

# CDBG POLICIES AND PROCEDURES MANUAL 2024

# CITY OF BATTLE CREEK COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) POLICIES AND PROCEDURES



CITY OF BATTLE CREEK  
COMMUNITY DEVELOPMENT DIVISION  
10 N DIVISION STREET BATTLE CREEK, MI 49014  
9/10/2024

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# CHAPTER 1: INTRODUCTION

The Community Development Block Grant program (CDBG) is a Federal program run by the U.S. Department of Housing and Urban Development (HUD). Every year, each urban City with a population of more than 50,000 people and each county with over 200,000 in population receives CDBG funding through a formula set by Congress and HUD.

The primary objective of CDBG Program is to help communities improve living conditions by funding:

1. Development of decent housing
2. A suitable living environment; and
3. Expanding economic opportunities...

The CDBG program is designed to provide benefits to low- and moderate-income residents of a community. The formula for distributing CDBG funds is based mostly on housing conditions and the number of people in a local community with poverty-level incomes. Community wide benefit is possible, although Congress requires a minimum of 70% of each year's allocation of CDBG funds to be used to benefit low- and moderate-income people.

“Low- and moderate-income” is defined by the federal government as a household income at or below 80% of the area median income for the City. Each year, usually around May, the U.S. Department of Housing and Urban Development (HUD) issues updated income levels. The City then notifies its subrecipients about the updated income limits, updates its website and notifies Neighborly Software to update income limits.

The City of Battle Creek receives an annual allocation of Community Development Block Grant (CDBG) from the U.S. Department of Housing and Urban Development to help to implement goals established by the community in its five year Consolidated Plan and its yearly Annual Action Plan. Upon acceptance of each annual grant award, the City contractually agrees to follow the Housing and Community Development Act of 1974 and the related CDBG program regulations in 24 CFR Part 570. CDBG awards are also subject to the Uniform Administrative Standards for Federal Awards described in 2 CFR Part 200.

## The Purpose of This Document

The purpose of the City of Battle Creek’s CDBG Program Policies & Procedures Manual is to provide a framework that guides the spending and the operations of projects and subrecipients

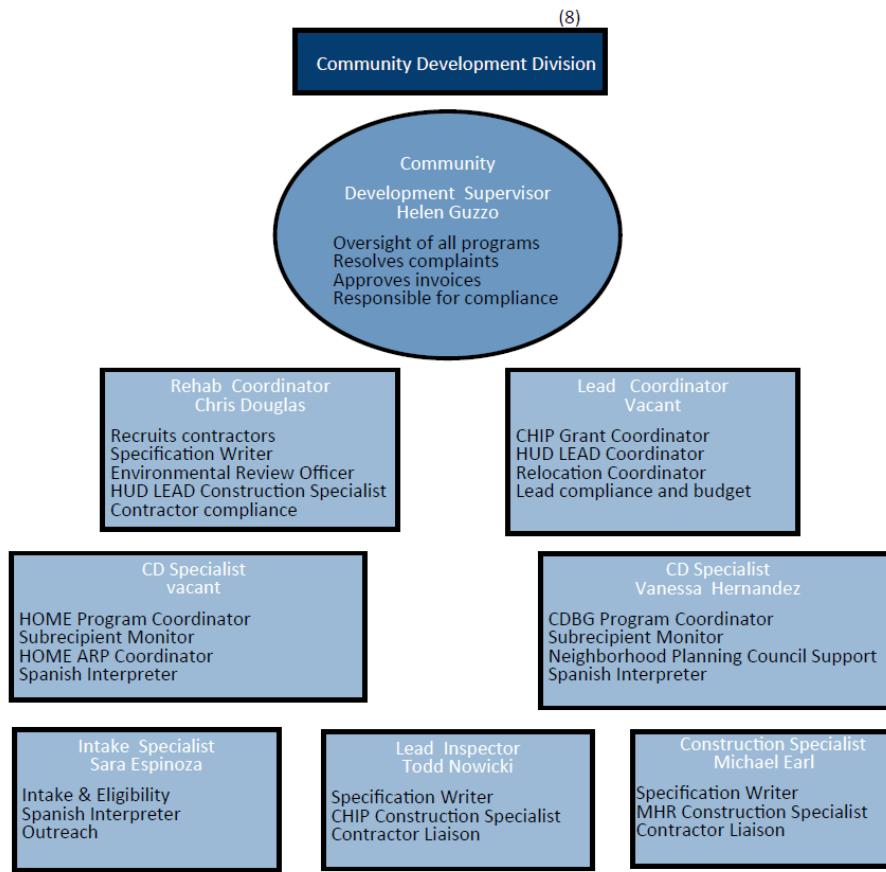
funded with CDBG funding. The Policies & Procedures Manual is specifically designed to guide City staff and to help CDBG-funded entities understand the requirements that apply to the use of such Federal funds for the delivery of services and CDBG eligible activities. It provides a written rational for making decisions, ensuring the CDBG Program is operated in a fair and consistent manner, as well as providing all participants with an understanding of how the City manages the CDBG Program. City staff that are new to the CDBG program and responsible for its activities will review the guidance as part of their orientation. The Policies and Procedures are reviewed annually to make sure that they are current and adequately describe the processes that the City uses for the CDBG program.

## Scope

The guidance provided in this manual applies to all CDBG funds awarded to the City and used by funded entities. Use of the content follows the premise that CDBG program requirements can be satisfied through timely preparation and completion of required documentation.

The information and materials within this manual are subject to change as local policy and HUD rules and regulations change. Moreover, the manual does not replace or amend any of the provisions included in any agreement executed between the City and its funded entities. Should there be any disagreement between the executed agreement and this manual, the provisions contained within that executed written agreement, or memorandum of understanding (MOU) takes precedence.

# The Community Development Division Organizational Chart



*Current as of September 2024*

# CHAPTER 2: PLANNING THE PROGRAM YEAR

## Consolidated Plan

The Consolidated Plan is a high-level, direction setting, five-year plan that describes the community needs, resources, priorities, and proposed activities to be undertaken by the City. The Consolidated Plan identifies the City's housing and community development needs, especially for its low-moderate income residents, and the strategies and resources to meet those needs. Elements include:

- 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.
- A housing and homeless needs assessment, which uses data provided in the IDIS e-Con Planning suite as well as local input to identify needs in the community.
- A housing market analysis, which analyzes characteristics of the jurisdiction's housing market in general, including the supply, demand, condition, and cost of housing as well as significant conditions of the community's economy
- A strategic plan, which lists three to five-year goals created from the priority needs identified in the needs assessment, market analysis, and community outreach. The City of Battle Creek chooses to do a five-year Consolidated Plan.
- A one-year Action Plan (combined with the approval of the five-year Consolidated Plan for its first year of implementation), which discusses how the City will fulfill the goals identified in the Consolidated Plan and what specific CDBG eligible activities will be funded each year and for what amounts.

The Annual Action Plan, outlines to HUD a concise summary of the actions, activities, and the specific federal and non-federal resources that will be used each year to address the priority needs and specific goals identified by the Consolidated Plan. For the City of Battle Creek, the Annual Action Plan Program Year (PY) begins each year on July 1 and ends June 30. The start of the CDBG Program Year coincides with the start of the City's fiscal year by design.

The related Code of Federal Regulations (CFR) identifies the following four functions of the Consolidated Plan:

1. A planning document for the jurisdiction, which builds on a participatory process among citizens, organizations, businesses, and other stakeholders;
2. A submission for federal funds under HUD's formula grant programs for jurisdictions;
3. A strategy to be followed in carrying out HUD programs; and

#### 4. A management tool for assessing performance and tracking results.

The Consolidated Plan provides a roadmap for activity selection in each program year, so it is important for it to be flexible enough to allow the City to meet local needs as identified by the community, respond to evolving priorities, and take advantage of partnership opportunities as they arise. At the same time, the Consolidated Plan must be focused enough to set benchmarks to measure program success, avoid spreading City resources too thin, and establish the general direction for the CDBG Program.

Stakeholder and public meetings are held during the planning process in accordance with the City's Citizen Participation Plan, which sets the minimum procedural requirements for community outreach.

### Annual Action Plan Process

Under Title I of the Housing and Community Development Act of 1974, as amended, and the Cranston-Gonzalez National Affordable Housing Act of 1990, the City of Battle Creek is required to prepare a plan that describes how the City will allocate Community Development Block Grant funds to meet the needs of low and moderate-income persons of Battle Creek.

Each year, the City develops an Annual Action Plan to describe the activities that will be undertaken to address the needs identified in the current 5-Year Consolidated Plan. The Annual Action Plan also serves as an application for Community Development Block Grant and HOME Investment Partnership funds. For each year of the five-year plan, the City prepares an Annual Action Plan, which updates priorities; details one-year goals and outcomes; and explains how funds will be allocated to achieve local goals.

All proposed activities and budgets are published in the weekly local free distribution newspaper, The SHOPPER News, and translated into Spanish to be run in the bi-weekly Spanish-language newspaper, Nueva Opinion. The City of Battle Creek holds three annual public hearings about federal community development funding. The first public hearing is held in the fall of each year to solicit citizen input on Battle Creek's Consolidated Annual Performance and Evaluation Report (CAPER). Then, in the late winter/early spring, a second public hearing is held on housing and community development needs. A third public hearing is held in the spring to obtain citizen comments and review of the proposed budget and use of funds in the Annual Action Plan, or the Consolidated Plan every five years. You can find the City of Battle Creek Action Annual Plans under the city website: <https://battlecreekmi.gov/182/Annual-Action-Plans>.

## Request for Funding

In years that the City has CDBG funds that are being used for items beyond the City administered Code Compliance and Minor Home Repair program, a Request for Proposals (RFP) will be released and posted to the City's website, and published in a newspaper of general circulation, usually the Battle Creek SHOPPER NEWS. The RFP will include detailed guidelines and instructions for application submission for CDBG funding. RFPs are issued in collaboration with the City's Purchasing Department. To compare and select projects for funding, Community Development utilizes a Community Development Advisory Committee and Allovance, a decision-making software tool for scoring proposals.

To start planning the next year of funding, the CDBG Supervisor will hold a meeting with the City Departments (Public Works, Engineering, Streets, Parks, and/or Public Transit) and the City Manager to identify potential CDBG projects for the coming year. The CDBG staff evaluate potential activities to ensure they meet CDBG and other federal requirements and fall within the goals of the Consolidated Plan.

### ALLOVANCE – SOFTWARE MANAGEMENT SYSTEM

Allovance is utilized for strategic planning by the City of Battle Creek to compare and fund Requests for Proposals (RFPs). By using the Allovance system for scoring in the most objective manner possible, the city can evaluate various proposals and select those most aligned with the city's Consolidated Plan.

### APPLICATION PROCESS

Prior to issuing an RFP, the City will work with a Community Development Advisory Committee (CDAC) to develop an Allovance Scorecard to be used to score applications using criteria that has weighted selection criteria. Application scoring and ranking is done by the Community Development Advisory Committee in a public workshop. After the applications have been scored and ranked by the Community Development Advisory Committee, CDBG staff will present to the City Commission with recommendations for prioritization of projects and activities for the upcoming year. Funding recommendations will be based on the following:

- Consolidated Plan - The specific measurable outcomes defined in the current Consolidated Plan.
- Funding Caps – maximum 20% for administrative & planning, maximum of 30% on Urgent Need or Elimination of Slum & Blight, maximum of 15% on public service activities, and a Minimum of 70% of the annual award shall go towards activities benefiting low-moderate (LMI) individuals.

## CDBG Annual Timeline

This section is an overview of major events for the community development timeline for an average program year. The internal dates may change year-to-year to accommodate the City Commission for City of Battle Creek schedule, weekends, holidays, etc. It also lists HUD regulatory and statutory deadlines.

July	January
Start of the Program Year	Notice of public hearing runs in The Shopper
Start the CAPER	Notice of public hearing runs in La Nueva Opinion
Develop fact sheet reporting on the previous year	The deadline for adding a public hearing needs to be on comm. agenda
Input quarterly report data into IDIS	Finalize budget and use of funds
Final payment vouchers due from subrecipients	Quarterly reports due
	Input quarterly report data into IDIS
	Public hearing on community needs
August	February
Shopper and La Nueva Opinion public notice ad for CAPER	Begin Annual Action Plan draft
CAPER draft available to the public	Present a City Commission Workshop
The public comment period begins	
Deadline for adding public hearing on CAPER to Commission agenda	
Upload draft CAPER to the City's website public notice is published	
September	March
Schedule community needs workshops with NPCs	Complete AAP draft
A public hearing on CAPER at the second City Commission meeting	Place notice of public hearing and use of funds in The Shopper
RFP for grant applications in The Shopper and La Nueva Opinion	Notice of public hearing use of funds runs in La Nueva Opinion
Public comment period ends on date of public hearing	Update website with notice of Public Hearing and Use of Funds
Submit CAPER to HUD in IDIS by September 28	2nd notice of public hearing and use of funds in The Shopper
	AAP available for public comment (begin 30-day comment period)
October	April
Conduct community needs workshops at NPCs	Deadline for adding public hearing on AAP to comm. agenda
Conduct consultations	Public Hearing on AAP and Budget/ end of public comment
Quarterly reports due	Deadline for adding Resolution to Adopt AAP to comm. agenda
Input quarterly report data into IDIS	
November	May
Finish community needs workshops at NPCs	Adoption of AAP of 1 <sup>st</sup> City Commission meeting of the month
Finish conducting consultations	SF 424s and certifications for signature to the City manager
	Submit AAP to HUD on the 15 <sup>th</sup>
December	June
Create a public engagement report	
Place the first notice of public hearing on needs in The Shopper	
The first notice of public hearing runs in The Shopper	
Place second notice of public hearing on needs in The Shopper	
Place notice of public hearing on needs in La Nueva Opinion	

## ELIGIBILITY DETERMINATION AND DOCUMENTATION

The CDBG staff will use these procedures in conjunction with HUD's "Guide to National Objectives & Eligible Activities for Entitlement Communities" to determine project eligibility and ensure proper documentation.

### STEP #1: REVIEW FOR ELIGIBILITY

The purpose of this step is to ensure that, in accordance with federal law, the City will use CDBG funds only for activities that fall under an authorized category of basic eligibility, properly

classify the activity, and provide adequate documentation as required by the chosen category for each such activity. The CDBG staff will examine the complete listing and refer as necessary to the corresponding pages of the Guide for detailed information and determine how proposed activities meet the CDBG Matrix Definitions. After classifying the eligible activity, the CDBG staff will determine if the use of CDBG funds relates to one or more examples of allowable costs contained in the appropriate section of the HUD Guide. For example, the category of eligible code enforcement activities states that “CDBG funds may be used to pay the salaries of inspectors enforcing codes in a blighted area being renewed through comprehensive treatment.”

## STEP #2: REVIEW FOR PROHIBITED ACTIVITIES

This step ensures the City is not using CDBG funds for activities prohibited under HUD rules or other laws. Even though an activity may appear to be eligible, it may be prohibited. If any doubt exists about eligibility, the CDBG staff will engage in further consultations with the appropriate local and Federal officials.

## INELIGIBLE ACTIVITIES

The general rule is that any activity that is not authorized under the provisions of 24 CFR 570.201-570.206 is ineligible to be assisted with CDBG funds. This section identifies specific activities that are ineligible and provides guidance in determining the eligibility of other activities frequently associated with housing and community development.

(A) The following activities may not be assisted with CDBG funds:

- (1) **Buildings or portions thereof, used for the general conduct of government** as defined at 24 CFR 570.3(d) cannot be assisted with CDBG funds. This does not include, however, the removal of architectural barriers under 24 CFR 570.201(c) involving any such building. Also, where acquisition of real property includes an existing improvement which is to be used in the provision of a building for the general conduct of government, the portion of the acquisition cost attributable to the land is eligible, provided such acquisition meets a national objective described in 24 CFR 570.208.
- (2) **General government expenses.** Except as otherwise specifically authorized in this subpart or under 2 CFR part 200, subpart E, expenses required to carry out the regular responsibilities of the unit of general local government are not eligible for assistance under this part.
- (3) **Political activities.** CDBG funds shall not be used to finance the use of facilities or equipment for political purposes or to engage in other partisan political activities, such as candidate forums, voter transportation, or voter registration. However, a facility originally assisted with CDBG funds may be used on an incidental basis to hold political

meetings, candidate forums, or voter registration campaigns, provided that all parties and organizations have access to the facility on an equal basis, and are assessed equal rent or use charges, if any.

(B) The following activities may not be assisted with CDBG funds unless authorized under provisions of 24 CFR 570.203 or as otherwise specifically noted herein or when carried out by an entity under the provisions of 24 CFR 570.204.

(1) **Purchase of equipment.** The purchase of equipment with CDBG funds is ineligible.

(i) **Construction equipment.** The purchase of construction equipment is ineligible, but compensation for the use of such equipment through leasing pursuant to 2 CFR part 200, subpart E, as applicable for an otherwise eligible activity is an eligible use of CDBG funds.

(ii) **Fire protection equipment.** Fire protection equipment is considered for this purpose to be an integral part of a public facility and thus, purchase of such equipment would be eligible under 24 CFR 570.201(c).

