as the City Administrator, City Counselor, Director of Department of Planning and Protective Services, Purchasing Agent, Chief Accountant, and Housing Inspectors.

The Neighborhood Services Supervisor serves as the Director of the Neighborhood Services Division. See Table 1 for Organizational Chart. This position is under general direction of the Department of Planning and Protective Services Director. The Neighborhood Services Supervisor plans, organizes and oversees the programs, services and operations of the Community Development Block Grant Program.

The Neighborhood Services Specialist is under the direct supervision of the Neighborhood Services Supervisor. These person(s) are responsible for obtaining proper documentation for the homeowner support programs, set up and management of the IDIS system and performs a variety of technical tasks relative to assigned area of responsibility.

Property/Housing Inspector & Property Inspector(s) assists with identifying code violations for the Minor Home Repair program. During the course of the program, if rehabilitation activities may disturb lead based paint the Property/Housing Inspector will obtain a sample and complete a test to determine if the sample contains lead based paint. Both individuals are EPA Lead Certified.

I. IDIS DRAWS

IDIS drawdowns will be completed at least quarterly, but most preferably monthly, for expenditure of funds completed the prior month.

The following sequence is completed for preparation of a draw from HUD's IDIS system:

1. Each month the Neighborhood Services Specialist, in cooperation with the department's Administrative Assistant, prepares supporting documentation for the CDBG drawdown using Springbrook software.
2. The Neighborhood Services Supervisor and the Director of Planning & Protective Services reviews and approves the drawdown package.
3. The drawdown and supporting documentation is referred to the Finance Department for review and approval.
4. Then the approved/signed RFF is returned to the department for drawdown completion from IDIS.
5. An email is generated to the Chief Accountant, or his/her representative, with a copy of the IDIS Voucher and Drawdown Cover Pages with Signatures as proof of draw completion.
6. The Chief Accountant notifies via email when the IDIS Draw is approved and when funds have been received.
7. Finance Department receives a copy of the IDIS Draw and Voucher(s).

J. EQUIPMENT MANAGEMENT AND DISPOSITION

The following items are suggested for management and disposition guidelines for equipment purchased with CDBG funds.

- Maintain property records which contain: property description, serial number or ID number, funding source (grant number), title holder, acquisition date and cost, percentage of Federal participation in original acquisition cost, location, use and condition or property, disposition date, date of disposal and sales prices.
- Take a physical inventory of equipment and reconcile results with property records every two years
- Establish a control system for adequately safeguarding property against loss, damage, and theft.
- Establish maintenance procedures for keeping property in good condition.
- When selling equipment purchased with CDBG funds, proceeds from sale must be kept as program income.
- Establish proper sales procedures to ensure highest possible return.
- Must follow HUD disposition instructions when equipment is no longer needed.

STEP 6 - ENTER RESULTS INTO IDIS

Within IDIS, the Grantee/PJ Project ID field will be utilized to include our in-house project numbers for each property assisted with CDBG funds. By utilizing the Grantee/PJ Project ID field the City's records will be able to correlate, document and associate exactly how CDBG funds were spent.

The following is a listing of suggested project funding:

- Emergency Repair = YR-ER-01
- Down Payment = YR-DP-01

Program files are kept for each individual applicant. Each file contains a checklist of items required throughout each step of process. The files contain applications, income verifications, Tier II Environmental Review, reports, correspondences, contracts, deeds, etc.

As part of the application process voluntary racial and ethnicity information is collected. The information is then entered into IDIS by the time of the completion of the individual project.

For additional information regarding IDIS visit <https://www.hudexchange.info/programs/idis/>.

STEP 7 – REPORT AND MONITOR PROGRESS

CALENDAR OF EVENTS

The following is a copy of events that were due for Program Year 2021. The reports and plans have the same required submission time frame to HUD year after year.

January	
1	Beginning of Program Year 21
31	SF – 425 Federal Financial Report Due for October 1 – December 31
February	
15	Hold Public Hearing for CAPER PY 20 (Requires 15 day comment period)
March	
7	Last day of CAPER comment period
31	Section 3 Annual Report (HUD 60002) Due
31	CAPER due to HUD
31	Davis-Bacon Report (HUD 4710) for November 1, 2020 – March 31, 2021
31	100% of PY 20 Funds Obligated
April	
30	SF – 425 Federal Financial Report Due for January 1 – March 31
May	
TBD	
June	
TBD	Hold Public Hearing for Consolidated Plan/Action Plan Kick-Off
July	
31	SF – 425 Federal Financial Report Due for April 1 – June 30
August	
TBD	
September	
15	Hold Public Hearing for 2022 Annual Action Plan (30 Day Comment Period)
30	Last Day of Reporting Period for MBE/WBE Contracts over \$10,000
October	
15	Last Day for Comment for 2022 Annual Action Plan
	Present 2022 Annual Action Plan to Public Works & Planning Committee
30	2022 Annual Action Plan 30 Day Public Comment Period Ends
31	SF – 425 Federal Financial Report Due for July 1 – September 30
31	Davis-Bacon Report (HUD 4710) for April 1 – October 31
November	
2	Council Approval by Resolution of Consolidated Plan and/or Annual Action Plan
15	Consolidated Plan/Action Plan Due to HUD
15	MBE/WBE Contract/Sub Contract Report (HUD 2516) Due 10/1/20 – 09/30/21
December	
31	End of Program Year 21
31	90% of Program Year 21 Funds Obligated