(iii) **Furnishings and individual property.** The purchase of equipment, fixtures, motor vehicles, furnishings, or other individual property that is not an integral structural fixture is ineligible. However, CDBG funds may be used to fund the lease or rental of certain equipment, in accordance with 2 CFR part 200, subpart E, for such items when necessary for use by a recipient or its subrecipients in the administration of activities assisted with CDBG funds pursuant to 24 CFR 570.201(e).

(2) **Operating and maintenance expenses.** The general rule is that any expense associated with repairing, operating or maintaining public facilities, improvements and services is ineligible. Specific exceptions to this general rule are operating and maintenance expenses associated with public service activities, interim assistance, and office space for program staff employed in carrying out the CDBG program. For example, the use of CDBG funds to pay the allocable costs of operating and maintaining a facility used in providing a public service would be eligible under 24 CFR 570.201(e), even if no other costs of providing such a service are assisted with such funds. Examples of ineligible operating and maintenance expenses are:

(i) **Maintenance and repair** of publicly owned streets, parks, playgrounds, water and sewer facilities, neighborhood facilities, senior centers, centers for persons with disabilities, parking and other public facilities and improvements. Examples of maintenance and repair activities for which CDBG funds may not be used include the filling of potholes in streets, repairing of cracks in sidewalks, the mowing of recreational areas, and the replacement of expended street light bulbs; and

(ii) **Payment of salaries** for staff, utility costs and similar expenses necessary for the operation of public works, facilities, and public service organizations.

(3) **New housing construction.** For this paragraph, activities in support of the development of low- or moderate-income housing including clearance, site assemblage, provision of site improvements and provision of public improvements and certain housing pre-construction costs set forth in 24 CFR 570.206(g), are not considered as activities to subsidize or assist new residential construction. CDBG funds may not be used for the construction of new permanent residential structures or for any program to subsidize or assist such new construction, except: CDBG Policies and Procedure

- (i) As provided under the last resort housing provisions set forth in 24 CFR part 42;
- (ii) As authorized under 24 CFR 570.201(m) or (n);
- (iii) When carried out by an entity pursuant to 24 CFR 570.204(a);

(4) **Income payments.** The general rule is that CDBG funds may not be used for income payments. For purposes of the CDBG program, “income payments” means a series of subsistence-type grant payments made to an individual or family for items such as food, clothing, housing (rent or mortgage), or utilities, but excludes emergency grant payments made over a period of up to three consecutive months to the provider of such items or services on behalf of an individual or family.

### STEP #3: ESTABLISH GOALS FOR NATIONAL OBJECTIVES

This step determines if a proposed activity meets one of the national objectives of the CDBG program. As CDBG staff determine that a proposed activity is eligible and not otherwise prohibited, they will also assess the program’s national objectives.

CDBG staff review if the activity described in the application meets the criteria for one or more of the national objectives of the CDBG program. The three national objectives are as follows:

- Benefiting Low- and Moderate-Income Individuals/households;
- Preventing or eliminating slums or blight; or
- Urgent Need - Meeting other community development needs which have a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available to meet such needs.

An activity that fails to meet one of these national objectives will not be considered for funding. To help guide determining if an activity meets a National Objective, the CDBG staff will utilize

the National Objectives. An informative online seminar on the topic of National Objective Criteria is at this link: [CDBG 101: An Overview of National Objectives and Eligible Activities - YouTube](#). The selected criterion will determine the method of documenting compliance with the national objective requirement.

### National Objective Criteria

#### **Benefit to Low-Moderate Income Residents**

As previously stated, not less than 70% of the annual allocation (or a two- or three-year cumulative period as decided by the City) must be used for activities that benefit low- and moderate-income people. The National Objective can be met in several ways:

##### **Area Benefit:**

Under the Low- and Moderate-Income (LMI) Area Benefit National Objective, the area served by the activity must consist of 51 percent or greater LMI residents. This is used for public facility projects, or target areas for Code Compliance.

##### **Limited Clientele:**

A. Income Data: Income data is required to determine that the activity primarily serves low- and moderate-income people. At least 51% of all participants must be low to moderate income. This is used for public service types of activities.

B. Presumed benefit: When an activity benefits EXCLUSIVELY persons who are presumed to be low income, the national objective will be met. There are several subsets of limited clientele:

- a. Elderly, or older adults (when addressed as a group such as a senior center) \*
- b. Persons with Disabilities (Social Security definition of a persistent condition)
- c. Abused children
- d. Battered spouses
- e. Homeless persons
- f. Illiterate adults
- g. Migrant farm workers

HUD for the CDBG program defines elderly as age 62 or older. To be consistent with other local programs, the City of Battle Creek chooses to use the State of Michigan Senior Millage definition of an older adult as age 60 and over.

C. Meeting requirements of a more restrictive program: Be aware that programs that use a percent of poverty may not be at least as restrictive as the HUD definition for larger family sizes. Comparison of the two income charts is essential.

D. Nature and Location: When an activity is of a nature (i.e. Foodbank) or a location (within a public housing development or extreme poverty block group) then it may be considered to meet the national objective because the persons using the service are going to be low income.

E. Removal of Architectural Barriers: When an improvement is designed to remove an existing condition that impedes the ability of a person living with a disability to access that facility, the activity is presumed to meet the national objective. A new facility must be designed to the standards of the Americans with Disabilities Act and therefore cannot meet the standard of removing an existing impediment

### **Low Mod Housing**

All households must be low-income for single-family homeowner housing rehabilitation. For rental housing, the percentage of funding determines the number of units that must be affordable as the number of units must be proportional to the amount of funding (i.e. 25% funding- 25% of resulting units.)

### **Low Mod Jobs**

Jobs must be created or retained that can be held by or filled by low- and moderate-income people. See [570.208](#) and [570.209](#) for more detail.

After indicating which National Objective the proposed activity supports, CDBG staff will ensure records demonstrate compliance with the specific National Objective.

HUD provides [LMI Summary Data](#) for grantees to use in determining compliance with the Low/Mod Income Area national objective, and in situations where data is incomplete, the City may conduct a low and moderate-income survey for projects providing an area benefit to determine if they meet the LMI threshold required by the “benefitting low- and moderate-income persons” national objective.

Applicants whose projects meet the low/mod limited clientele criteria report past beneficiary data in their application to determine if they meet the 51% threshold. They are then required to submit income (if not presumed eligible) and residency documentation to report on numbers of recipients served. During annual monitoring, actual record keeping is sampled. If a subrecipient was awarded a grant based on prior year LMI data but can no longer meet the threshold with current clientele reporting, they will not be reimbursed through the CDBG program.

## STEP # 4: OVERALL BENEFIT

The purpose of this step concerns the required level of expenditures made for activities that meet the LMI benefit national objective. Consistent with the primary objective of the Housing and Community Development Act of 1974 as amended, the City certifies that, in total, at least 70% of CDBG funds expended during the certification period will be for activities meeting the LMI Benefit national objective.

The City therefore must report a percentage of the total expenditures that complies with this requirement. To ensure that a proposed activity will not result in a violation of this critical standard, these procedures examine the effect of adding the activity to the City's program.

In addition to the four steps summarized above to determine review for eligibility, review for prohibited activities, establishing project meets CDBG national objectives, and establishing overall benefit, the City recognizes that activities must also satisfy other Federal requirements and laws and that it must perform related environmental review and clearance procedures in advance of implementation.

To carry out these procedures, the CDBG staff will refer as needed to the complete HUD Guide, the CDBG Regulations, and references for the other Federal requirements. The CDBG staff will seek guidance from the HUD field office in interpreting or applying requirements to different factual situations. Because program requirements may change, staff will stay in close contact with the field office to keep abreast of HUD's latest guidance.

## OTHER CONSIDERATIONS

To be eligible for funding consideration, applicants must have expended at least 50% of any prior year CDBG funding before the application deadline for the upcoming fiscal year. Exceptions to this will be considered for public facility projects due to construction season considerations.

Multi-year funding for projects will not be awarded unless a specific request for multi-year status is received from a project applicant that is based on defined project needs, and the amount and timing of future funding available can be adjusted to meet such a request.

### **Determining Eligibility based on Income**

To determine whether a family or household is low or moderate income, the City has elected to utilize the following method in 24 CFR 570.3 for determining annual income:

"Estimate the annual income of a family or household by projecting the prevailing rate of income of each person at the time assistance is provided for the individual, family, or household (as applicable). Estimated annual income shall include income from all family or household members, as applicable. Income or asset enhancement derived from the CDBG-

assisted activity shall not be considered in calculating estimated annual income." To apply this method, the City has chosen to use the Section 8 definition of "annual income" found in 24 CFR 570.3(Income)(1)(i) and will normally use the HUD CPD Income Calculator in conducting computations.

- CPD Income Calculator: <https://www.hudexchange.info/incomecalculator/>
- CDBG Income Limits: <https://www.hudexchange.info/resource/5334/cdbg-income-limits/>

All program participants must be at or below 80% of area median income. Subrecipients or CDBG staff will print out the CPD Income Calculator results and place them in each participant file, or upload to a file management software such as Neighborly, to document that the recipient meets program income limits. It is important to define the method for determining eligibility by either using the definition of "Households" or "Service Area" when granting CDBG funds.

**Definition of Households** – The definition of a household means all persons occupying a housing unit. The occupants may be a family, as defined in 24 CFR 5.403; two or more families living together; or any other group of related or unrelated persons who share living arrangements, regardless of actual or perceived sexual orientation, gender identity, or marital status. HUD requires housing activities to be reported by household, not individuals. Households may consist of a single individual.

**Definition of Service Area** – The activity beneficiaries within the geographic boundaries of the service being provided.

#### **SUBRECIPIENT WRITTEN AGREEMENTS**

Subrecipient Agreements are executed between the City and an external organization. All agreements must be approved by the City Attorney before being added to the City Commission agenda. After approval by the City Commission, the City Manager signs the agreement with the authority provided by the approved City Commission resolution. Each agreement must be written in the approved City template. The subrecipient shall sign the agreement prior to the being added to the City Commission agenda. HUD requires written agreements for each subrecipient activity prior to allocating CDBG funds (24 CFR 570.503).

If a subrecipient needs to make a significant change in the operations of a project under a written agreement, an amendment to the agreement is needed. Amendments to written agreements have to be written, approved by the City Attorney, submitted to the City Commission for approval and signed by the City Manager.

## Amendments to the Consolidated Plan or Annual Action Plan

The City may need to amend the Consolidated Plan or Annual Action Plan throughout the year. Amendments may be substantial or minor. The process for amendments and what constitutes a substantial amendment is outlined in the Citizen Participation Plan.

### SUBSTANTIAL AMENDMENTS

A substantial amendment to the Consolidated Plan or Annual Action Plan is defined as either of the following:

1. A change in allocation between existing approved activities in excess of 10% of the annual program budget for all activities; or
2. The addition of an activity not included in the approved program. This does not include budget amendments which re-program funds between program years provided the 10% threshold is not crossed and the re-programming involves previously approved activities.
3. A minor amendment is a change in allocation between existing approved activities at or below 10% of the amount of the annual federal allocation for the Community Development Block Grant (CDBG) or HOME Investment Partnership programs.

In the event of a substantial amendment to the Consolidated/Annual Plan or changes to the Citizen Participation Plan, public hearings will be held in the same manner as the Consolidated/Annual Plan process provided that only one hearing will be held in connection with a proposed substantial amendment or group of amendments.

## FAIR HOUSING/ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING

This document reviews housing challenges and fair housing issues in the city and broader region. It results in goals and action steps to address and mitigate barriers. This document is typically completed on a 5-year cycle in conjunction with the Consolidated Plan, but historically has not been a part of the Consolidated Plan and has had different requirements for public participation and submission. The City completed its last analysis of impediments in 2013.

### Fair Housing & Nondiscrimination

When qualifying for CDBG funding, the City makes assurances that it will affirmatively further fair housing and ensure equal opportunity under Federal law. The applicable requirements include:

Federal and State Laws and Regulations Fair Housing &	Nondiscrimination Accessibility Equal Employment &	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	
Section 109 of Title 1 of the HCD Act of 1974	x		x
The Fair Housing Amendment Act of 1988	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	x	x	x
Section 109 of Title 1 of the HCD Act of 1974	x		x
The Equal Employment Opportunity Act			x
Section 3 of the Housing and Urban Development Act of 1968			x
Executive Order 11246			x
2 CFR Part 200 (Uniform Administrative Requirements)			x

### Overview of Procedures

The City and its subrecipient, partner or other parties 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.

### Fair Housing - 24 CFR 570.601

According to HUD's [Fair Housing Planning Guide](#) the broad objectives of Affirmatively Furthering Fair Housing can be interpreted to mean:

- Analyze and eliminate housing discrimination in the jurisdiction;
- Promote fair housing choice for all persons;
- Provide opportunities for racially and ethnically inclusive patterns of housing occupancy;

- Promote housing that is physically accessible to, and usable by, all persons, particularly persons with disabilities; and
- Foster compliance with the nondiscrimination provisions of the Fair Housing Act.

Fair Housing is the right of all people to be free from discrimination in the rental, sale, or financing of housing. Equal access to rental housing and homeownership opportunities, regardless of race, color, religion, national origin, sex, familial status (the presence of children under 18) or disability, is the cornerstone of the Federal Fair Housing Policy.

The Fair Housing Act provides that, in connection with the design and construction of multifamily housing, the public use and common areas must be accessible and usable by persons with handicaps, all doors must be designed to be wide enough for wheelchair accessible, and all premises should be of adaptive design (e.g., reinforcements within a bathroom to allow installation of grab bars).

Grantees undertaking housing projects and activities must ensure fair housing rules are followed in the provision of housing services and assistance. Opportunities for purchase or rental, terms and conditions, advertising and marketing information, and availability of real estate services should not discriminate.

Some examples of actions to ensure fair housing are listed below:

- Developing and implementing a fair housing resolution;
- Marketing information concerning housing services and activities to be disseminated through agencies and organizations that routinely provide services to protected groups;
- Criteria for selecting recipients of housing services or assistance should be evaluated for any discriminatory effect;
- Policies guiding the provisions of relocation housing and services for persons displaced by housing activities should be evaluated for discriminatory effect; and
- Legal documents used by grantees and lending institutions should be reviewed and revised, if necessary, to eliminate any discriminatory intent or practice.

Grantees need to understand both the Fair Housing Amendment and Section 504. The Fair Housing Amendment requires that a landlord must allow a tenant to make reasonable modifications to a unit paid for by the tenant. Section 504 provides that the landlord is responsible for making reasonable accommodations. Finally, the accessibility logo should be used in housing projects where units are available for the disabled.

## Accessibility – 24 CFR 570.614

The City shall abide by HUD regulations in Section 504, HUD's implementation of the Americans with Disabilities Act, to ensure that no qualified individual with a disability should, only by reason of his or her disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving CDBG funds.

### **Housing**

Section 504 provides that no otherwise qualified individual shall, solely by reason of his or her disability, be excluded from participation, 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 certain new multi-family dwellings developed for first occupancy, requirements for new construction, and substantial rehabilitation of multi-family rental housing.

### **Facilities**

“Facility” is defined under Section 504 as any portion of a building, equipment, roads, walkways, parking lot or other real property. “Accessible” for non-housing purposes means that a facility or portion of a facility can be approached, entered, and used by individuals with physical disabilities. Non-housing programs and existing facilities must be accessible to and usable by persons with disabilities. Accessibility programs will be determined once again under self-evaluation. The focus of program access is providing programs in the most integrated setting possible. Providing separate or different programs is illegal unless necessary to achieve equal opportunity.

### **Grievances**

Designation of responsible employee and adoption of grievance procedures:

- Grievance procedure with due process and local resolution; and
- Complaints may be filed with the Fair Housing of Southwest Michigan.

### **Americans with Disabilities Act of 1990 (ADA)**

Guarantees must provide equal opportunities for persons with disabilities in employment, public accommodations, transportation, State and local government services, and telecommunications.

- Title II requires that new or rehabilitated facilities be accessible; and
- Title II requires new or altered streets, roads, highways, and pedestrian walkways to contain curb ramps or other sloped areas at intersections w/ curbs or other barriers to entry from street level or pedestrian walkway.

## Cash on Hand Report PR29

The Cash on Hand report is a quarterly financial form that reports on expenses that the City has paid for with CDBG funds. The report compares expenditures made by the City with revenues received for the program. It is completed by the City's Finance Department and must be submitted within 15 days of the end of each quarter. A flag is triggered in IDIS at the last day of every quarter – March 30, June 30, September 31 and December 31.

## Consolidated Annual Performance Evaluation Report (CAPER)

The CAPER lets HUD and the public know how the City did over the previous program year. It provides an update on each activity identified in the Action Plan, describes how that activity achieved (or failed to achieve) objectives and outcomes in the Consolidated Plan, and proposes ways the City can improve the Program in the future.

## Narrative Components

Each grantee's CAPER must include narrative statements that address the following:

- Assessment of the Con Plan's Goals and Objectives that addresses the grantee's progress toward meeting their strategic plan and high priority needs;
- Affirmatively Furthering Fair Housing - describes efforts toward this area including an analysis of impediments to fair housing choice, summary of impediments, and actions taken;
- Affordable Housing - evaluates progress toward meeting its objectives toward the provision of affordable housing by income level;
- Continuum of Care - evaluates progress toward meeting its objectives toward homeless and special needs populations;
- Other Actions indicated in the Grantee's Strategic and Action Plans - includes actions such as overcoming barriers to affordable housing and community development activities, improving public housing initiatives, reducing, and eliminating lead-based paint hazards, and efforts to reduce the number of persons living below the poverty line;
- Leveraging Resources - describes other public and private resources used toward the provision of affordable housing and community development activities;
- Citizen Comments - describes any public comments received regarding the program; and
- Self-evaluation - focuses on results on programs and projects funded by the grantee and their impact on their community.

The CAPER is an IDIS-based, IDIS stands for Integrated Disbursement and Information System, which is the grants management system used by the U.S. Department of Housing and Urban Development (HUD). IDIS is a nationwide database that provides HUD with information on Community Planning and Development (CPD) activities, including funding data. HUD uses this information to monitor grantees and report to Congress on the performance of the CPD

formula programs. IDIS reports link accomplishments from the current project year with the goals of both the Annual Action Plan and the Five-Year Consolidated Plan.

For the City of Battle Creek, the CAPER is due annually to HUD on September 28th, ninety days after the end of the program year (June 30<sup>th</sup>). CDBG staff may email the City's CPD Representative to let them know the CAPER has been submitted. The CAPER must be completed in time for a public hearing before the City Commission to be scheduled and a notice of this public hearing published in a local newspaper of general circulation and the local Latino newspaper at least 15 days before the scheduled public hearing. A copy of the CAPER is published on the City's website and available in the community development office at least 15 days prior to submission to HUD. Public comments must be incorporated in the final CAPER document submitted to HUD.

After HUD receives the CAPER, they will review it for up to 60 days. When their review is complete, HD will either provide comments back to the City requesting additional information/clarification or approve the Report. If they provide comments the City usually has 30 days to respond but HUD will provide instructions along with their comments. In extreme circumstances, HUD may take the following actions while waiting for the City's response:

- Suspend funding until a satisfactory report is submitted;
- Withdraw and reallocate funding if HUD determines, after notice and opportunity to comment, that the grantee will not submit a satisfactory report.

Staff will submit the modified draft/responses to HUD within 30 days. If HUD requires major revisions, an extension to the 30-day timeframe may be requested if needed.

## CAPER Process

The following steps need to be followed to submit a completed CAPER to HUD within the timeline indicated below:

1. Update IDIS.
  - a. Ensure all Action Plan amendments are approved.
  - b. Enter accomplishment data for all projects, even if they are not complete.
  - c. Request necessary narrative components from Code Compliance, Finance, the Calhoun County Land Bank, the Continuum of Care for homeless assistance and any others.
2. Draft Document.
  - a. Download the CAPER template from IDIS.
  - b. Download IDIS reports and verify data (both PR26 reports and PR03).
  - c. Review previous years comments and change as needed to be current.

- d. Provide to Community Development Supervisor for internal review of draft report.
  - e. Post CAPER draft to the City's website.
3. Hold a public hearing and have the CAPER approved by the City Commission.
4. Finalize CAPER.
  - a. Update in IDIS and submit to HUD.
  - b. Update City website posting of CAPER results.

**Run a PR 03 report.**

Every activity that is either open during the Program year or was completed in the program year is going to be shown in this report. All activities in your Annual Action Plan should be shown in this report.

Here is what you are going to look for in PR03:

- An accomplishment narrative should be included for each program year that an activity is open in IDIS other than Admin. The report year is used by IDIS to aggregate beneficiary information so if the information is entered in the wrong year, and beneficiaries are on an older program year screen, they won't be counted for your CAPER.
- The default for IDIS is the year the activity is set up (i.e. 2021 will always default to 2021 for an accomplishment report). You have to "turn the page" and add a report for the newer program years.
- The accomplishment narrative is a statement about what any funds expended in the year were spent on (i.e. Engineer work is underway) or why the project has not moved forward. HUD uses this to gauge the level of effort and accomplishment for the program and "the public" should know how their funds are being spent.
- Look for activities with a ZERO balance of funds (funded minus drawn THRU program year) or you can look at PR02 for the same info. If so, these activities must be completed in IDIS.
- There must be beneficiaries for LMC and LMH activities entered by Race and Income entered unless the project is either tied to another activity (such as project delivery costs for the Minor Home Repair Program will often show up zero).
- All public services with funds expended for the program year should have beneficiaries for that program year.

**Run PR 26 report**

It is the only report uploaded to IDIS with the CAPER.

ACCRUAL ACCOUNTING: expenditures in IDIS can be made for up to 90 days after the end of the program year by using the ‘Prior Year Flag’ button that appears in the drawdown screen. When doing a drawdown for up to 90 days after the end of the program year, you can select a flag that makes IDIS believe the funds were drawn during the program year and increases the expenditures in PR 26. Funds drawn during this time will not be unliquidated obligations so to complete PR 26, this practice should stop 30 days after the end of the program year.

PR 26 Report shows the grant, the program income, and expenditures for the year.

- The report shows the amount used for Low-mod activities and as a % of funds available to use (funds available net of admin) (Lines 21, 22). Manual adjustments may be needed to reflect multi-family housing expenditures (Lines 17 and 18) – shown on page 2. Any adjustments for total funds available or expenditures that impact Admin may also have to be shown on line 20.
- Part IV calculates the public service cap. Public Service cap is calculated on the total of the PRIOR year program income plus the Entitlement grant for the current program year.
- Part V calculates the admin cap as a percentage of the Entitlement grant plus program income received in the report year (PR09 and line 5). Unliquidated obligations are unpaid expenses that are accrued to the program year but not paid. This includes such items as salary, benefits, insurance, etc. that you will pay in the coming months related to the current program year.
- These can be entered in line 38 as unliquidated obligations. Costs incurred after the start of the new program year are not unliquidated obligations (i.e. staff in the new year).

The rationale behind Unliquidated Obligations is that you get to keep the cap for the year isolated from expenses from other years that might take up the cap. Unpaid costs in the year of the report will not take up room in the cap for another year. Once you have adjusted PR 26, Check the % of funds expended for Admin and for Public Services. If over the CAP, adjustments may have to be made. Failure to maintain the CAPS is serious.

## Subrecipient Required Operating Procedures

These standards have been developed by the City of Battle Creek for its subrecipients to have procedures in place to account for project activities and ensure adequate financial management. The City of Battle Creek also follows these operating procedures.

The City of Battle Creek's Community Development Division administers federal funding from the Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) programs. The City has developed the following *Guidelines for Non-Profit Organizations under CDBG and HOME Contract with the City of Battle Creek* to assist subrecipients to be in compliance with federal, state, and city requirements. These guidelines were developed as part of the City's efforts to clearly define expectations with agencies for accountability and contract compliance.

Subrecipient organizations receiving federal CDBG funds passed through the City of Battle Creek must operate their federally funded programs in compliance with the CDBG regulations found in the Code of Federal Regulations (CFR) Title 24 Part 570. Subrecipient organization receiving federal HOME Investment Partnership funding must operate their federally funded program in compliance with the HOME Investment Partnership regulations found in CFR Title 24 Part 92.

The City is responsible for determining the adequacy of performance under subrecipient agreements and procurement contracts, and for taking appropriate action when performance problems arise. These guidelines are subject to changes and additions.

### Board of Directors

The Board of Directors is the legal entity for the organization according to law and as such assumes all legal responsibility for the operations of the organization. Board members are volunteers who receive no compensation for their time. For each agency, the Board of Directors' responsibilities vary.

Board of Directors' meetings should be regularly scheduled and a quorum present in order to conduct business. The Board of Directors should expect agency staff to provide information related to agency performance, monitoring by the City or other entities, and follow-up. Board members should be fully informed of expected duties and the agency's financial status, through receipt of the agency audit and independent auditor's management letter and periodic reports in order for the Board to make sound and informed policy decisions.

Each year when the annual agency audit is completed, the auditors letter and the complete audit should be submitted to the City of Battle Creek Community Development from each subrecipient.

The agency's By-Laws should include specific information about the agency's mission and define the role of Board members. The Board of Directors are advocates, fund raisers, and public

relations representatives of the agency. They are responsible for setting policy. They assist through sub-committees with financial planning, hiring, and personnel policy. The Board should be representative of the community including members of the agency's client population.

## Insurance Requirements

All agencies under contract with the City of Battle Creek are required to maintain Workers' Compensation insurance for \$100,000 or statutory limit as required under the Michigan Workers' Compensation Act. They are also required to maintain liability insurance as follows:

<b><u>Coverage Afforded</u></b>		<b><u>Limits of Liability</u></b>
Commercial General Liability:	Bodily Injury	\$1,000,000 each occurrence
(including XCU if appropriate)	Property Damage	\$1,000,000 each occurrence
	or Combined Single Limit	\$1,000,000
Automobile Liability:	Bodily Injury	\$ 300,000 each person
	Liability	\$ 500,000 each occurrence
	Property Damage	\$ 500,000
	or Combined Single Limit	\$ 500,000

The City of Battle Creek shall be listed as an additional insured on all liability coverage, and shall be provided with a Certificate of Insurance which reflects this additional insured status. A thirty (30) day notice of cancellation or material change shall be provided to the City and so noted on the Certificate of Insurance. Insurance certificates must be maintained during the life of the contract and must be filed with the City at:

City of Battle Creek  
Community Development Division  
10 N. Division Street, Suite 104  
Battle Creek, MI 49014

## Authorization Process

The agency should have a process for designating authorized personnel in each area to sign for or attest to official agency business and decision-making. Authorized personnel should be established for several areas of operation. Those include making purchases, signing paychecks, authorizing time records and/or time off requests, City payment voucher forms, and

identification when Board action is required. This is also very important where confidential documents are concerned.

Authorization should be limited, but not to the degree that it inhibits the agency's ability to perform. Requiring two signatures on checks for all purchases may hinder an agency's ability to operate on a day to day basis. However, establishing limits to authorization such as "in the executive director's absence" or "up to \$500 maximum" can be effectively applied.

In developing the authorization, it is important to maintain consistent "separation of duties." Separation of duties specifically involves the separation of three types of functional responsibilities:

1. Authorization to execute a transaction,
2. Recording the transaction, and
3. Custody of the assets involved in the transaction.

Where possible, all financial transactions should require two persons to review and approve. For example, the person who prepares a bank deposit should not be the same person to makes the deposit. The person who prepares the payroll should not be the same person who authorizes paychecks.

It is often beneficial to have different individuals handle the various steps in the process. Separation of functional responsibility results in crosschecking for error and guarding against possible employee fraud. In smaller organizations, separation of duties may be difficult. Primary importance should be placed in the areas of handling cash if at all possible. Board of Director involvement may be required to achieve proper checks and balances.

## Conflict Of Interest - 24 CFR 570.611

Each agency must have a Conflict of Interest Policy that applies to the employees as well as the Board of Directors of the agency. Disclosure of any conflict of interest should be made public and in written form. Staff and Board members must refrain from voting on or persuading other members where a potential conflict is present. Board members should also disclose any conflict or potential conflict of interest before discussion by the Board.

The policy for all Community Development Block Grant funded agencies must meet federal requirements. Federal guidelines further state that; Except for the use of CDBG funds to pay for salaries or other related administrative or personnel costs, the general standard is that no

employee, agent, or officer of the sub recipient, who exercise or have exercised any functions or responsibilities with respect to CDBG assisted activities, or who are in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to a CDBG assisted activity, or with respect to the proceeds of the CDBG assisted activity, either for themselves or those with whom they have business or immediate family ties. Specific provisions include that:

- This requirement applies to any person who is an employee, agent, consultant, officer, or elected or appointed official of the grantee, designated public agency, or sub recipient; and to their immediate family members, and business partner(s).
- The requirement applies for such people during their tenure and for one year after leaving the grantee or subrecipient organization.
- It is applicable to the procurement of supplies, equipment, construction, and services; acquisition and disposition of real property; provision of assistance to individuals, businesses, and other private entities for all eligible activities; and provision of loans to individuals, businesses, and other private entities

## Client Complaint Policy

A Client Complaint Policy should specifically detail the process used in the event of a client complaint. The policy should be made accessible to clients. The client should be encouraged to submit the complaint in writing. A reasonable deadline (ten to fifteen days) for review should be established for the agency response to the complaint. If the complaint cannot be resolved to the client's satisfaction initially, the policy should identify an appeal process.

Some agencies provide a "resolution board" or sub-committee of the Board of Directors to hear and resolve complaints. A full Board of Directors review should be the final step if necessary at the agency level. The policy should also note that clients may notify the Community Development Division since the City has an established complaint review process.

## Drug-Free Workplace

Federally funded agencies must provide certification that they provide a drug-free workplace. This can be done simply by publishing a statement notifying employees that unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace. The certification should further state the actions taken in the event that employees violate the provision.

## Travel Policy

Travel policies should describe when a staff person or contractual employee can expect mileage reimbursement for the use of personal vehicles. The policy should also identify the procedure for using agency-owned vehicles. Mileage logs should be required for the use of agency-owned or leased vehicles. The federal mileage rate is the maximum that can be paid before the reimbursement is considered income. Mileage reimbursement should be requested by the employee and approved by a supervisor prior to payment. Pre-approval, from the City, is required for out-of-town travel that will be reimbursed from CDBG funds.

## Online Management Tool-Neighborly Software

Neighborly Software is a cloud-based technology platform for the administration and disbursement of government funds for programs. The Neighborly Software tool enables the City of Battle Creek to better assist its community by streamlining the management of their HUD-funded programs through its platform. The City uses Neighborly Software to manage applicants for programs, to manage household and participant records, and to bid out housing rehabilitation contracts to contractors. Subrecipients might be required to use the same software file management program as the City of Battle Creek.

## Grievance Policy/Appeals Process

The City of Battle Creek's Community Development Division, through the Community Development Block Grant, HOME Investment Partnership Program and Lead Hazard Remediation Programs, offers and funds numerous programs and services throughout each program year. Said program must comply with applicable Federal and State regulatory requirements. With such a variety of programs and services, disputes and complaints may arise between parties providing and receiving those services. Below is the process by which the City will review a client or contractor complaint that the City is made aware of a complaint.

1. Complaints or concerns must be provided to the City's Community Development Division in writing and should clearly define the issue in question. The complaint or concern is to be sent to the Community Development Supervisor at:

City of Battle Creek Community Development Division  
City Hall, Room 104  
10 N. Division Street, Battle Creek, MI 49016  
[hhguzzo@battlecreekmi.gov](mailto:hhguzzo@battlecreekmi.gov)
2. The Community Development Supervisor may consult with other Community Development staff and/or the Director of Community Services regarding the complaint. Based on this consultation, the Community Development Supervisor will issue a response to the complainant. Effort will be made to provide this response within 5 business days of the receipt of the written complaint and this initial response may, or may not, represent the final resolution to the complaint.
3. The Community Development Supervisor, upon review of the complaint and with input from staff and the Director of Community Services, may determine that additional review and investigation should be conducted on the specific issues, actions and decisions which caused the complaint to be filed. The Community Development Supervisor may also consult with the City Attorney's office.
4. At his/her discretion, the Community Development Supervisor may consult with the U.S. Department of Housing and Urban Development (HUD) Field Office Representatives and/or the Michigan State Housing Development Authority (MSHDA) regarding the complaint to determine necessary and appropriate actions or response.
5. The Community Development Supervisor will notify all parties involved of the complaint resolution decision and recommended, or required, actions, if any, to be taken.

6. The Community Development Supervisor's complaint resolution decision will be final.
7. Any appeals to the Community Development Supervisor's decision may be made to the Director of Community Services and/or the City Manager.

# CHAPTER 3: FINANCIAL MANAGEMENT

The Consolidated Plan and Annual Action Plan help the City determine what activities to fund during an upcoming program year with each annual grant award. The Annual Action Plan establishes the budget for the annual CDBG allocation. The City also adopts a local budget for the Fiscal Year that recognizes the grant as a separate revenue and identifies activities to be funded with CDBG dollars. The CDBG revenues and expenditures must also be reflected by the grant year within the City's local budget.

The City is responsible for the stewardship of its Federal grant awards in a way that fully complies with Federal guidelines and regulations. All CDBG grantees and subrecipients must have financial management systems in place that comply with standards specified in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards specified in 2 CFR 200. Financial management guidance for the CDBG program is contained in the CDBG regulations at 24 CFR Part 570.502.

The City's fiscal management system needs to provide for a comparison of expenditures with budget amounts for each HUD award. For a fiscal management system to meet Federal standards, it must:

- Provide effective control over and accountability for all cash, real and individual property, and other assets
- Identify the source and application of funds for Federally sponsored activities
- Permit the accurate, complete, and timely disclosure of financial results in accordance with HUD reporting requirements or, for subrecipients, grantee reporting requirements
- Minimize the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by the Grantee or Subrecipient

The City will use the current fiscal management system (New World) to generate monthly financial status reports showing the dollar amounts allocated, obligated, and expended for each CDBG activity. The monthly report will provide a comparison of actual expenditures and revenues against budgeted amounts, including any budget revisions.