MONITORING OF SUB RECIPIENTS

The Redevelopment and Grants staff shall monitor all sub recipients to ensure program compliance. Staff will utilize both “desk monitoring” and “internal/on-site” monitoring to assess the quality of program performance over the duration of the agreement or contract. Internal/on-site monitoring requires at least a two week written notification to the sub recipient.

Monitoring of sub recipients shall concentrate on program, financial and regulatory performance of the sub recipients. In conducting a monitoring review, program staff will primarily rely on information obtained from the sub recipient’s performance reports, records, audits, allowed costs, review of financial reports, eligibility and number of beneficiaries served, compliance with federal regulations and City program requirements. Staff may also consider relevant information pertaining to a recipient’s performance gained from other sources including litigation, citizen comments and other information provided by or concerning the sub recipient.

A sub recipient’s failure to perform under the terms of the agreement with the City of Jefferson and/or maintain records in the prescribed manner may result in a finding that the sub recipient has failed to meet the applicable requirement. If the staff finds that a sub recipient has failed to meet the requirements the following steps will be taken:

1. Issue a letter of warning advising the sub recipient of the deficiency and putting the sub recipient on notice that additional action will be taken if the deficiency is not corrected or is repeated;
2. Recommend, or request the sub recipient to submit proposals for corrective actions, including the correction or removal of the causes of the deficiency.

If the sub recipient fails to undertake appropriate corrective or remedial actions which resolve the deficiency to the satisfaction of the program staff, the staff may take one or more of the following actions. Such actions shall be designed to prevent a continuation of the performance deficiency; mitigate, to the fullest extent possible, the adverse effects or consequences of the deficiency; and prevent a recurrence of the deficiency. Prior to a reduction, withdrawal or adjustment of a grant or other appropriate action, taken pursuant to 1, 2 or 3 below, the recipient shall be notified of such action and given an opportunity within a prescribed time period for an informal consultation.

These actions may include but are not limited to:

1. Advise the sub recipient in writing that additional assurances are required;
2. Advise the sub recipient to suspend disbursement of funds for the deficient activity;
3. Advise the sub recipient to reimburse the City of Jefferson program account in any amounts improperly expended.
4. The City of Jefferson shall have the same rights as the Secretary of HUD as to other remedies for noncompliance per 24 CFR 570.912 and 24 CFR 570.913

CHAPTER 2: HOMEOWNER SUPPORT PROGRAMS

The purpose of the Homeowner Support Program is to assist low-to-moderate income homeowners with repairs to meet health and safety standards; to provide the opportunity to realize measureable energy savings; assist with emergency repairs and/or provide down payment assistance to first time home buyers.

Section 1: Homeowner Support Program

Emergency Assistance Repairs: The definition of emergency assistance is assistance necessary to safeguard against imminent danger to human life, health or safety. Emergency assistance activities include replacement of water or wastewater laterals, replacement of a non-functioning furnace in the winter and/or replacement of non-functioning air conditioner unit in the summer. Homeowners must live in a single family residence within Jefferson City limits. Maximum assistance is up to \$5,000 per home provided in the form of a no interest loan. Loans will be secured by a deed of trust and promissory note. If the owner remains in the property for five years after the improvements are complete, the loan will be forgiven. Any funds left over after completion of identified scope of work is returned to the program.

Property Eligibility:

- The property must be a single family residence located within the City limits.
- The property must be owner-occupied and have clear title. If the property is owned by more than one individual, all owners must sign required legal documents relating to the rehabilitation project, including, but not limited to, the deed of trust and rehabilitation contract, even if they do not reside in the property to be rehabilitated
- The property shall not be located within a designated floodplain area or on land known to be the site of previous dumping of toxic or hazardous wastes.
- Property shall be free of code violations that are considered maintenance.
- Mobile homes are not eligible.
- Property must have active trash service.
- Payment of real-estate taxes must be current and not have any delinquent taxes, liens, assessments or other fees due to the City.
- For properties constructed before 1978, the City's approach to Lead Based Paint is to do no harm. Testing may be conducted on surfaces to be disturbed, unless presuming the surfaces contain lead-based paint. Surfaces disturbed during rehabilitation work will be repaired. Safe work practices shall be used on all surfaces.