## Grantee Budget (Grant and Program Income)

The City's fiscal management systems include records identifying HUD program awards received and expended. The City's fiscal management system contains information on CDBG awards, authorizations, obligations, unobligated balances, assets, expenditures, and program income. The CDBG staff will work with the Finance Department's staff responsible for grant

fiscal management to ensure that CDBG funds are fully accounted for and that the City is compliant with recording requirements in IDIS.

The City shall reuse any revenue generated from projects undertaken with CDBG funding (known as program income) towards other eligible projects or activities identified in the current Annual Action Plan as a receiver project. Also, any program income earned by a subrecipient may be retained by the subrecipient if approved by the City and provided that the income is treated as additional CDBG funds and thus subject to all applicable Federal and local requirements. The City usually only receives program income from the payoff of mortgage's from past homeowner rehabilitations when the property is sold.

Program income, as defined in [24 CFR 570.500](#), includes, but is not limited to, the following:

- Proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG funds;
- Proceeds from the disposition of equipment purchased with CDBG funds;
- Gross income from the use or rental of real or personal property acquired by subrecipients/entities with CDBG funds, less costs incidental to generation of the income;
- Gross income from the use or rental of real property, owned by subrecipients/entities, that was constructed or improved with CDBG funds, less costs incidental to generation of the income;
- Payments of principal and interest on loans made using CDBG funds, except as provided in 24 CFR 570.500(a)(3); and
- Interest earned on program income pending its disposition.

CDBG regulations require that at the end of each program year the City must determine whether they have excess program income on hand and must return any excess to its line of credit. If the program income balance is more than one-twelfth of the City's most recent entitlement grant, it must be remitted to the City's line of credit as soon as practicable after the excess is determined.

## Accounting System

The City must have accounting records that sufficiently identify the source and application of CDBG funds provided to them. To meet this requirement, the City's accounting system should include at least the following elements:

- Chart of accounts – This is a list of account names and the numbers assigned to each of the account names. The names provide a description of the type of transactions that

will be recorded in each account (e.g., an account titled “cash” denotes that only transactions affecting cash should be recorded in that account).

- Cash receipts journal - A cash receipts journal documents, in chronological order, when funds were received, in what amounts and from what sources.
- Cash disbursements journal - A cash disbursements journal documents, in chronological order, when an expense was incurred, for what purpose, how much was paid and to whom it was paid.
- Payroll journal - A payroll journal documents payroll and payroll-related benefit expenses on salaries and benefits, including distinguishing between categories for regulatory purposes.
- General ledger - A general ledger summarizes, in chronological order, the activity and financial status of all the accounts of an organization. Information is transferred to the general ledger after it is entered into the appropriate journal. Entries transferred to the general ledger should be cross-referenced to the applicable journal to permit the tracing of any financial transaction.

## Documentation

Expenditures must be properly approved and supported by source documentation.

Documentation must show that costs charged against CDBG were:

- Incurred during the effective period of the agreement with HUD;
  - Actually, paid out (or properly accrued);
  - Expended on eligible items; and
  - Approved by the appropriate official(s) within the organization.
- Source documentation must explain the basis of the costs incurred and the actual dates of the expenditure. For example:
  - Source documentation for payroll would include authorizations for rates of pay and benefits and time and attendance records.
  - Source documentation on supplies would include purchase orders or purchase requisition forms, quotes, invoices from vendors, canceled checks made to vendors, information on where the supplies are stored and the purpose for which they are being used.

- The City must ensure that their accounting records include reliable, up-to-date information on the sources and uses of CDBG funds, including:
  - Amount of Federal funds received;
  - Current authorization of funds;
  - Obligations of funds;
  - Unobligated balances;
  - Assets and liabilities;
  - Program income; and
  - Actual expenditures broken down by the grant program and year for which the funds are derived and the activity on which the funds were used.

## IDIS

The Integrated Disbursement and Information System (IDIS) is the HUD system the City must use to fund and report on its CDBG program. IDIS generates standard CDBG program reports that provide financial and performance information. The PR05 and PR07 provide drawdown details by project and activity and voucher number, respectively. IDIS commits and disburses funds on a grant-specific basis, regardless of when the funds were appropriated. This is known as grant-based accounting which replaced the first in, first out drawdown methods used in the past.

Obligations, expenditures, and program income submitted to HUD in the Consolidated Annual Performance and Evaluation Report (CAPER), or other applicable reports will need to reconcile with the accounting records. The CDBG staff will work with the Finance Department to reconcile IDIS and New World (City Finance System) monthly. For HUD's complete guide on using IDIS for CDBG, please see [IDIS Training for CDBG Grantees](#).

## Procurement

All agencies receiving federal grants must establish procurement policies that meet the requirements in *2 CFR Part 200*. City contracts should closely parallel those standards. A written bid process should be in place for all equipment purchases and contractual agreements. When federal funds are used to purchase materials or services, copies of written quotes must be on file for review. There are no dollar limitations for the application of this procurement policy.

Where practical, at least three (3) competitive bids should be solicited and documentation provided that supports the action taken. The lowest responsive bidder should be awarded the bid when purchasing supplies and equipment. In the event that the lowest bidder is not selected, written justification must be provided.

Non-competitive negotiations may be utilized only under very limited circumstances. Sole source items or emergency situations may warrant a non-competitive negotiation.

Written procurement standards should also detail the authority for purchases, the amount which can be approved per individual, and at what level the City Commission must review and approve the purchase and/or contract.

The City is responsible for ensuring that its procurement of goods and services with CDBG funds conforms to or exceeds Federal procurement standards, especially as it relates to subrecipient performance and procurement. All procurements made in whole or in part with CDBG funds must comply with the applicable Federal requirements found [in 2 CFR Part 200.318](#) (General Procurement Standards). The requirements governing the purchasing process are designed to ensure that City staff and subrecipients:

- Follow a free and open competitive process in securing products or services.
- Properly document purchasing activities and decisions.
- Understand the requirements for various kinds of purchases (small purchases, competitive sealed bids, competitive proposals, and sole source procurements).
- Properly bond and insure work involving large construction contracts and/or subcontracts.
- Use local businesses with low-and-moderate income owners and employees and contract with small, minority, and/or women-owned businesses to the maximum extent feasible.

Matrix of Applicability: Rule and Types of Federal Award Recipients			
Rule	All Federally Funded Recipients	Local Governments and Subrecipients	State Governments and Subrecipients
<b>2 CFR Part 200.317, 200.322, 200.326 Appendix II</b>	Yes	Yes	
<b>2 CFR Part 200.318 – 326, Appendix</b>	Yes	Limited to Above	
<b>Debarment</b>	Yes	Yes	Yes
<b>Davis-Bacon</b>	Yes, if program threshold met	Yes, if program threshold met	Yes, if program threshold met
<b>Work Hours and Safety</b>	Yes	Yes	Yes
<b>Equal Opportunity</b>	Yes	Yes	Yes
<b>Section 3</b>	Yes, according to thresholds	Yes, according to thresholds	Yes, according to thresholds

## Subrecipient Financial Management

When a non-profit organization contracts with the City, the organization agrees to administer funds according to Generally Accepted Accounting Principles. The agency further agrees to incorporate sound financial management practices. Those should include written accounting procedures for approving and recording transactions, provision of reliable, complete, and current information and separation of duties. The agency should have a clear set of standards for determining the reasonableness, eligibility, and the manner for allocating costs.

Financial records include the chart of accounts, a manual on accounting procedures, accounting journals and ledgers, supporting documents (invoices, purchase orders, canceled checks, etc.), procurement files, bank records, financial reports, and audit files.

### Retention of Records

Retention of grant-related records must be five (5) years after the period of affordability ends for each project assisted. The City and/or its representatives retain the right to access those records with reasonable notice.

Representatives of the grantee, HUD, the Comptroller General of the United States, or other authorized governmental agencies have the right of access to any pertinent records of a sub recipient to make audits, examinations, excerpts, and transcripts.

### Audits

An independent review of annual financial operations is an excellent tool to assess progress toward goals and objectives. The audit provides a significant amount of information to the agency, City Commission, and to grantors when soliciting contributions. The audit provides comparative data from previous years and allows analysis of annual revenues and expenditures.

Financial audits are designed to provide an independent opinion on whether an agency's financial statements "present in a fair manner actual operating results in accordance with accepted standards" and whether your agency has complied with specific financial requirements in terms of systems and procedures.

Many financial audits provide expenditure categories by programs. This information allows the Board to recognize when a program is not cost effective, to flag areas where expenses are exceeding revenues and can be used as a planning tool when evaluating programs.

Providing an independent audit with a grant application ensures funders of the viability of the organization. All agencies applying for either CDBG funds from the City are required to submit an audit with their application. As annual audits are completed, audits must be submitted to the City as soon as they are available. As a grantee of CDBG federal funds, the City can be charged with a finding for failure to monitor this activity, so our department will be seeking a copy of your audit. Timely submission of audits to the City is essential.

## CDBG Administration Pre-Award Costs

Even though July 1st is the official start of the program year, and the City has submitted its Annual Action Plan prior to this date, it is possible that Congress will not approve a federal budget, or that HUD will not release the City's program year allocation amount by July 1. For this reason, HUD allows entitlement communities to incur pre-award costs.

The City operates on a reimbursement basis and either the City (internal projects) or the subrecipient incurs the initial CDBG expense (whether those entails paying a vendor, reimbursing a subrecipient, etc.). Reimbursement requests, along with the appropriate documentation, are made to the CDBG staff who then submits a reimbursement request to HUD. Under the pre-award regulations, the City does not have to wait until a CDBG agreement with HUD is in place to move activities forward. Instead, the City can pay for approved expenses (in the same manner it would after the grant agreement is in place) but hold the reimbursement request to HUD until the CDBG grant agreement is signed and the funds are reserved in IDIS.

## Reimbursements

All aspects of CDBG fiscal management are coordinated closely with the City's Finance Department. An overview of federal expectations for managing finances is included in [Chapter 11](#) of "Basically CDBG," and in 24 CFR 570.502. The federal government expects the City to maintain a system that ensures effective control over and accountability for all funds, property, etc., and accurate, complete, and timely disclosure of financial activities in accordance with HUD reporting requirements. Federal requirements aside, accuracy, openness, simplicity, and transparency should always be the goal.

The City provides reimbursement payments to subrecipients based on verification of expenditures. Currently, the City's process for CDBG reimbursements of subrecipient/contractor expenses is as follows:

- Review Invoice for date, amount and details of work
- Review pay voucher, the timesheet, the activity log, the GL from accounting
- Demographic information of the households served
- Prepare pay voucher and review invoice
- Review budgets and draws in LOGOS
- Update Project Trackers with dates and amounts for correct data

Each request for payment must have adequate documentation for the costs incurred such as payroll records, purchase orders, copies of canceled checks, timesheets reflecting time spent directly on CDBG activities, etc. Requests must be only for costs related to the approved activity and included in the approved budget attached to the written agreement. Subrecipients must submit requests for monthly reimbursement or as appropriate for their program design so that the City may demonstrate its timely use of CDBG funds.

The City of Battle Creek provides a 10% de minimus for subrecipient's administrative expenses and are reviewed monthly by the CDBG staff as part of the accounts payable drawdown of funds through the City's accounting system and the IDIS reporting system. The CDBG staff prepares the request for funds and the Supervisor approves the drawdown. The Finance Department prepares drawdown reimbursement requests which are subsequently entered into IDIS and requested as a draw from the CDBG Line of Credit (LOC) to reimburse the City's general fund.

The City will not request CDBG funds in advance or as "float" funds from the U.S. Treasury and disburses payment on a reimbursement basis.

## Internal Controls

The Community Development Division has implemented the following procedures regarding separation of duties:

- 1) The CDBG staff compiles all requests for reimbursement, supporting documentation, and ensures the subrecipient complies with their Agreements.
- 2) The CDBG Specialist prepares a draw request, records the expenses, and submits it to the Community Development Supervisor for final approval and is submitted to the Finance Department
- 3) The Assistant Budget Officer and the Accounts Payable Cleck in the Finance Department review the voucher for completeness and accuracy before processing for payment.

## Timeliness 24 CFR 570

Timeliness refers to how quickly the grantee (i.e., City) commits and expends CDBG funds. On a national level, needs far outweigh available resources, so if one grantee is unable to advance activities that meet national objectives then HUD reserves the right to shift future funding elsewhere. CFR requirements on timeliness are available at [24 CFR 570.902](#).

The rule for timeliness is that a grantee cannot have more than 1.5 times its most recent annual allocation in its line of credit at any given time. HUD checks the amount available in the line of credit several times each year, but the “official” check for timeliness is on April 30, 60 days before the end of the City’s program year. The City, therefore, plans the annual calendar with this date in mind to make sure that enough activities can advance and drawdown funds in time to avoid a timeliness infraction. The City also makes subrecipients aware from the outset that timeliness is an important aspect of the CDBG Program, and failure to advance activities within a reasonable and predetermined period can result in the reallocation of funds.

The CDBG staff maintains a spreadsheet tracking the City’s drawdowns by activity and calculates the current timeliness ratio after the draw is submitted. When HUD runs the timeliness check they do it through IDIS. If CDBG funds are obligated and general funds are spent for an activity, that expenditure will not count toward the timeliness calculation until the City has requested reimbursement in IDIS. In addition to any allocation and expenditure summary maintained by the Community Development and Finance Departments, the City can check timeliness through the year in IDIS by running report PR56.

# CHAPTER 4: PROGRAM COMPLIANCE

## Environmental Review Procedures

The City of Battle Creek receives federal grant funds from the U.S. Department of Housing and Urban Development (HUD) to assist low- to moderate-income households and improve our community. The purpose of these environmental procedures is to ensure that all projects funded with federal funds, including program income follow all applicable federal laws and authorities identified in Title 24 Part 58: Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities. Also, these procedures are intended to insure a suitable living environment, or more specifically, to determine if any significant environmental impact may occur as a result of a proposed project; to release funds to support eligible projects that neither harm nor are harmed by the environment; to safeguard, enhance, and restore the environment; and to foster public participation in the development decision-making process.

As the City of Battle Creek assumes HUD environmental responsibilities for HUD grant funding under the requirements of HUD's environmental review regulations at 24 CFR Part 58, the City acts as the responsible entity to ensure all regulations are implemented under the National Environmental Policy Act (NEPA). The HUD environmental review process within the City's jurisdiction must be completed before federal funds can be utilized for the following programs:

1. Community Development Block Grant (CDBG)
2. Home Investment Partnership Program (HOME)
3. Lead-based paint abatement programs
4. Others grants that require 24 CFR Part 58 compliance

A full environmental assessment may take longer than expected depending on the project and site complexity. Each project sponsor is admonished to respect the prohibition on "choice-limiting actions" regarding physical activity, including acquisition, rehabilitation, and construction, as well as contracting for or committing to any of these actions. City staff will discuss this process with project sponsors in more detail as they work through the environmental review process.

## Environmental Review Record

An environmental review is the process of reviewing a project and its potential environmental impacts to determine whether it meets federal, state, and local environmental standards. The environmental review process is required for all HUD-assisted projects to ensure that the proposed project does not negatively affect the surrounding environment and that the property site itself will not have an adverse environmental or health effect on end users. Environmental reviews must be completed for each CDBG-funded program, project, or activity.

Record of this review process must be completed for each project and maintained in an **Environmental Review Record (ERR)**.

**HEROS** : This HUD system helps Responsible Entities (RE), HUD staff, and partners in the environmental review process to develop, document, and manage their environmental reviews. It covers all levels of environmental reviews for both Part 50 and Part 58 projects and includes on-screen guidance for completing environmental reviews. The Responsible Entity (RE) utilizes HEROS to conduct all Part 58 environmental reviews.

### **Tiered Environmental Review**

Environmental Reviews may be tiered to avoid repetition. Tiered reviews are used to identify and evaluate issues ripe for decision, excluding issues not relevant to the program, policy or project. They are appropriate when:

1. Evaluating a policy or proposal
2. Early Stages of Development
3. When site-specific analysis is not feasible and more narrowed and focused review is better done at a later date

Tiered environmental reviews are not appropriate for projects requiring an Environmental Assessment. The City uses tiered reviews for the Minor Home Repair program that is CDBG funded.

The City will ensure tiered environmental reviews are prepared for single-family housing programs at unspecified sites. This review is conducted to achieve both compliance and speed because it does not require upfront identification of assisted properties.

In short, a tiered review focuses on a specific geographical area to address and analyze environmental impacts related to the proposed activities that might occur on the typical project site within that area. The specific addresses/locations of the individual properties are not known at the time of funding approval or allocation. The City's tiered review focuses on scattered sites located throughout a particular targeted area unless the housing program is considered City-wide.

**Broad-level review or Tier-1:** An ER Officer will identify and evaluate the issues that can be fully addressed and resolved, notwithstanding possible limited knowledge of the project. The ER Officer will establish standards, constraints, and processes to be followed in the site specific reviews. The ER Officer must publish a Public Notice of Intent to Request a Release of Funds

(NOI/RROF). Environmental Reviews can be good for one to five years, the time period covered must be specified in the Review.

**Site-specific review or Tier-2:** Program staff assigned to the activity will evaluate the remaining issues based on the policies established at the broad level as individual sites are selected for review. This evaluation does not require Public Notice or Request to Release Funds (RROF) required unless unanticipated impacts are not adequately addressed in the Tier 1 review. Program staff responsible for completing all site-specific reviews must complete WISER training for the relevant Tier 2 review sections. Each review must be signed and dated by the individual responsible for completing the review.

## Code Enforcement

Since the beginning of the City's CDBG program, the City has used federal funding to partially fund its Code Compliance efforts in low-and moderate-income target areas of the City to arrest decline and improve neighborhood conditions.

### Purpose

The quality, safety and aesthetic condition of housing and businesses in Battle Creek are a reflection of community values. The physical condition of the city's structures is unique compared to other infrastructure, in part, because it is both a product of community wealth and essential criteria to building prosperity. While the role of city government in establishing building codes is clearly to protect the best interests of the community as a whole, the crafting and enforcement of these codes must also respect the rights of individuals.

The purpose of encouraging residents to keep their houses up to minimum housing code standards is to maintain the appearance and safety of our community's housing stock. Appearance violations emphasize the exterior, not because it is more important than interior issues, but because the general public is only presented with the exterior view of the property. Exterior issues expand beyond the structure itself, including inoperable vehicles, junk, trash and garbage cans. Maintaining a neat, cared-for appearance in a neighborhood is an important deterrent to crime. Studies have shown that neighborhoods that look run-down or "like no one cares or is paying attention," will attract more crime, from vandalism to petty theft and worse.

### Responsibilities

Code Compliance officials work in neighborhoods to ensure compliance with the city's housing code. The primary concern of these officials is helping property owners bring their property into compliance with the City Housing Code. In order to do this, they address many issues, including

inoperable vehicles, junk and trash in yards, exterior housing violations, and interior housing violations on rental property, Neighborhood Enterprise Zone certifications and rental inspections. By addressing these issues, they assist in making the city's neighborhoods stronger and more attractive places to live. In situations in which a property owner does not have the financial resources to make repairs, the Code Compliance official will work with the individual to help him or her access assistance.

The City of Battle Creek's Code Compliance effort complies with the [CPD-14-016 HUD notice](#). This notice provides guidance and instructions to eligible entities that use CDBG funds to fund neighborhood code compliance. It outlines the terms and conditions of the program, including the requirements for grantees to develop and implement innovative approaches to address housing and economic development challenges in targeted areas. The notice explains the process for disbursement of funds, reporting and monitoring requirements, and the timeline for implementing approved programs.

## Minor Home Repair Program

The City of Battle Creek has history used up to 50% of its CDBG annual allocation to administer a home rehabilitation

### Minor Home Repair Program Description

The Minor Home Repair Program (MHR) is funded through the Community Development Block Grant Program (CDBG) from the U.S. Department of Housing and Urban Development (HUD). The program is available to qualifying homeowners who need assistance with necessary, eligible home repairs. Approved applicants can receive up to \$15,000 of home repair assistance for an eligible minor repair. The amount of assistance may be increased up to \$25,000 for roof replacement. The Minor Home Repair program can be used as a resource for residents who have been cited by the City's Code Compliance Division especially for roof and front step repairs. The Minor Home Repair program does not disturb lead-based paint surfaces in the repairs that it funds.

### Eligible Repairs Include:

Exterior	Interior
Roof (house only – no garages, unless attached)	Furnace or other heat source
Handrails & Guardrails	Water Heater
Steps & Ramps	Water Pipes, Sewer Pipes, Drains
Water/Sewer Service Lines	Toilet, Faucets
Electrical Service	Electrical Service Panel

Other types of repairs/rehab, particularly those involving exterior housing code violations, may be considered on a case-by-case basis and will be evaluated based on cost, compliance with the Lead Safe Housing Rule, environmental review considerations, and contractor availability.

No households will be relocated due to assistance provided by the Minor Home Repair program.

These Policies and Procedures may be amended or supplemented from time to time by the City of Battle Creek by issuance of revised pages to be effective on the date of issue. Nothing in these Policies and Procedures shall be construed to conflict with, alter or amend any federal or state laws or regulations.

## Program Eligibility

To determine eligibility, applicants must complete and apply online through the Neighborly Software platform. For individuals in need of technical support, housing intake staff are available through a prescheduled appointment to assist completing an application.

### Required Documents:

- deed to the property
- property owner's/head of household's driver's license or other photo ID
- current homeowner's insurance policy declarations page or binder
- property tax payment history from the City of Battle Creek or Calhoun County
- income tax returns and/or income source documents for each household member

### Applications must demonstrate:

- The home is located within the City of Battle Creek
- The applicant owns and resides in the home
- The applicant has been living in the home for at least six months
- The property is covered by a homeowner's insurance policy with the minimum level of coverage
- Property taxes are not in forfeiture status
- Gross annual household income is below the current CDBG Battle Creek 80% AMI limit for the applicant's household size

### 2024 Battle Creek CDBG Income Limits:

80% Area Median Income - Battle Creek								
Household Size	1	2	3	4	5	6	7	8
2024 Income Limits	\$44,600	\$51,000	\$57,350	\$63,700	\$68,800	\$73,900	\$79,000	\$84,100

Income limits are revised annually, click here for the most recent.

[https://www.hudexchange.info/programs/home/home-income-limits/?utm\\_source=HUD+Exchange+Mailing+List&utm\\_campaign=aedbdc5db-FY-24-Income-and-Rent-Limits-Update-4.29.24&utm\\_medium=email&utm\\_term=0\\_d2e06a2c41-%5BLIST\\_EMAIL\\_ID%5D](https://www.hudexchange.info/programs/home/home-income-limits/?utm_source=HUD+Exchange+Mailing+List&utm_campaign=aedbdc5db-FY-24-Income-and-Rent-Limits-Update-4.29.24&utm_medium=email&utm_term=0_d2e06a2c41-%5BLIST_EMAIL_ID%5D)

## Program Restrictions

Grant Funding is limited up to \$15,000 to correct health and safety items and to remedy Code Compliance Orders to Repair. Roofs are funded for replacement costs up to \$25,000.

Because some properties are larger than others and individual circumstances vary, the program has the discretion on a case-by-case basis to exceed the \$15,000 limit for repairs. Projects over the \$15,000 limit must be reviewed and approved by the Community Development Supervisor in writing. Minor Home Repair projects will not exceed \$25,000, unless paired with Lead Hazard Remediation funding from other sources of funding.

Grant funding:

- Cannot be used for an item that is covered by warranty or a claim on a homeowner's insurance policy.
- Cannot assist renters, manufactured housing or homes on land contracts.
- Can only be received one time per property, unless an exception is approved by the Community Development Supervisor.

The program does not have an asset test. No fees for application or work will be charged to applicants.

MHR assistance will not be provided when needed repairs are too extensive to resolve code compliance orders or other identified health and safety issues. If Code Compliance issues have gone to the Court system, assistance will not be provided until the legal matter is resolved.

## Eligible Property & Ownership Criteria

Grants shall be used for the improvement of properties and will meet the following criteria:

1. The property must be located in the City of Battle Creek and must be a legal residential dwelling unit. Applications will not be considered for condemned structures.
2. The owner must occupy the property as a permanent, year-round residence. The applicant certifies this by signing the application. The applicants must be the legal owner of the property.

3. Grants must be used to improve an existing structure. No assistance will be given to unfinished structures.
4. The residential structure assisted must not be used, or intended to be used, as a vacation or second home, a trade or business, or as an investment property.
5. Homeowner's insurance (hazard insurance) must be maintained on the property in a minimum amount equal to the assessed value of the property.
6. All property taxes and assessments must be current at the time of application and at the time of commitment of funds to the project.
7. Properties located in Local Historic District areas require City Historic District Commission and/or Planning Department approval in writing. Please see the Historical District Commission application at the [Historic District Commission city website](#).

## Eligible Improvements

Funding shall only be used for improvements that substantially protect or improve the basic livability or energy efficiency of the property.

All work or rehabilitation must comply with all applicable building and housing codes and standards.

All work or rehabilitation must take the form of *permanent general improvements* which means that repairs will be for basic necessary items and not for luxury items.

*Permanent General Improvements* means alterations, repairs, or improvements in connection with an existing residential structure, which substantially protects or improves the basic livability or energy efficiency of a residential structure. Permanent general improvement does not include materials or fixtures of a type or quality exceeding that customarily used in the locality for residential structures or the same general type of materials as the structure to be improved already has.

## Ineligible Improvements

The following are ineligible improvements:

- Barbecue pits
- Burglar alarms
- Burglar protection bars
- Fire extinguishers
- Flower boxes
- Greenhouses

- Kennels
- Kitchen appliances, in and by themselves
- Outdoor fireplaces and hearths
- Steam cleaning of exterior surfaces
- Swimming pools and saunas
- Television antennas or satellite dishes
- Tennis courts
- Outbuildings including barns, pole barns, silos, playhouses and tool sheds
- Commercial buildings
- New fences, sidewalks, and paving of driveways
- Landscaping
- Wood burning devices, unless utilizing an existing chimney or existing ductwork, are ineligible.

## Exceptions to Ineligible Improvements

- Fire alarms or fire-detecting devices (except smoke detectors & alarms)
- Tree trimming or removal (except for house damage protection)
- Decks, patios, and porches – however, existing porches may be winterized and entryways may be constructed for purposes of energy conservation.
- Garage roof replacement/repair when done with the house roof is eligible.
- Air conditioning when replacing an existing unit. Repairs to existing central air units may be eligible.
- Fireplaces (necessary repairs and inserts to an existing fireplace are eligible.)
- Necessary repairs may be made to existing fences.
- Sidewalk repairs related to new exterior steps or ramps are eligible.

## Income Verification

All applicants must provide documentation of their income by providing at least two months of paystubs, benefit statements, and/or income tax records.

Annual income is the gross amount of income anticipated by all household members during the 12 months following the effective date of the determination.

Adjusted gross income as defined for purposes of reporting under IRS Form 1040 (long form) for Federal individual income tax purposes is used to calculate annual income.

A verifiable certification, such as the [Income Eligibility Calculator form](#) from HUD, is required for household members, age 18 or over, reporting zero income.

## Housing Rehabilitation Standards

The City of Battle Creek Community Division will follow these procedures when working with any housing rehabilitation.

The City's Rehabilitation Coordinator, Construction Specialist, or Lead Inspector will complete a Healthy Homes Assessment at the initial home inspection to identify the greatest need(s) upon which to develop a cost specification for each project.

- For Minor Home Repair projects, the greatest need for a health and safety repair that does not disturb lead-based paint is discussed with the homeowner, and a determination is made as to the most important, impactful repair.
- All contractors are required to follow the most recent Michigan Residential Code book. All residential builders and contractors must have a copy of these standards per licensing requirements.
- The City's roofing standards is attached to all contracts for roofing work.
- All contractors must apply for the required City of Battle Creek building permits for structural alterations (electrical, plumbing, roof, HVAC, and building), and schedule final inspections of work completed before payment is made.
- If rehabilitation work is going to be subcontracted, the awarded contractor must ensure that any subcontracts are approved by the City before the work is started. All subcontractors must be licensed and insured to be used on any City-funded rehabilitation work.
- All contractors must provide equipment warranty information and instructions to the homeowner at the project's completion.
- All contractor's workmanship is guaranteed for 18 months or 5 years for installation of roofs. The warranty starts on the date of the final inspection of the work by the community development department and the City inspections department.
- All Minor Home Repair, HUD-Lead and CHIP-Lead are exempt from the Davis-Bacon Act because of the size of the projects.

### WORKING WITH ELIGIBLE ENTITIES – 24 CFR 570.609

The City must ensure entities are eligible to receive federal funding. The following are required for any sub recipient, contractor, landlord, etc. that will receive CDBG funding:

**Unique Entity ID (UEI) Standard (SAM's Number)** The Unique Entity ID is the official identifier for doing business with the U.S. Government as of April 4, 2022. It is a 12-character alphanumeric ID assigned to an entity by SAM.gov. Any entity that wants to apply for federal contracts or receive federal funds must have an active registration with SAM.gov.

**System for Award Management (SAM)** The System for Award Management (SAM) includes information regarding entities debarred, suspended, proposed for debarment, excluded, or disqualified under the non-procurement common rule, or otherwise declared ineligible from receiving Federal contracts, certain subcontracts, and certain Federal assistance and benefits. To be eligible to receive a grant, applicants must register on SAM. Registration must be renewed and revalidated at least every 12 months.

To register go to: <https://sam.gov/content/home> and create an account by clicking the “Create User Account” and follow the directions. You will need your DUNS number and about 30 minutes to complete the process. If you need help call 1-866-606-8220. Registration is FREE.

## Cost Reasonable Estimates

**Policy Statement:** The Cost Reasonable Estimates Policy aims to establish guidelines and procedures for obtaining, reviewing, and approving cost estimates for the Community Development Block Grant (CDBG) Minor Home Repair Program. This policy ensures that all project costs are fair, reasonable, and in compliance with federal regulations and local standards. It also aims to promote transparency, accountability, and efficiency in the program's administration.

**Scope:** This policy applies to all personnel involved in the CDBG Minor Home Repair Program, including program managers, contractors, and staff responsible for reviewing and approving cost estimates.

### Procedures:

- Obtaining Cost Estimates:** a. Homeowners interested in the Minor Home Repair Program will contact the program office to request repairs. b. Program staff will conduct an initial assessment of the repair needs and provide homeowners with a list of pre-approved contractors. c. Homeowners will be encouraged to obtain at least three (3) written cost estimates from the pre-approved contractors.
- Reviewing Cost Estimates:** a. Contractors' cost estimates should include detailed breakdowns of labor, materials, permits, and any other relevant expenses. b. Construction Specialist will review the submitted cost estimates to ensure they are complete and in compliance with program guidelines. c. Any cost estimate that appears unreasonable, unclear, or incomplete will be flagged for further review.
- Comparison and Analysis:** a. Construction Specialist will compare the submitted cost estimates to determine the average cost for each repair type. b. In cases where there is a significant discrepancy between estimates, program staff will follow up with contractors to

request clarification. c. The average cost for each repair type will serve as a benchmark for evaluating the reasonableness of individual cost estimates.

4. **Approval Process:** a. After reviewing and analyzing the cost estimates, program staff will recommend approval or denial based on the reasonableness of the costs. b. Approved cost estimates will be documented, and homeowners will be notified of the approved amount. c. Denied cost estimates will be accompanied by a written explanation detailing the reasons for the denial and providing guidance on how to resubmit a revised estimate.
5. **Documentation:** a. All cost estimates, whether approved or denied, will be maintained in the program's records for auditing and compliance purposes. b. Program staff will document the rationale behind the approval or denial of each cost estimate. c. Copies of approved cost estimates will be provided to contractors for reference during the repair process.
6. **Appeals Process:** a. Homeowners have the right to appeal a denied cost estimate. b. To appeal, homeowners must submit a written request to the program office within 10 business days of receiving the denial notice. c. The appeal will be reviewed by a designated appeals committee, which will reassess the cost estimate and make a final determination.

**Compliance:**

- This policy complies with all federal regulations and guidelines governing the CDBG program.
- Program staff will undergo training on these procedures annually to ensure adherence and understanding.
- Regular audits will be conducted to review this policy's implementation and make any necessary adjustments.

**Implementation:**

- The Rehabilitation Coordinator will be responsible for implementing this policy and procedure.

This Cost Reasonable Estimates Policy and Procedures aim to safeguard the integrity of the CDBG Program, ensuring that funds are used efficiently and effectively to benefit our community.

## Working with Housing Rehabilitation Contractors

### Contractor Requirements for Participation in the City of Battle Creek Housing Programs

- Possess current liability insurance coverage – a copy is to be on file with the City of Battle Creek;
- Unless a sole proprietor, has current Workman's Compensation coverage – a

copy is to be on file with the City of Battle Creek;

- Not be listed on the Michigan Debarment List;
- Have a Lead Safe Renovator certificate and be registered with the EPA (Lead RRP certification) including the required firm certification, or be licensed with the State of Michigan as a “Lead Abatement Contractor.” This is required for work on properties built before 1978, unless the property built before 1978 involves work that is exempt from the Lead Safe Housing Rule (24 CFR Part 35). Proof of licensure is required and will be kept on file with the City of Battle Creek. All contractors bidding on lead-based paint abatement projects must be licensed with the State of Michigan.

### **Contractor Selection**

The lowest responsive, responsible bid received by the City will typically be selected as the winning bid for contract award via [Neighborly Software](#). A minimum of three competitive bids are sought, if only one bid is received the project will be rebid.

In the event of an urgent situation a “sole award” will be accepted, if three bids are not received, using established contractors and using usual and customary rates. Sole awards require the Community Development Supervisor’s or Rehabilitation Coordinator’s documented approval found in Neighborly Software, usually a copy of an email about the situation. After it is verified that the attempt to solicit a minimum of three or more bids was conducted and documented, approval may be obtained to proceed with a one bid situation. Urgent situations are rotted floors, no heat, and/or no water.