ELIGIBILITY & ASSISTANCE AMOUNTS

Assistance is provided on a "first come, first served" basis to eligible applicants, a limited number will be processed as funding permits. Maximum assistance is up to \$5,000. If costs exceed this amount, the owner is responsible for the difference. Additional funds up to \$500 may be available for lead hazard mitigation and/or if the property is on the National Register or within a Historic District which may require using "like" materials from the time era of the

construction. Any funds left over after completion of identified scope of work is returned to the program.

1. The applicant households must be at or below 80% of the median family income as defined by HUD to participate in the Homeowner Support Programs at the time their application is processed.
2. The applicant and/or the structure for which the application for the 2020 Emergency Assistance Program is being made cannot previously have received a City of Jefferson Homeowner Support Program loan for owner occupied housing rehabilitation within the past 5 years. The five year period extends from the date a Deed of Trust and Promissory Note is signed to the date of new application. Participation in the Down Payment Assistance program does not exclude the homeowner from the 2020 Emergency Assistance Program.
3. The applicant must sign a deed of trust and promissory note for the loan amount.
4. If at any point during the steps the applicant does not provide required documentation within requested time frames, he/she shall be notified of inactive status by mail or email.
5. Income qualification is good for six months at which time applicant must re-certify.
6. Projects must be complete in one (1) year or the homeowner will have to reapply for the program.
7. Should a project be determined infeasible due to a lack of funding or not meeting the eligibility criteria of any of the Emergency Assistance Program, the City reserves the right to reject the owner's application.

A. Income

The income of a household includes the gross annual income of all persons 18 or older in the home who are expected to reside in the dwelling at least six months out of the year.

A household is defined as all persons occupying the same housing unit, regardless of their relationship to each other.

If there are multiple owners of the property, the applicant is the owner-occupant and his/her family.

The annual income of each household is established by projecting income for 12 months from the time applicant's name is reached on the waiting list and includes all sources of income. Income is determined using the Internal Revenue Service 1040 Adjusted Gross Income regulations.

Applicants are asked for proof of each source of income listed on their application. This may be accomplished through signing an authorization for third-party verification, by submitting a copy of their latest tax information, or by other approved methods acceptable to HUD and the City's Planning & Protective Services staff.

C. Repayment

No repayment of any kind is required as long as the recipient continues to own and occupy the property for 5 years after assistance. In the event that the property receiving assistance is no longer owned or occupied by the recipient within the 5 years, the balance shall be paid in full.

D. Eligible Costs

Funds are to be used for improvements deemed necessary by Department of Planning & Protective Services staff, including, but not limited to, one or more of the following:

1. Work necessary to meet code standards for the City of Jefferson and HUD as determined by the appropriate City Inspector.
2. Building permits and related fees.
3. Addressing lead-based paint hazards identified by a risk assessor.
4. HVAC equipment replacement.
5. Energy efficiency improvements as determined by the appropriate City Inspector.
6. Structural repairs as determined by the appropriate City Inspector.
7. Emergency health and safety projects, i.e. water and wastewater lateral replacement.
8. ADA Ramps.
9. Rebuilding exterior stair.
10. Installation of new water or sewer lateral (emergency only)

In determining if a system should be repaired or replaced, staff will determine the age of existing system and compare to the average life expectancy for the system. Life expectancy varies with usage, weather, installation, maintenance and quality of materials. This list should be used only as a general guideline.

System	YEARS
Air Conditioner	7 to 15
Furnace	15 to 25

Note: All materials, fixtures, equipment, or landscaping shall be of a quality customarily used in the neighborhoods for properties of the same general type as the property to be assisted.

E. Ineligible Costs

Except as otherwise provided, ineligible costs are costs that recurs on a regular basis (generally, less than five years) and is considered a maintenance or operation cost, that is therefore ineligible for CDBG assistance.

F. Work Write Up

The appropriate City staff such as the Property/Housing Inspector, Plumbing Inspector, etc. will prepare a deficiency list and work write-up in accordance with the City's Code Standards, to document the work to be assisted with program funds. Code violations that are considered maintenance shall be rectified prior to awarding the bids. Improvements to the property cannot extend beyond the scope as outlined in the City initiated deficiency list and work write-up.

G. Change Orders

The Department of Planning & Protective Services staff, with the consent of the property owner, may approve change orders to the work write-up if the amount of the contract is not increased more than \$1,000. Changes in excess of \$1,000 must be approved by the Neighborhood Services Supervisor, with the consent of the property owner. All change orders shall be prepared by the Department of Planning & Protective Services staff and shall be signed by the property owner, or the designated representative of the property owner, a representative of the City Department of Planning & Protective Services, and the contractor.

H. Contractors and Bid Process

The Planning & Protective Services staff will develop a qualified contractor list containing the names of all contractors meeting the eligibility requirements. Minority and female owned contractors will be encouraged to participate. The contractor list is not an endorsement, but rather a list of interested businesses interested in providing bids and/or work with program participants. In order to qualify for the list, contractors must meet the following requirements:

1. Must fill out the contractor application form.
2. Must carry Worker's Compensation Insurance for all employees as required by the State of Missouri.
3. Must carry liability insurance at the minimum amount of \$100,000 and other insurance as is appropriate for the work being performed.
4. SAM Registration and Unique Entity Identifier (formerly DUNS #): Contractors are encouraged to obtain an Unique Entity Identifier Number and register with the Federal government SAM (System for Award Management) system at <https://www.sam.gov/SAM/>.
5. Contractor must also have all required Federal, State, and City certifications and licensing for the scope of work being performed.
 - a. If undertaking lead abatement activities, the general contractor must have a current supervisor's license and abatement contractor's license from the Missouri Department of Health.
 - b. Either have completed an EPA approved Lead Renovator training or hire an individual or company who is EPA Lead Certified before undertaking any job disturbing lead painted surfaces.

- c. Asbestos work requires active certification through the Department of Natural Resources.
- 6. All contractors must be properly licensed by the City.
- 7. Must be able to supply the tools and materials necessary to complete each job.
- 8. References may be requested for at least three jobs completed.

I. Non-Performing Contractors

Contractors who consistently exhibit poor workmanship or do not complete contract requirements will be eliminated from the contractor list. Contractors who do not complete their contracts within an allotted time period will not be eligible to submit bids for additional projects until they are in compliance within the appropriate contract time period. Contractors that do not honor the warranty provisions of their contract will be eliminated from the contractor list.

J. Contractor Selection

- 1. Contractors will be asked to submit an itemized bid containing a firm amount for each item on the work write-up for all housing repair programs. Homeowners are responsible for obtaining at least 3 bids within 30 days. City can provide list of contractors who have previously participated in the program.
- 2. A contractor is limited to three active contracts at a time through the Homeowner Programs. In all cases, the City reserves the right to reject any and all bids and reserves the right to eliminate bid items to meet the maximum loan amounts.
- 3. Once bids are submitted and obtained, the scope of work is not to be added to in order to make the bid equal \$5,000. The scope of work may only be changed if during the course of the project the contractor uncovers additional work that is required for the original scope to be of quality.

K. Owner-Contractors

Owner-contractor projects are not allowed in the City's Homeowner programs.

L. Time Frames for Contracts

The contract period for Minor Home Repair projects shall not exceed 90 days, except as approved by Neighborhood Services Supervisor, and then shall not exceed 180 days without penalty to the contractor. The contract period shall begin when Department of Planning & Protective Services staff provide contractor with the Notice to Proceed.

M. Application Processing

Step 1

When applications are received the “Application Response Letter” is sent within ten (10) days of receipt to notify confirmation of receipt of application. Create file, assign project number and include copy of correspondence letter. Complete pre-cursory review of verifying ownership of record, floodplain, etc. If the property is in the floodplain, send denial letter.

If/when funds are available applicants are contacted within 30 days to schedule an interview appointment to verify income and qualifications.

Income guidelines are updated annually. Income limits may be accessed at <https://www.huduser.gov/portal/datasets/pdrdatas.html>. Each applicant file shall include print out of annual Income Limits Summary.

The applicant(s) ***must*** provide the following for all adults 18+ years and shall be included in file for compliance:

1. Social Security Card
2. State Identification Card
3. Proof of income - use [CPD Income Eligibility Calculator](#) using the IRS Form 1040 definition to determine the applicant’s annual income.
 - Must provide copy of three most recent paystubs.
 - Most recent Federal tax returns for all **18+** year olds in household.
 - If on SS or SSI the determination letter will work. Pension/benefit letters may also be provided. **Note:** SSA is taxable income and SSI/SSD is not taxable income.
 - See worksheet for additional incomes that require documentation.
4. If there is an adult 18+ in the household who claims no income, the Certification of Zero Income form must be filled out and signed by the individual.
5. Verify age of home through GIS System County Info for the purposes of determining if Lead Based Paint is a concern.
6. Verify ownership via GIS (copy of Deed of Trust) County info.
7. Verify current trash service with City of Jefferson’s Solid Waste Provider.
8. Applicant(s) must sign and date both Eligibility Review Worksheet and CPD Income Eligibility Calculator forms, copy to file.
9. Have homeowner sign W9 and Agreement Between City and Owner document (2 copies) during the interview process. If application approved, send to legal for signatures, if

denied shred contracts. W-9 form (submit signed original W-9 & Vendor Request Form to Department of Finance Purchasing Assistant).