The contract award will be coordinated with the property owner. The property owner may select a contractor who has not submitted the lowest bid, but then the homeowner will be required to pay, from their resources, the difference between the selected bid and the low bid received via Neighborly Software.

As timely completion is a priority in the program, the City may choose, in consultation with the homeowner, to select a bid other than the low bid, if the low bid contractor indicates an inability to begin and finish the project in a timely manner. Or the City has documents poor performance in other situations with the contractor making the lowest bid.

Criteria for a **Responsive, Responsible Bidder** are the following:

- When contractors submit a bid, they use their expertise and knowledge to formulate a price that is accurate and competitive,
- The “responsive” bid must meet the criteria laid out in the bidding documents. The bid has to include all the required documents and information, cannot take exceptions to the bid requirements, all forms have to be completed fully, have the

required signatures, and be submitted before the date and time specified, at the location specified, and in the way that was requested (mailed or electronically), bid name and number on the outside of envelope, and any other criteria outlined.

- “Responsible” is a bidder that has the experience, personnel, equipment, and finances to perform the requirements of the contract.
- When the City of Battle Creek scrutinize the bids, they may find that the lowest bid is either not responsive or not responsible, and they may therefore award to the next lowest bidder.

### Policies and Procedures for Barring Poor Performing Contractors

In any instance where a contractor’s performance is not acceptable to the City of Battle Creek or the property owner, that contractor will either be:

- placed on probation, and allowed to receive only one project at a time until the probationary period has ended;
- excluded from performing particular types of rehabilitation;
- suspended from participation in the program for a period of six (6) months; or
- terminated from future participation in the program.

The type of sanction employed by the City of Battle Creek will depend upon the severity of the circumstances. Each instance will be determined on a case-by-case basis as the severity of the circumstances will most likely vary in each instance. Behaviors and actions that might warrant being placed on probation, suspension and/or termination may include (but are not limited to) the following:

- using unapproved and/or substituted material without prior authorization;
- unreasonable and/or unexplained delays;
- being listed on the State of Michigan Contractor Debarment list;
- unprofessional conduct of contractor and/or employees;
- substandard work (not performed in accordance with accepted trade standards);
- failure to follow established program procedures;
- unsatisfactory evaluation scores from homeowner and/or Development Department staff; and
- activities deemed unethical and/or illegal.

Community Development Division staff will provide notice of termination in writing to the contractor and will also notify the affected homeowner, in writing, of the termination.

The determination of probation, suspension, or termination will depend upon current performance as well as documented past performance.

If Community Development Division staff observes or has evidence of serious problems with contractor behaviors/actions/performance, she/he may, at any given point during a project, proceed with immediate:

- suspension of that contractor from participation in the program for a period of six (6) months;
- exclusion of the contractor from performing certain types of work; or
- termination of that contractor from future participation in the program.

## Cost Reasonable Estimate Analysis Procedure

2 CFR 200.404 requires the city to perform a cost or price analysis in connection with every procurement action in excess of the Small Purchase Threshold including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, the City must make independent estimates before receiving bids or proposals.

Documentation of a cost estimates, bids and cost/price reasonableness will be stored electronically in Neighborly Software and on a secure cloud drive for data archiving.

### Over Budget Bids

Despite careful cost analyses and safeguards, there are occasions when all bids will exceed available project funds. This section governs the process for dealing with such a situation. The following options are available for awarding a bid following an overage:

1. Obtaining additional funds from another source and continuing with the invitation for bid.
2. Rejecting all bids, revising project scope and bid specifications, and issuing a revised invitation for bid (competitive sealed bid) open to the entire public.

### Low Bids and Change Orders

To maintain the integrity of the bidding process, the change order process must only be used when

1. The change order work fits within the scope of the original project; and

2. The reason for the change is something that was unanticipated or unforeseen at the time the original contract was awarded.

Change orders cannot be used for fundamental redesign of a project and cannot be used to “fix” problems in the project specifications if the City was aware of the problems before awarding the contract (if the cost specifications have problems, it’s better to issue an addendum, if the problems were discovered before bids are due, or to re-bid the contract).

Change orders also cannot be used to take advantage of a good deal on a construction project, for example, if you’ve awarded a contract for 500 linear feet of street paving work, you can’t then use a change order to double the number of linear feet included in the contract just because the successful bidder gave you a really great price on the original contract.

Documentation in the City’s file with every change order must include:

- Supporting justification which describes why the change is necessary;
- Itemized cost/unit price/quantities;
- A cost and price analysis (usually conducted by an engineer) that determines whether the costs are reasonable;
- Any revised plans and specifications; and
- Certification that no acquisition is necessary to complete the change order work.

The contractor usually prepares change orders; however, the city must approve and authorize change orders before they are executed. The proposed change should also be verified and/or recommended for approval by the project engineer, project manager, architect, or other technical support personnel. The city should compare such change orders to the CDBG construction budget prior to approval.

If a change order will result in a significant change in the scope of work, a new CDBG activity, or a change in location, beneficiaries, or how the project will be carried out, a contract amendment will be required.

If the change involves a new activity not previously included in the original bid and will result in a significant cost change, then the new scope may have to be re-bid. Factors to be considered include whether the change order will exceed the project budget, if the service area will change and affect national objective compliance if the original intent of the project will be altered, and if further environmental review will be needed.

## Minor Home Repair and Lead Safe Housing– 24 CFR Part 35

The Rehabilitation/Construction Coordinator will provide technical assistance in determining the regulations that apply and the required lead abatement process. However, the applicant is responsible for conducting all required lead-based paint abatement procedures and should accommodate these activities in the project.

For any project involving an existing residential structure that was built before 1978, the project must meet the requirements of the HUD regulation to control lead-based paint hazards in housing receiving federal assistance, 24 CFR Part 35.

### Scope of Activities:

The Minor Home Repair Program (MHRP) shall refrain from disturbing paint surfaces. Activities funded under MHR shall be limited to items that typically do not disturb paint surfaces.

No households will be relocated due to assistance provided by the Minor Home Repair program.

These Policies and Procedures may be amended or supplemented from time to time by the City of Battle Creek by issuance of revised pages to be effective on the date of issue. Nothing in these Policies and Procedures shall be construed to conflict with, alter or amend any federal or state laws or regulations.

### Lead paint disturbance threshold for repairs under \$5,000:

For repairs not exceeding \$5,000, if lead paint is disturbed, it must remain below the de minimis level, as follows:

- Exterior surfaces: Twenty square feet or less.
- Interior rooms or spaces: Two square feet or less in any single area.
- Interior or exterior components with small surface areas (e.g., windowsills, baseboards, trim): Ten percent or less of the total surface area.

### Interim controls for projects exceeding \$5,000 up to \$25,000:

- Projects falling within the \$5,000 to \$25,000 range shall implement interim controls.
- Contractors performing interim controls must be supervised by an individual licensed as a lead-based paint Project Supervisor or have successfully completed a lead-safe work practices course.

### Reimbursement for Lead Safe Work Practices Training:

- The City shall offer reimbursement to contractors for the cost of lead-safe work practices training and certification for their staff. Selected Contractors will have attained the minimum level of lead awareness training as required by the City. Record of this training must be documented and on file with the City's Inspections and Rehabilitation

Departments. Contractors performing lead hazard reduction work will maintain required certifications and insurance and ensure that all work is properly supervised to ensure the use of lead-safe work practices. Documentation of certifications and insurance must be on file with the City. Contractors may use qualified subcontractors for lead hazard reduction work. Said subcontractors must be adequately certified and provide required supervision of all work performed to assure the use of lead-safe work practices.

Documentation of certifications must be on file with the City.

#### Lead Safe Housing Requirements Screening Worksheet:

- The Lead and the Construction Specialist shall complete a Lead Safe Housing Requirements Screening Worksheet for each project and upload it to the digital file for the respective project in Neighborly Software.

#### Program Cap and Exceptions:

- The cap for the Minor Home Repair program is set at \$25,000.
- The cap may only be exceeded if the project involves a home repair in conjunction with a Lead Remediation project funded through the City's State or Federal Lead Safe Program. Refer to the attached Michigan Department of Health and Human Services (MDHHS) Healthy Home Section, Lead Abatement Site Checklist for policies pertaining to projects including Lead Remediation.

#### Assumption of Lead Presence for Homes Built Before 1978:

- For all homes constructed before 1978, the presence of lead shall be assumed.

#### Distribution of Information to Applicants:

- Upon intake, all households applying for MHR assistance shall receive the pamphlet "[Protect Your Family From Lead in Your Home](#)," utilizing language from the provided checklist.

Note: This policy ensures adherence to lead safety protocols, proper supervision of contractors, and provision of information to households regarding lead hazards.

## Interim Control

#### Supervision Requirement:

Individuals performing interim controls must be supervised by either:

- An individual licensed as a lead-based paint Project Supervisor, or
- Individuals who have successfully completed one of the following lead-safe work practices courses:
- A lead-based paint abatement supervisor course accredited in accordance with 40 CFR 745.225.

- A lead-based paint abatement worker course accredited in accordance with 40 CFR 745.225.
- A renovator course accredited in accordance with 40 CFR 745.225.

"The Remodeler's and Renovator's Lead-Based Paint Training Program," prepared by HUD and the National Association of the Remodeling Industry.

Another course approved by HUD for this purpose after consultation with EPA.

#### Licensing Requirements for Lead Abatement Work:

- All lead abatement work conducted under this grant program necessitates the involvement of:
- A Michigan-licensed abatement contractor
- A licensed abatement supervisor, and
- Licensed abatement workers to perform lead hazard control activities.
- Each licensed individual must be affiliated with an appropriately licensed and certified firm.
- EPA RRP certification alone does not suffice for work under this program that involves measures intended to permanently eliminate lead-based paint hazards, including window and substrate removal and replacement activities.

#### RELOCATION OF OCCUPANTS AND URA REQUIREMENTS - 24 CFR 570.606

An acquisition or rehabilitation project may trigger Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) requirements even when it may seem they are unrelated. It is important to have a clear understanding of these and other important terms as defined in the URA and the regulations. The phrase "program or project" is defined in [49 CFR Part 24](#) as, "any activity or series of activities undertaken by a federal agency or with federal financial assistance received or anticipated in any phase of an undertaking in accordance with the federal funding agency guidelines."

Generally, a displaced person under the URA is an individual, family, partnership, association, corporation, or organization, which moves from their home, business, or farm, or moves their personal property, as a direct result of acquisition, demolition, or rehabilitation for a federally funded project. Displaced persons are eligible for relocation assistance under the URA.

The URA regulations require three notices to be issued to eligible persons. These notices provide important information about the project, the affected persons' resulting rights, their protections, and their eligibility for relocation assistance and payments under the URA. It is critical for agencies to issue appropriate notices to affected persons at the appropriate time

and one of the first notices must be issued at the time a project application is submitted to the City. Refer to the [Tenant Assistance, Relocation and Real Property Acquisition Handbook \(HUD Handbook 1378.0\)](#) for more information on this topic.

Any application for HUD funds must contain an accurate determination of the number of households or businesses to be potentially displaced, their incomes, and an estimate of relocation costs associated with the project. Early in the process of project planning, relocation concerns must be explored so decisions about rents, construction timing (phasing), and project feasibility can be fully explored.

## Contractor Selection for Projects Over \$200,000

- The applicant is a licensed residential builder or licensed contractor and will provide the City with copies of all relevant licenses at the time of application and throughout the term of work performance with the City.
- The applicant has satisfactorily completed the EPA/HUD approved Renovation Repair and Painting course or will complete the course before performing any renovation, repair, or painting projects that disturb lead-based paint in homes built before 1978 as part of the City of Battle Creek's housing rehab programs.
- The applicant has the required general and vehicle liability insurance with the City of Battle Creek listed as an additional insured.
- All work will be performed in conformance with all applicable State of Michigan building codes, local ordinances, and local zoning regulations.
- All work will be performed in accordance with the technical specifications and completed with quality workmanship, subject to final inspection and approval by City staff and the homeowner.
- If the work performed by the contractor is found to be unsatisfactory by the City and homeowner or if contract relations between the contractor, homeowner or other parties are found to be unsatisfactory, the City may remove the contractor's name from the approved list, with such accompanying publicity as it deems necessary.
- The applicant and their principal employees are not listed on the General Services Administration's List of Parties Excluded from Federal Procurement or Non-procurement Programs in accordance with E.O.s 12549 and 12689, "Debarment and Suspension." This list contains the names of parties debarred, suspended, or otherwise excluded by agencies, and contracts declared ineligible under statutory or regulatory authority other than E.O. 12549.
- The applicant will abide by the following: a. Executive Order 11246 of September 24, 1965, regarding Equal Employment Opportunity b. HUD Section 3 requirements per 24 CFR Part 135

## Pre-Bidding Requirements

The first step in effective management of CDBG-funded construction projects is the preparation of a bid package. This requires writing the technical bid specification – usually by an architect or engineer based on prepared plans or working drawings. These specifications must provide a clear and accurate description of technical requirements for materials and products and/or services to be provided in the contract. Most of the construction projects the City funds with CDBG involve either Public Works or Parks & Recreation, and either of these will help prepare the big package as they will also be managing the projects.

While the engineer/architect prepares the technical specifications, the Purchasing Agent will determine the applicability of minimum Labor Standards, request the necessary wage decisions, and ensure compliance with all Federal Requirements.

### [Add/Deduct Alternates](#)

HUD encourages grantees to use add and deductible alternates for inclusion unless doing so is not practical or not feasible. When deductible alternates are requested, the bid document issued by the City must specify the method and order in which alternates will be applied in determining the low bid. Drawings must also clearly show the alternates.

For example, a project might involve the construction of a new community center that includes a portico and a small out-building to accommodate future expansion. The bidding instructions would indicate which items are to be bid as deductible alternates and the order of priority in which they are to be deducted. In this example, assume the portico and out-building are to be bid as deductible alternates, and the order of priority for deducting is first, the out-building, and second, the portico. The City would go back through each bid (not just the lowest one) and first subtract the amount each bidder estimated for the out-building from the total amount she/he bid for the project. The City would then check to see if any of the adjusted bids are within budget. If so, the City can award the bid to the bidder with the lowest adjusted bid. If not, the City would repeat the process, this time deducting the cost of the portico from the adjusted bid of each bidder. Depending on the number of deductible alternates specified, the process can be repeated until one of the adjusted bids is within budget.

It is imperative that the City's invitation for bid explicitly state the method of award, including use of any deductible alternates. Failure to be clear and precise on the procedures that will be utilized can cause confusion or disputes among bidders that could, at the very least, cause project delays.

## Procurement of Contractors - Competitive Sealed Bids

The Competitive Sealed Bid method is the required method for using CDBG funds for construction projects.

The following requirements apply to the competitive sealed bid procurement process:

- Competitive sealed bids are initiated by publishing an Invitation for Bid (IFB).
- Must include instructions to potential bidders including:
  - Location, time, and date for submission;
  - Availability of bid documents and duration of public inspection,
  - Deposit and other bidding requirements;
  - Notice of Federal contract requirements.
  - Instructions to potential bidders including
  - The Environmental Review must be completed prior to publishing the bid advertisement.
  - The IFB must be advertised in the newspaper of daily general circulation at least one time, not less than (14) fourteen days before the date set for the opening of bids.
  - The IFB must also be distributed to all trade publications (construction services).
  - The IFB must be advertised in as wide a geographic area as needed to ensure enough bids are received to be deemed a competitive process.
  - The IFB will include specifications that define the services or items required for the bidder to properly respond.
  - 2 CFR Part 200 requires a bid guarantee from each bidder equal to (5%) five percent of the bid price. This guarantee serves as an assurance that the chosen contractor will execute the contract within the time specified.
- Bid guarantees can be a Bond or Cashier's check returned to the unsuccessful bidders.
- All bids must be publicly opened at the time and place stated in the Invitation for Bids.
  - All sealed bids received will be the date and time stamped upon receipt.
  - Any sealed bid which does not arrive at the designated place by the appointed time will not be considered and will not be opened. The bid will be marked by the time received and returned to the bidder unopened.
  - All bids will remain confidential until the public bid opening.
  - All bids submitted on time will be publicly opened and the sealed bids read aloud.
  - The bids must be tabulated and reviewed.
  - The contract is awarded to the lowest, responsible, and responsive bidder.
  - Preparation and signing of a contract formalizing a scope of work and the term of compensation is required.
  - The contract must be a firm-fixed-price contract (lump sum or unit price with a maximum amount identified).

## Bidding and Contract Requirements

The Purchasing Agent must be sure to include all applicable labor standards, equal opportunity, and other language in the bid specifications and contract documents, in addition to verifying contractor/subcontractor eligibility and ensuring all required documentation is collected and maintained in project files.

### **Step 1: Obtain the Appropriate Wage Decision**

Federal regulations require that the Davis-Bacon Wage Determination in effect on the day of bid opening is the wage decision that must be used for all construction on federally funded projects.

When a modification is published less than 10 days before the opening of bids, and the City finds that there is not a reasonable time available before bid opening to notify bidders of the modification, a report of the finding is inserted in the contract file and *the wage determination in effect 10 days prior to bid opening* may be used.