10. For properties constructed prior to 1978, provide applicant copy of the lead based information brochures “Lead Safe Certified Guide To Renovate Right” and “Protect Your Family From Lead In Your Home”.
11. Sign both forms and turn in to Neighborhood Services Supervisor for approval signature.
12. Send Approval/Denial letter to applicant.

Step 2

Request inspection from appropriate City inspector: Contact applicant to set up a time for the inspector to view the property. Send inspector calendar invite for the date, time, location, list of requested improvements identified in the application, and any other applicable information (i.e. furnace located in crawl space). If code violations are found, continue with Step 3. If no code violations are indicated, send applicant denial letter (copy letter to file) based on findings. Department of Planning & Protective Services staff shall close file.

Step 3

Completion of the Environmental Tier II must be obtained prior to proceeding with the project. Upon receipt of inspection report listing code violations, a Tier II Environmental Report including completing FEMA floodplain map to ensure that property is not located within the 100 year floodplain, Historic Commission Cultural Assessment, SHPO Section 106 Project Information form, and Site Assessment form. Once all compliance documents have been compiled submit Tier II to Neighborhood Services Supervisor for approval. For properties constructed prior to 1978 ensure that results of the Lead Based Paint test(s) are provided to the homeowner.

Step 4

1. Using the Inspector’s report, fill out the bid form.
2. Give at least 4 copies of bid to applicant. Applicant must obtain a minimum of 3 bids. Also include lien waivers for subcontractors and suppliers. Must be given to contractor with bid sheet.

Contractor shall be secured within 60 days of applicant receiving the bid form or applicant will be placed on “inactive” list. If circumstances exist such as time of year (i.e. winter) additional time shall be allowed.

NOTE: Contractors must be licensed by the City of Jefferson and provide a certificate of insurance. If project involves disturbance of lead based paint a Lead Certified contractor

must be used. A lead test prior to rehab, lead safe practices and a lead test post rehab are required.

3. Once homeowner submits copies of received bids, type up bids tabulation.
4. Contractor must be cleared through the following websites. Print off documentation and include in file.

- a. State's website to check and see if they are registered to do business in the State. For this website you will have to have to know exactly how they registered their company. <https://bsd.sos.mo.gov/BusinessEntity/BESearch.aspx?SearchType=0>

NOTE: Sole proprietor contractors, who use their name for business purposes, appear not to be required to file with the Secretary of State as a business. For situations like this it may be acceptable to proceed if the contractor has a City Business License, working history with City (and/or references), and review the Better Business Bureau to determine a history of complaints filed against the contractor.

- b. HUD's debar website. Click on Limited Denial of Participation list & if nothing shows up for the company they are not debarred with HUD. https://www5.hud.gov/ecpcis/main/ECPCIS_List.jsp
- c. Missouri Department of Labor Contractor Debarment List http://labor.mo.gov/DLS/PrevailingWage/debarment_list
- d. System for Award Management (SAM) <https://www.sam.gov>

5. Submit bids, tabulation, debarment website information to Neighborhood Services Specialist for award of bid and contract issuance. The Neighborhood Service Specialist will confer with the City inspector to determine if bids are fair and equal.
6. When the contractor has been chosen, the Applicant(s) must come in to sign the following:
 - Rehabilitation Contract (between homeowner & contractor)
 - Agreement between the homeowner and the City of Jefferson
 - Notice to Proceed
 - Promissory Note and Deed of Trust (must be notarized). Once the Promissory Note is signed it is sent upstairs for signatures.
7. When work is complete, the appropriate City Inspector will return to site to approve/deny completion. Have homeowner sign Certificate of Completion while on site. When approved, the Inspector will sign the Certificate of Completion and submit to the Neighborhood Service Supervisor for final signature. Prepare the Lien Waiver form.

8. Submit check request. Be sure to have check returned to PPS. Include: Bid summary, bids, invoice, Certificate of Completion, and Notice to Proceed. Retain a complete record for project files and submit a copy to the Finance Department.
9. Contact applicant when check is received. Must come in to endorse check over to contractor and sign notarized statement acknowledging the same. Also the applicant sign the Deed of Trust and Promissory Note (must be notarized).
10. Contact contractor when check is endorsed. Must come in to sign Lien Waiver. Must bring lien waiver from subcontractors and suppliers, if any.
11. Record Deed of Trust and Promissory Note. When returned, make 3 copies; original to law, copies to file, homeowner, and IDIS files.
12. Close applicant file, update active/close spreadsheet and lien spreadsheet.
13. Neighborhood Services Specialist shall check lien spreadsheet periodically to determine if deed of release is required to be recorded after the completion of the 5 year requirement has been fulfilled.

Section 2: Down Payment Assistance

First-time homebuyers who agree to acquire and reside in eligible residential properties in Jefferson City limits may apply for down payment assistance prior to closing. Maximum assistance per home is \$5,000 no interest loan. Additional \$500 may be available to assist with lead hazard reduction. Anything over \$500 will be the responsibility of the buyer or seller. Loans will be secured by a promissory note and deed of trust. If the owner remains in the property for five years the loan will be forgiven.

A. Eligibility & Assistance Amounts

Assistance is provided on a “first come, first served” basis to eligible applicants, a limited number will be processed as funding permits. Maximum assistance is \$5,000. If costs exceed this amount, the owner is responsible for the difference.

1. The applicant households must be at or below 80% of the median family income as defined by HUD to participate in the Homeowner Support Programs at the time their application is processed.
2. The property must be a single family residence located within the City Limits and not within a designated floodplain area or on land known to be the site of previous dumping of toxic or hazardous wastes. Mobile homes are not eligible.
3. The property must be maintained as an owner-occupied residence. If the property is owned by more than one individual, all owners must sign required legal documents relating to the purchase.
4. The Assistance shall be \$5,000, zero interest loan. An additional grant amount of \$500 is also available to offset costs for lead hazard reduction should this become an obstacle to use of home ownership assistance funds.
5. Applicants must be first time homebuyers (an individual and his/her partner/spouse who have not owned a home in the past three years), displaced homemakers, or single parents. A displaced homemaker is defined as an adult who has not worked full time, full year in the labor force for a number of years, but during such years worked primarily to care for his/her home and family, and who is unemployed and experiencing difficulty in obtaining or upgrading employment.
6. The applicant must sign a Promissory Note and Deed of Trust for amount of total assistance.
7. The property to be purchased must be an existing single-family dwelling. The buyer must own and reside in the home as his/her primary residence for a minimum affordability period of 5 years. If the property is sold or rented within the initial 5 year period, the assistance shall be repaid. The buyer must maintain trash service at all times in accordance with City Ordinance.

8. The buyer is required to obtain a home inspection from a third party home inspection firm prior to being approved for assistance. The printed report must include, at a minimum, inspection of the structural, mechanical, electrical, and plumbing components of the dwelling and an inspection for the presence of termites.
9. The City's assistance is to be used only for closing costs and down payment assistance. Earnest money placed by the buyer may be returned at time of closing.
10. Applications must be received 30 days prior to the scheduled closing.
11. Participation in a City-approved pre-purchase homebuyer's education course must be documented prior to assistance being provided.
12. This program may be used in conjunction with other programs such as Missouri Housing Development Commission's Homebuyer Programs. CDBG may be placed as 2nd or 3rd lien.
13. The homebuyer shall authorize the City of Jefferson to collect and receive any information needed from the lender or other sources necessary to ensure eligibility and funding amount. Buyers shall authorize the City to be provided the final Closing Disclosure and Warranty Deed immediately after closing.
14. Should a home or applicant be determined infeasible for Down Payment Assistance due to a lack of funding or not meeting the eligibility criteria, the City reserves the right to reject the application.

B. Income

The income of a household includes the gross annual income of all persons 18 or older in the home who are expected to reside in the dwelling at least six months out of the year.

A household is defined as all persons occupying the same housing unit, regardless of their relationship to each other.

If there are multiple owners of the property, the applicant is the owner-occupant and his/her family.

The annual income of each household is established by projecting income for 12 months from the time applicant's name is reached on the waiting list and includes all sources of income. Income is determined using the Internal Revenue Service 1040 Adjusted Gross Income regulations.

Applicants are asked for proof of each source of income listed on their application. This may be accomplished through signing an authorization for third-party verification, by submitting a copy of their latest tax information, or by other approved methods acceptable to HUD and the City's Planning & Protective Services staff.

C. Repayment

No repayment of any kind is required as long as the recipient continues to own and occupy the property for 5 years after assistance. In the event that the property receiving assistance is no longer owned or occupied by the recipient within the 5 years, the loan shall be repaid in full.