An initial wage decision should be obtained before issuing the IFB and given to the Architect or Engineer to be included in the project bid specifications. Access <https://sam.gov/content/wage-determinations> in order to obtain the Davis-Bacon Wage Determination for the project.

A printed copy of the effective wage decision will be required at monitoring.

### **Step 2: Prepare Invitation for Bid (IFB)**

The City must develop an IFB that clearly identifies the services required including:

- all technical specifications required,
- any other requirements that apply to the contract, and
- instructions for preparing and submitting a bid.

Bid specifications may not identify a specific name brand or provider except if required to identify a piece of equipment necessary for the project's completion.

The applicable wage rate decision must be a part of the bid package. The bid package must also contain language explaining all labor standards requirements, which are designed to protect employee rights (in addition to other federal procurement provisions). The City may attach the Federal Labor Standards Provisions (HUD Form 4010) to meet this requirement.

**Step 3: Publish Invitation for Bid (IFB)** The IFB must be advertised in the newspaper of general circulation in the jurisdiction *at least one time not less than 14 days before the date set for the opening of bids*. The IFB must state the date, time and location for submission of bids. The legal advertisement must provide information pertaining to where the project plans and specifications may be obtained or reviewed. In order to obtain the highest level of free and

open competition, publishing the IFB in well-known trade journals and/or sending a copy of the IFB to the area's local contractors may increase the number of responses received.

#### ADVERTISEMENT FOR BIDS

The City of Battle Creek will receive electronic bids for the construction project: until \_\_\_\_\_, on \_\_\_\_\_ at Battle Creek City Hall, 10 N. Division St, Battle Creek Michigan 49014. Bids will be publicly opened and read aloud at the Bid Opening Meeting to be held on \_\_\_\_\_. Faxed bids will not be accepted.

Contract documents may be examined after in the office of Chris L. Huff, Battle Creek City Purchasing Agent, 10 N. Division, Battle Creek Michigan 49014, (269) 966-1646 x1361.

A non-mandatory pre-bid conference will be held at the project site at [time] on \_\_\_\_\_ (If applicable).

Each proposal shall be accompanied by a bidder's bond, or certified check or cashier's check, in favor of the (Owner's name), in the amount of not less than ten percent. The City of Battle Creek reserves the right to waive any informality in and to accept or reject any and all bids. No bid may be withdrawn for sixty days. Bidders must submit with their bids the non-collusion affidavit contained in the contract documents. Prevailing wages established under the Davis-Bacon Act will apply to this contract. The contract documents contain requirements addressing prevailing labor wage rates, labor standards, nondiscrimination in hiring practices, goals for minority and female participation, MBE and WBE participation, participation by Section 3 residents and businesses, and related matters.

#### **Step 4: Solicit MBE/WBE Responses**

The CDBG program requires the bidders to include MBE/WBE contractors to the best of their ability. To that end, a copy of the IFB advertisement must be distributed to MBE/WBE businesses by emailing the advertisement to [Helen Guzzo](mailto:HHGuzzo@battlecreekmi.gov) [hhguzzo@battlecreekmi.gov](mailto:HHGuzzo@battlecreekmi.gov).

#### **Step 5: Confirm Wage Rates**

Ten (10) days before bid opening, the City must check <https://sam.gov/content/wage-determinations> to determine if there have been any modifications or revisions to the Davis-Bacon wage rate decision. If it is determined during the "ten-day call" that there has been a

modification, the City will then send it as an addendum to all contractors who received the original bid package.

#### **Step 6: Conduct Pre-Bid Meeting Walkthrough (optional)**

Prior to the bid process, conduct a pre-bid meeting on all sealed bid procurements. The pre-bid meeting provides an opportunity to explain all state and federal requirements of a CDBG funded project to prospective bidders

#### **Step 7: Receive Bids**

As bid packets arrive, the time and date the bid was received from the vendor is written on the outside of the bid packet. Any bid received after the date and time due must be rejected and returned to submitter unopened.

#### **Step 8: Open Bids**

Bids must be opened and read aloud at a *public meeting, at the date, time and location stated* in the legal advertisement. The bidder's name and amount of bid must be read and recorded in the minutes of the bid opening meeting. No action should be taken at the bid opening meeting except to take the bids under advisement. Bid opening meeting minutes and a sign-in sheet of all attendees must be maintained for the project records and will be required before drawing down any CDBG construction funds.

#### **Step 9: Make Vendor Selection**

The Competitive Sealed Bid method of procurement requires that the construction contract be awarded to the lowest bidder, provided that the lowest bidder is found to be a responsive and responsible bidder. If the bids received are within the project budget, the Architect or Engineer will review all bid packages to determine if each one is responsive and responsible and verify that the bonding and certification requirements outlined in the bid specifications have been included.

Upon these reviews, the Architect or Engineer will prepare a bid tabulation sheet and a written statement recommending the lowest responsive and responsible bidder. The bid tabulation must be certified (stamped) by the project Architect or Engineer. If the low bidder is found to be unresponsive or irresponsible and is not recommended by the project Architect or Engineer, the City's legal counsel must be consulted prior to making the determination to reject the lowest bid and consider the second lowest bidder. A written legal opinion must accompany all procurement documents where the low bidder was not selected in case of a formal bid protest or litigation.

## **Step 10: Award the Contract**

After review of the bids, an award to contract with the lowest responsible and responsive bidder if his/her bid is within the budgeted amount, is completed preferably within 30 days of the opening.

CAUTION: Contracts are to be awarded within a 90-day period. If contracts are not awarded within 90 days of bid opening, any wage rate modifications that occurred within that 90-day period will apply to the contract.

If the contract is awarded to a bidder other than the low bidder, a written statement for the project file explaining why each lower bidder was deemed non-responsible or non-responsive must be written and saved in the project file.

- To be responsive, the bidder must have submitted all required documentation. However, the responsiveness criteria must be uniformly applied to all bidders. If one bidder is rejected for failing to submit a particular document, for example, all bidders failing to submit that documentation must be rejected.
  - It is required that a check of the contractor and all subcontractors' names be completed against the Federal Excluded Parties List System (available at <https://sam.gov/content/exclusions>).
  - The City must check the contractor and all subcontractors' names against the HUD Limited Denial of Participation List (available at [https://www5.hud.gov/Ecpcls/main/ECPCIS\\_List/main/ECPCIS\\_List.jsp](https://www5.hud.gov/Ecpcls/main/ECPCIS_List/main/ECPCIS_List.jsp)).
  - The City will document that the contractor and subcontractors are not on this list.
- The bidder may also be determined non-responsible if, in the City's judgment and the judgment of the consulting professional, the bid is so unreasonably low that the project cannot be constructed for the amount bid. This is often a problem with inexperienced contractors

## **Step 11: Execute the Contract**

Once the bidder is accepted and the reasonability of cost is established, the City may execute the contract and schedule the mandatory Preconstruction Conference.

Following award of the contract, the contract documents and applicable bonding and insurance must be completed and executed. Contract documents include all the items contained in the bid package as well as the executed contract, bid proposal, contractor certifications, and bond and insurance forms.

## Pre-Construction Requirements

Before any work is performed by a contractor, the Community Development staff, and any other technical advisors to the City conduct a pre-construction conference with the contractor, and any identified subcontractors, to explain contractual requirements and performance schedules. The City should prepare an agenda, and plan to utilize and distribute a pre-construction checklist as a guide to ensure that all areas are properly addressed. Items that should be covered at the pre-construction conference include, but are not limited to:

- Explain to the contractors their responsibilities with respect to labor standards and equal opportunity requirements as well as the technical job requirements.
- Obtain the contractor's Federal Identification Number and The Unique Entity ID (UEI) number registered in the System for Award Management (SAM).
- Explain that the contractor must submit weekly payrolls and statements of compliance signed by an officer of the company or person authorized by owner/officer, and that the prime contractor is responsible for securing, checking, and reviewing payrolls and Statements of Compliance from all subcontractors.
- Explain that wages paid must conform to those included in the wage rate decision included in the contract. Discuss the classifications to be used. If additional classifications are needed, contractors can request them using HUD Form 4230-A.
- Explain that employee interviews will be conducted on-site during the project to ensure compliance with prevailing wage requirements. The following form will be used to complete interviews.
- Emphasize that both a copy of the wage rate decision and the wage rate poster "[Employee Rights under the Davis Bacon Act](#)" must be posted in clear view of all employees at the job site.
- Explain that apprentice or trainee rates cannot be paid unless the apprentice or training program is registered and approved by the U.S. Department of Labor. Supervisors that spend more than 20% of their time performing covered construction work must be paid at least the prevailing hourly rate for the time spent performing such work.
- If the contract is \$100,000 or greater, explain that workers must be paid overtime if they work more than 40 hours in one week, including otherwise exempt salaried construction workers. Only a waiver from the Secretary of Labor can override the Contract Work Hours and Safety Standards Law.
- Indicate that failure to pay workers at least time and a half whenever overtime occurs violates the Contract Work Hours and Safety Standards law (more than 40 hours per week) and makes the contractor liable for not only restitution but also liquidated damages of \$32 per day for every day each worker exceeded 40 hours a week without

being paid time and a half. (The \$32 penalty amount is applicable as of January 16, 2024 and adjusts annually.

- Explain that no payroll deductions can be made not listed in the Copeland Anti-kickback Act provisions as permissible payroll deductions. In addition, some of the permissible deductions require written permission of the employee. An unidentified payroll deduction is a method used by unethical contractors to get their workers to "kickback" a portion of their pay. This is a particularly frequent problem in high unemployment and minority concentrations. Unspecified payroll deductions are a serious discrepancy and should be resolved prior to further contractor payments.
- Explain the possibility of federal debarment for violation of labor standards and equal opportunity requirements. Obtain any outstanding documents including Contractor/Subcontractor Eligibility Certifications Regarding Debarment, Suspension and Other Responsibilities.
- Provide contractor with posters for the site, including "Employee Rights under the Davis Bacon Act," as well as other worksite posters such as "Notice to All Employees Working on Federal or Federally Financed Construction Projects," "Safety and Health Protection on the Job," and "Equal Employment Opportunity is the Law." These posters are available via the DOL website. Posters are available in English and other languages, may be downloaded free of charge and printed directly from the DOL website. It is encouraged that contractors communicate information regarding employee rights in a language they understand, by translation or interpretation of required posted materials.
- If the project receives more than \$200,000 in CDBG or other HUD financial assistance, explain the contractors' requirements for Section 3 compliance.
- Inform the contractor that it is their responsibility to employ only eligible subcontractors who have certified eligibility in a written subcontract containing federal labor standards and equal opportunity provisions.
- Provide handouts explaining everything covered and obtain the contractor's signature to document receipt in Pre-Construction Meeting Checklist.
- The City should also describe the compliance review that will be conducted during the project and indicate that discrepancies and underpayments discovered because of the compliance review must be resolved prior to making further payment to the contractor. Remind the contractor that labor standards provisions are as legally binding as the technical specifications, and failure to pay specified wages will result in contractor payments being withheld until all such discrepancies are resolved.

## Federal Requirements

Most construction projects including alteration, repair or demolition, funded in whole or in part with federal dollars, must comply with federal Labor Standards Provisions. Applicable laws include the following:

- **The Davis-Bacon Act** ([40 USC Sections 3141-3148](#)) requires that workers receive no less than the prevailing wages being paid for similar work in the same locality. The CDBG regulations apply this Act to construction, alteration, or repair work of more than \$2,000 that is financed in whole or in part with CDBG or other federal funds, regardless of the CDBG amount.
- **The Copeland Anti-Kickback Act** ([40 USC Section 3145](#)) requires that workers be paid weekly, that deductions from their pay be permissible, and that contractors keep and submit weekly payrolls and Statements of Compliance.
- **The Contract Work Hours and Safety Standards Act** ([40 USC Section 3701-3707](#)) **requires** that workers receive overtime compensation for hours they have worked in excess of 40 hours in one week. This Act applies to all CDBG-assisted construction contracts of \$100,000 or more. The Act also imposes a financial penalty for failure to pay such overtime wages and requires overtime for traditionally exempt salaried construction workers. (NOTE: Overtime is required for ALL workers via the Fair Labor Standards Act including projects without federal funds.)
- **Build America, Buy America Act (BABA)** [The Build America, Buy America Act \(BABA\)](#) was signed into law by President Biden on November 15, 2021, as part of the Infrastructure Investment and Jobs Act (IIJA) as Sections 70901- 52 of Pub. L. No. 117-58. In addition to providing funding for roads, bridges, rails, and high-speed internet access, it created an incentive to increase domestic manufacturing across the country through the inclusion of BABA's "Buy America Preference" (BAP). In general, the BAP requires that all iron, steel, manufactured products, and construction materials used in infrastructure projects funded with Federal financial assistance (FFA), as outlined in Section 70914(a) of BABA, must be produced in the United States. The intent of the BAP in BABA is to stimulate private-sector investments in domestic manufacturing, bolster critical supply chains, and support the creation of well-paying jobs for people in the United States. The preference is also intended to bolster American firms' ability to compete and lead globally for years to come by requiring entities that receive Federal infrastructure funds to use American materials and products. The BABA preference for American materials and products applies to all spending on infrastructure projects by Federal agencies, including HUD. BABA only applies to infrastructure projects \$250,000 or above.

## Exceptions

There are certain exceptions to the Davis-Bacon and Copeland Anti-Kickback Acts. These acts do not apply to:

- Construction contracts at or below \$2,000. **Note** that arbitrarily separating a project into contracts below \$2,000 to circumvent the requirements is not permitted.
- Rehabilitation or new construction of residential properties containing less than eight units with CDBG funds. (NOTE: The HOME Program exempts projects of less than 12 units.)
- Non-construction related activities will not cause Davis-Bacon to apply to the whole project. These are activities such as real property acquisition, procurement of furnishings, architectural and engineering fees, procurement of modular (industrialized) and manufactured housing components, and certain pieces of equipment that would not become permanently affixed to the real property.
- Contracts solely for demolition when no construction is anticipated on the site.
- Force account labor (construction carried out by municipal employees or, in certain instances, a sub-recipient's employees).
- Volunteers are allowed, however, volunteering for part of the project and working part of the project is prohibited.

All Projects that fall under exceptions will be bid out through the Neighborly Software online bid system against a work write-up estimate provided by specialists working in Community Development. Contractors are registered with the City before any bid is accepted into the Neighborly Software management system.

## Equal Opportunity – 24 CFR 570.607

Nondiscrimination is a requirement of employment and employment practices. Employment opportunities may not be denied based on race, color, national origin, sex, age, religion, familial status, or disability. Affirmative action and equal employment opportunity policies are fundamental aspects of CDBG funded activities. The Americans with Disabilities Act modifies and expands the Section 504 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. The Equal Employment Opportunity 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.

Section 504 reasonable accommodation in employment is determined on a case-by-case basis. It means reasonable modifications on the job or in the workplace to enable a disabled person to perform the job for which she/he is qualified. Section 504 does not require the hiring or promotion of someone simply because she/he has a disability.

Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u and 24 CFR Part 75) represents HUD’s policy for providing preference for new employment, training, and contracting opportunities created from the usage of covered HUD funds to low- and very low-income resident of the community where certain funds are spent (regardless of race or gender), and businesses that substantially employ these persons.

Recipients receiving over \$200,000 in CDBG funding must comply with Section 3. Section 3 applies to all projects and activities involving housing construction, rehabilitation, or other public construction funded with CDBG funding. Section 3 is triggered when the normal completion of construction and rehabilitation projects creates the need for new employment, contracting, or training opportunities. If the expenditure of CDBG funding does not result in new employment, contracting, or training opportunities, the requirements have not been triggered.

Pursuant to 24 CFR Part 75, direct recipients of HUD financial assistance submit Section 3 reports to HUD through IDIS to determine Section 3's effectiveness. Direct recipients include public housing authorities, entitlement communities, states, and certain NOFA Grantees that utilize HUD funding for construction and rehabilitation activities. Training on Section 3 reporting can be found at this link: [Section 3 - HUD Exchange](#)

In the IDIS system, grantees that receive CDBG, HOME, or HTF funds will enter Section 3 data:

- On the accomplishment screens (CDBG, HTF) in IDIS; and
- The Consolidated Annual Performance and Evaluation Report (CAPER) will include the Section 3 compliance information entered into IDIS at the activity level along with any additional information the grantee may include within the report.

## Non-Discrimination – 24 CFR 570.602

Projects awarded CDBG funds are required to ensure that all persons are served equitably and that a person is not denied services because of their race, color, religion, national origin, sex (including gender identity and sexual orientation), familial status, or disability. Michigan law also prohibits discrimination on the basis of income source. Subrecipients must establish, amend, and/or maintain program admissions, occupancy, and operating policies and procedures (including policies and procedures to protect individuals' privacy and security), so that equal access is provided to individuals based on any of the above listed protected classes. This requirement includes tenant selection and admission preferences

## Labor Standards – 24 CFR 570.603

Like the assurances the City makes to HUD regarding environmental review and fair housing, it agrees to follow Federal labor standards on CDBG funded projects. Therefore, the following procedure must be followed in conformance with those assurances, related HUD guidelines and Federal law. The applicable requirements include:

- The Davis Bacon and Related Acts (DBRA) requires all contractors and subcontractors performing work on non-housing Federally assisted construction contracts over \$2,000 to pay their laborers and mechanics not less than the prevailing wage rates and fringe benefits for corresponding classes of laborers and mechanics employed on similar projects in the area. Non- housing activities include construction or rehabilitation of a public facility (e.g., a homeless shelter, senior center), or installation of public improvements to support affordable housing or provide benefit to low-income neighborhoods (e.g., streets, water/sewer lines).