D. Lenders Procedure

Families must be approved by a participating lending institution. The lender will be the primary contact with the City of Jefferson and will forward copies of required documents to staff of the Planning & Protective Services. Lenders must be willing to provide a copy of the Buyer's preliminary HUD settlement statement at least 10 days prior to closing and provide final HUD settlement statement on the day of closing.

E. Property Standards

Upon determining that an applicant meets eligibility criteria, a third party inspection of the property must be scheduled by the applicant prior to closing. This inspection report must be submitted for City staff to review prior to closing to determine if the property meets requirements of the City's Code. Any defects found must be corrected prior to the release of homeownership assistance funds. A re-inspection of the subject property will be completed to ensure compliance with this requirement. Any code compliant issue that the inspector determines poses a significant health and/or safety risk must be corrected.

Houses built prior to January 1, 1978, must have an inspection to determine if deteriorated paint exists. Should the amount of deteriorated paint be greater than HUD's de minimis standards (10 square feet of exterior surface, one square foot of interior surface, or 10% of any building component, i.e. window and door trim), samples will be sent to a lab for analysis. If the paint is determined to contain lead above HUD's level of concern, paint stabilization of deteriorated surfaces is required before assistance can be provided. A grant of \$500 is available to participants for lead paint stabilization work. The stabilization must be completed by an individual or company trained in safe work practices. No assistance will be provided until the house successfully passes a clearance test performed by a certified lead risk assessor. The City will cover the cost of two clearance tests. The cost of subsequent tests will be the responsibility of the buyer or seller.

Section 3: Grant Cancellation

An approved application may need to be canceled because the applicant has requested cancellation or is unwilling or unable to participate in the Homeowner program, or for other reasons. To cancel an approved application, the Department of Planning & Protective Services shall prepare a letter outlining the reasons for canceling the assistance and distribute the letter to the applicant. A copy of this letter will be maintained in the project file.

A. Appeal & Grievance Procedures

1. Applicants who are not in agreement with a decision reached by the Department of Planning & Protective Services staff, may appeal said decision by filing a written appeal to the Housing Rehabilitation Appeals Board (hereinafter called the “Board”), within thirty (30) days of receiving notice of the decision. The Board shall consist of three (3) members: the Director of the Department of Planning and Protective Services, the Director of Public Works and the Director of Finance. Appeals will be reviewed that relate to application approval/denial, Grant cancellation, determination of assistance amount, determination of scope of work, approval of change orders, and selection of contractor.
2. The Board shall hold a hearing after due notice to the appellant within thirty (30) days of filing said notice of appeal. The Board may affirm, reverse or modify the decision and notify the appellant in writing of its decision and the reasons thereof. After the hearing, the Board’s decision shall be the final procedure of the committee. The applicant may appeal the Board’s final decision to the City Administrator. The City Administrator, with the advice of the City Attorney, may reverse or uphold the decision of the Board.
3. Any person denied assistance by the Department of Planning & Protective Services staff who does not take exception with the findings, but who believes there are circumstances which, if known and considered, would establish extreme hardship and justify variance from the eligibility standards established herein may file an appeal with the Neighborhood Services Supervisor by filing within thirty (30) days of receiving notification of the Department of Planning & Protective Services staff decision. The Neighborhood Services Supervisor shall, depending upon the nature of the exception, forward such request to the Director of the Department of Planning & Protective Services whose decision shall be final if the appeal involves an administrative request. Where the change involves a substantial change in a program rule, the request will be forwarded by the Department Director to the City Administrator, as is appropriate. Should the appeal require Council action, the City Administrator shall forward such appeal to the Council for action. The Department of Planning & Protective Services staff shall provide assistance to any person filing an appeal.

4. The City will not consider any grievance involving rehabilitation work in cases where:
 - i. Staff assisted program participants with grievances involving rehabilitation work within the 1 year warranty period. Assistance will be in the form of access to information regarding warranty, scope of work, and contractor responsibilities. Contractors that do not honor legitimate warranty claims will be removed from the eligible contractor list
 - ii. The certificate of acceptance was signed more than one year before the grievance process is initiated; and the aggrieved party has not documented efforts to have the contractor return to resolve the matter within the one-year guarantee period after the certificate of acceptance was signed.
5. Right to Representation: A person has a right to be represented by legal counsel or other representative in connection with his or her appeal, but solely at the person's own expense.
6. Right to Files by Persons Making Appeals: The City will permit a person to inspect and copy all materials pertinent to her or his appeal, except materials that are classified as confidential. The City may, however, impose reasonable conditions on the person's right to inspect which are consistent with applicable laws, such as the cost of copying materials.
7. Scope of Review of Appeal: In deciding an appeal from the Board's decision, the City Administrator and/or the City Council shall consider all pertinent justification and other material submitted by the person, and all other available information that is needed to ensure a fair and full determination of the appeal.
8. Determination and Notification after Appeal: Within thirty (30) days after the receipt of all information submitted by a person in support of an appeal, the Board shall make a written determination on the appeal, including an explanation of the basis on which the decision was made, and furnish the person a copy. The City official(s) conducting the appeal determination shall not have been directly involved in the action appealed. If the relief requested is not granted, upon additional request, the City shall advise the person of her or his right to seek Department of Housing and Urban Development review of the City's written determination of the appeal. A person has 45 days after she or he receives the City's written determination of their appeal to file a review appeal with the Department of Housing and Urban Development

CHAPTER 3: DEMOLITION

City of Jefferson has a City-wide Demolition Program pursuant to 24 CFR 570.201 (d) available to local non-for-profit agencies. The purpose of this program is to eliminate structures posing an imminent threat to the health and safety to neighborhoods.

The program addresses any dwelling, building, structure, or property that is unfit for human habitation or for commercial, industrial or business use and not in compliance with applicable codes, has been vacant for one year or more, and/or constitutes an endangerment to the public health or safety as a result of unsanitary or unsafe conditions.

Demolition Procedure

The demolition program has an initial information gathering phase that must be taken into consideration:

- Utility and service location, disconnection and removal;
- Environmental concerns – hazardous waste, chemicals, air borne, friable material, EPA regulations, environmental just, etc.;
- Historical and archeological concerns;
- Federal funding requirements, including Section 104(d), one for one replacement;
- Eligible and best use of funds;
- For some projects, public notifications and the right of concerned citizens to comment on the proposed activity on the impact the project may have on them or their community.

Step-by-Step Procedure

1. Application submission or referral documentation from City Departments. All projects undertaken must have a completed application and project file documentation.
2. Project Review and Applicable Requirements.
 - Applications received will be reviewed for completeness and/or missing information/documentation.
 - Rehabilitation Feasibility Analysis is performed to determine whether the structure is or is not feasible to rehabilitate. To meet this criterion, the City will determine if the home can be rehabilitated to the City's code for up to \$30/sq. ft.
 - All structures must be vacant for a minimum of one year as defined by Section 104(d) of the Housing and Community Development Act.
 - Future use of the property. The property may be commercial or residential, however, the proposed use of the property must also be considered in determining the terms of the loan, CDBG national objective requirements, and level of environmental review. Generally, where the future use of the property is not known, the spot slum and blight national objective will be used; where a property is to be redeveloped after the demolition, the final use of the property must be consistent with the City's Consolidated Plan and Neighborhood Plans.
 - Where the final use of the property is for redevelopment of a building that is non-residential, or is residential and includes the construction of eight or more housing units, HUD determined prevailing wage rates apply to the project.

3. Inspection Phase: Upon determination of eligibility and the scope of a project.
 - The City will initiate an asbestos inspection of the property by a Department of Natural Resources Certified Building Inspector who will issue an asbestos report of the findings.
 - If asbestos containing materials are found, the City will procure for Department of Natural Resources Certified Asbestos Contractor to mitigate the hazards.
4. Completion of Historic Preservation and Environmental Review.
 - The City is responsible for conducting a complete historic preservation review. Applicants should be aware that the State Historic Preservation Office will review and can take up to 30 days.
 - The City is responsible for conducting and preparing an environmental review record. This process may take 90 days or more to complete.
5. Work Write-Up and Procurement of Contractors.
 - The City will create a work write up or scope of services. The City's Purchasing Office will publish demolition bid in the News Tribune and/or online. Demolition bids are sealed competitive bids.
6. Agreement for Demolition
 - City staff prepares the Agreement containing the terms and conditions of the funding assistance. This agreement shall be between the City and property owner and shall include the conditions of the closing and loan documents, and a timeline for completion.
 - Non-Profits must execute a sub-recipient agreement.
 - Notice to proceed is provided to contractor/owner.
7. Construction Inspection Completion and Draw of Funds
 - City staff inspects the completed work. Issues Certificate of Completion.
 - Contractor provides support documentation to City staff for draw of funds including but not limited to: invoices, lien waivers, and disposal tickets.
 - Deed of Trust is filed for amount of assistance, if applicable.

TABLE 1 ORGANIZATIONAL CHART

DEPARTMENT OF PLANNING AND PROTECTIVE SERVICES

**DEPARTMENT DIRECTOR
SONNY SANDERS, AICP**