Federal Davis-Bacon prevailing wage rate requirements may also apply to a CDBG funded housing project involving the rehabilitation of multifamily housing containing eight (8) or more assisted units.

These requirements often have an impact on the cost of projects, and carry with them significant recordkeeping procedures, so applicants are encouraged to contact staff early in their project planning for further information if a proposed project will be subject to Davis-Bacon. If it is a covered project, your solicitation documentation will need to alert contractors that Davis-Bacon requirements will apply and will need to include the appropriate Federal wage decision and other required labor provisions.

The prevailing wage rates and fringe benefits are determined by the Secretary of Labor for inclusion in covered contracts. Federal wage decisions will be made available by staff for project cost feasibility determinations upon request, or can be found here:

<https://sam.gov/content/wage-determinations>

The CDBG staff is responsible for ensuring project compliance with labor laws. Information about Davis Bacon and related labor acts is available in Chapter 16 of "Basically CDBG."

Additional information is available online at:

[https://www.hud.gov/program\\_offices/davis\\_bacon\\_and\\_labor\\_standards](https://www.hud.gov/program_offices/davis_bacon_and_labor_standards).

## Competitive Sealed Bid Checklist

- A. Procurement of Contractors - Competitive Sealed Bids
- B. Pre-Bidding Requirements
- C. Federal Requirements
- D. Bidding and Contract Requirements
- E. Pre-Construction Requirements
- F. Cost Reasonableness Estimates

### Overview of Procedures

These specific procedures are used by City to assist Contractors and Subcontractors in meeting contractual labor standards responsibilities. All major administrative and procedural activities are described in the sequence of occurring as the construction project progresses. The word "employer," as used below, refers to the Prime Contractor, each Subcontractor, or each Lower-tier Subcontractor.

Payrolls and documentary evidence of compliance with Davis Bacon is required to be sent in the delivery procedure as follows:

- Each Lower-tier Subcontractor submits required payroll documents to the respective Subcontractor;
- Each Subcontractor, after checking his own and those of each Lower-tier Subcontractor he may have, submits required documents to the Prime Contractor; and
- The Prime Contractor, after reviewing ALL payrolls and documentation, including his/her own, and correcting violations where necessary, submits all certified payroll reports to grant administration staff.

*Subcontractors Are Not Exempt from Receiving Prevailing Wage.* Davis-Bacon Act regulations specifically stipulate that independent subcontractors are not exempt from receiving weekly

prevailing wage for the classification of work which they perform. This is true regardless of any contractual relationship between the primary contractor and subcontractor. This means that it is the prime contractor's responsibility to ensure that a prevailing wage rate is paid to subcontractors performing onsite work. (Source documentation: Department of Labor Relations Letters dated January 15, 1993, and December 2, 1996.)

### **Bid Package**

The bid package shall contain the following instructions and information:

1. Notice to Bidders must contain this language: Wage determinations established under the Davis-Bacon Act will apply to this contract. The contract documents contain requirements addressing prevailing labor wage rates, labor standards, nondiscrimination in hiring practices, goals for minority and female participation, MBE and WBE participation, (include if the project cost is more than \$200,000: participation by Section 3 resident and businesses), and related matters.
2. The MBE/WBE Solicitation form MUST be completed and submitted with the bid. Failure to include this form in the bid will be grounds to disqualify a bid. If the Contractor does not intend to use a subcontractor and there are no MBE/WBE material providers in the area, the form must so indicate. Otherwise, attempts to contact MBE/WBE subcontractors and material providers must be documented.
3. It is the contractor's obligation to ensure that subcontractors are not suspended or debarred from working on federally funded contracts by searching the Internet-based Excluded Parties Listing System at [www.SAM.gov](http://www.SAM.gov).
4. On City projects, the CDBG staff will assist the Public Works or Parks Department with reviewing subcontractors to ensure they are not suspended or debarred from working on federally funded contracts.
- 5.) Bonding Requirements: Section 200.325 permits the City to accept the recipient's bonding policy and requirements if it has determined that the Federal interest is adequately protected, and if not, the minimum requirements (abbreviated) are as follows:
  - A Bid guarantee from each bidder equivalent to five percent of the bid price. The "bid guarantee" shall consist of a firm commitment such as a bid bond, certified check or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of his bid, execute such contractual documents as may be required within the time specified.

- A performance bond on the part of the contractor for 100 percent of the contract price. A “performance bond” is executed in connection with a contract to secure fulfillment of all the contractor’s obligations under such contract. Performance Bonds must be obtained from companies listed in OMB Circular 570.
- A payment bond on the part of the contractor for 100 percent of the contract price. A “payment bond” is executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

6.) Procurement of Recovered Materials 24 CFR 200.322: The City and its contractors must comply with 24 CFR 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and, establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

7. The environmental review must be completed prior to publishing the bid advertisement.

#### **Davis Bacon**

The grantee may access Federal wage rate decisions through the internet at:

<https://sam.gov/content/wage-determinations>.

Federal wage determinations are issued for four categories: Building, Residential, Heavy, and Highway. It is important to understand the differences when determining which rate category to request to avoid paying wages from an inappropriate determination:

- **Building** construction includes the construction of sheltered enclosures with walk-in access for housing persons, machinery, equipment, or supplies. This includes all construction within and including the exterior walls, both above and below grade.
- **Residential** projects involve the construction, alteration, or repair of single-family houses or apartment buildings no more than four stories tall.
- **Heavy** construction is considered for all construction not properly classified as highway, residential, or building. Water and sewer line construction will typically be categorized as heavy construction.
- **Highway** projects include construction, alteration, or repair of roads.

The labor clauses, which are contained in [HUD-4010](#), and the applicable wage rate decision (and any additional classifications) must be a physical part of the bid package. The labor clauses obligate the contractor to comply with the Davis-Bacon wage and reporting requirements and provide remedies and sanctions should violations occur.

- The wage determination must be included in the original bid package. Ten days prior to bid opening, the grantee must check to see if the wage decision has been modified. If so, grantees should notify all potential bidders appropriately in conformance with local procurement procedures.
- If a contract has been awarded but construction has not yet begun within 90 days of the award, the grantee must also determine if any modifications have been made to the wage decision. If so, the contractor must adhere to the modified wage decision.

# CHAPTER 5: MONITORING

During the implementation of its CDBG Program, the CDBG staff is responsible for internal reviews. Oversight and monitoring of subrecipients is not a one-time event, but rather an ongoing process during which staff have an opportunity to ensure their internal systems are sound and to build relationships with subrecipients. While monitoring activities differ depending on the type of CDBG program or project being administered, monitoring begins with determining whether projects are eligible and concludes with closing out grants and/or long-term monitoring of certain projects. The CDBG staff oversees the following sub-recipient flow of activities to ensure compliance with CDBG regulations and procedures:

- Eligibility Verification
- Procurement
- Pre-Construction
- Construction
- Reimbursement requests
- Invoice/change order requests
- Project completion

The City's monitoring process follows the standards and procedures detailed in HUD monitoring handbooks, guidelines, and technical assistance publications. See CPD Monitoring Handbook 6509.2. Monitoring exhibits can be found in this handbook. The objectives are to ensure that subrecipients:

- Carry out their CDBG-funded projects in a timely manner, as described in their agreements (as modified or amended);
- Determine if any conflicts of interest exist in the operation of the CDBG program, per [24 CFR 570.611](#);
- Comply with all regulations governing their administrative, financial, and programmatic operations;
- Achieve their performance objectives within schedule and budget;
- Have continuing capacity to carry out the approved program or project;
- Maintain required records to demonstrate compliance with applicable regulations; and
- Comply with the Federal monitoring requirements of [24 CFR 570.501\(b\)](#) and with [24 CFR 200.329](#) as applicable.

## Subrecipient Oversight

The City of Battle Creek's Community Development Division has developed the following "Guidelines for Non-Profit Organizations under CDBG Contract with the City of Battle Creek" manual to assist those agencies' compliance with federal, state, and City requirements. These guidelines were developed as part of the City's efforts to clearly define expectations with agencies for accountability and contract compliance.

Monitoring subrecipients should maximize Grantee resources by directing efforts to those Grantees that are at the greatest risk for non-compliance. To ensure full compliance with the regulations, the City takes a proactive approach to monitoring, including desk monitoring and on-site monitoring that involves several tasks throughout the program year.

Monitoring provides information for making informed judgments about program effectiveness and management efficiency, as well as identifying internal weaknesses that may contribute to fraud or abuse.

The procedures established are to ensure program compliance with the requirements of all other applicable laws and regulations. Monitoring of subrecipients shall concentrate on program, financial, and regulatory performance of the subrecipients, including subrecipients of capital improvement project funds. Primary monitoring objectives are to make sure that subrecipients comply with all regulations governing administrative, financial, environmental review and programmatic operations.

In conducting monitoring and performance reviews, staff will primarily rely on information obtained from the subrecipient'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 subrecipient.

At the time of contract execution, the CDBG staff shall develop and implement a monitoring schedule for all new subrecipients. Previously funded subrecipients shall be monitored as per risk assessment established by staff based upon grant amounts, reporting and performance. Monitoring will be a combination of on-site monitoring and desk monitoring. Documentation of on-site monitoring should be included in the project file. Documentation will include correspondence, and checklists that ensure the sub-recipients maintain all records required by the Federal regulations specified in 24 CFR 570.506 that are pertinent to the activities funded under the subrecipient agreement. Such records shall include but are not limited to:

1. Records providing a full description of each activity undertaken;
2. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG Program 24 CFR 570.208;
3. Records required to determine the eligibility of activities;
4. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
5. Records documenting compliance with the Fair Housing and Equal Opportunity components of the CDBG programs;
6. Finance records as required by 24 CFR 570.502;
7. Records of affirmative action in equal opportunity employment, and its good faith efforts to identify, train, and/or hire lower-income residents of the project area and to utilize businesses that are located in or owned in substantial part by persons residing in the area of the project.
8. Records containing the following information for each applicant and each assisted person:
  - a. Name of the household or person assisted;
  - b. Income category per IDIS quarterly reporting (i.e. extremely low-income (0-30% AMI), very low-income (31-50% AMI), or low/mod income (51-80% AMI);
  - c. Racial/ethnic data;
  - d. Gender data; and
  - e. Disability status.

## Desk Monitoring Steps

The following summarizes the minimum actions needed to complete a remote monitoring: The CDBG staff will do the following:

1. Establishes monthly monitoring dates with the Subrecipient as part of the Subrecipient Agreement process.
2. Provides a list of what documentation is required and by what dates.
3. Reviews submitted documentation.
4. Follow-up with Subrecipient as needed.

## Desk/Remote Monitoring Review Items

The following is the minimum number of items that should be part of a remote monitoring review:

1. Review each draw to ensure the activities submitted comply with the stated requirements in the Subrecipient Agreement. Supporting documentation (e.g., demographic data, payroll, etc.) must be provided and reviewed prior to reimbursement.
2. Review relevant documentation including audits and other financial documents, program enrollment/eligibility information, project estimates, conflict of interest statement or policy, and anything else required to determine compliance.

## On-Site Monitoring Steps

On-site monitoring reviews are more comprehensive and will need to occur at least once per activity or project for new subrecipients. Subrecipients that have managed prior CDBG-funded projects or activities will generally not need on-site reviews unless they have had problems with their program, e.g., staff turnover, unresponsive, untimely, etc. The following summarizes the minimum actions needed to complete an on-site monitoring review:

1. The City sends a notification letter.
2. Entrance conference.
3. Monitoring visit.
4. Exit conference.
5. Follow-up monitoring letter and report.
6. File monitoring documentation

## On-Site Monitoring Review – Comprehensive Process

The key document in the monitoring process is the subrecipient agreement. The agreement details all pertinent regulations, certifications and project schedule, deliverables, and budget that the subrecipient must comply with in carrying out project activities. The agreement, with the guidance provided by this manual, also details the performance measures that the subrecipient must meet, including the documentation required to substantiate both performance and compliance.

Site visit monitoring procedures include the following five basic steps:

1. Issue Notification Letter:
  - a. Confirm the dates and the scope of the monitoring.
  - b. Describe the information you want to review during your visit.
  - c. Specify the expected duration of the monitoring, which of your staff will be involved, what office space you require, and what members of the sub-recipient's staff you need to talk with.
2. Conduct Entrance Conference:

- a. Sub-recipient staff clearly understand the purpose, scope, and schedule of the monitoring.
- b. Documentation, Data Acquisition and Analysis:
- c. Annotate the monitoring checklist with notes about case numbers, statistics, or financial figures.
- d. Review and analyze the sub-recipient's written policies obtained from the file reviews, onsite inspection of projects, or discussions with sub-recipient.

3. Conduct Exit Conference with the following objectives:

- a. To present preliminary results of the monitoring visit.
- b. To provide an opportunity for the sub-recipient to correct any misconceptions or misunderstandings.
- c. To secure additional information from sub-recipient staff to clarify or support their position.
- d. For any deficiency that the sub-recipient agrees with, to provide an opportunity for subrecipient staff to report on steps they are already taking to correct the matter.
- e. To give the sub-recipient an opportunity for questions and additional technical assistance.

4. Prepare Follow-up Monitoring Letter:

- a. Include background information: Contract number of grant monitored; Date(s) of monitoring; names(s) of CDBG staff who monitored; scope of monitoring; names of local officials involved in the monitoring visit.
- b. Describe any deficiencies formally and quickly in a letter that also includes recommendations or requirements for improvement. Deficiencies may be findings or concerns, and each may result in recommendations with varying consequences depending on the issue.
  1. Finding: A Finding is a deficiency in program performance based on a statutory, regulatory, or program requirement for which sanctions, or other corrective actions are authorized. Sanctions and actions may include time to correct the issue giving rise to the finding, repayment of funds, conditions on future funding, etc.
  2. Concern: A Concern is a deficiency in program performance not based on a statutory, regulatory, or other program requirement. Grantee issues a Concern about program design or operations, when upon review, the

practice could, if not corrected, result in noncompliance with a statutory, regulatory, or program requirement. Concerns result in recommendations for actions that the grantee must take to correct the concern.

- c. Create a permanent written record of what was found during the monitoring review.
- d. Document noncompliance with the rules and regulations of the CDBG program and ensure finding:
  1. Is accurately identified;
  2. Is based on applicable law, regulation, or program policy;
  3. Is supported by the facts presented in the monitoring letter;
  4. Identifies corrective actions and time limits for correction;
  5. Identifies concerns that are documented with specific recommendations for improvement; and
  6. Offers technical assistance, if appropriate.

The results letter will be sent after the monitoring visit within 60 days of monitoring or earlier, if possible, particularly if there are major findings. Subrecipients must confirm via written response, addressing any issues, upon receipt of the monitoring finding letter. Copies of supporting documentation demonstrating that corrective action has been taken will be required. Failure by the subrecipient to correct deficiencies may result in funds being withheld and restrictions on future grants.

Monitoring is a tool to assist both the agency and the City in providing needed services to low- and moderate-income individuals. Effective programs are our goal and being effective within HUD's and the City's guidelines is our challenge. Monitoring is not a "gotcha" tool, but rather a means of technical assistance to guide agencies toward effective programs that meet low- and moderate-income individual's needs.

## IDIS Quarterly Reporting

The CDBG staff will input quarterly data and accomplishments into IDIS following the review and/or monitoring of all subgrantees throughout the project year. The CDBG staff will also evaluate reported data for accuracy and consistency and confirm with subrecipients. This should help improve the accuracy and timeliness of the overall Consolidated Annual Performance and Evaluation Report (CAPER) prepared at the end of the year. As described in this manual and established in the specific Subrecipient Agreement, each subrecipient must submit data quarterly. The City will withhold reimbursements if a subrecipient fails to report according to the established schedule. The City will also withhold a percentage of the grant

award for all subrecipients until the end of the program year to ensure all reporting requirements are met.

## Risk Assessment

For programs and projects, grantees should perform a risk assessment to identify which subrecipients require comprehensive monitoring. High-risk subrecipients include those that are:

- New to the CDBG program;
- Experiencing turnover in key staff positions or a change in goals or direction;
- Encountering complaints and/or bad press;
- Previous compliance or performance problems including failure to meet schedules, submit timely reports, or clear monitoring or audit findings;
- Carrying out high risk activities (e.g., economic development), and/or undertaking multiple CDBG-funded activities for the first time;
- Program Management – City staff experiences persistent difficulties with respect to management of the subrecipient;
- The subrecipient was not monitored during the previous year; and
- The subrecipient receives CDBG Program Income from its activity.

A sample risk assessment can be found at [CDBG Subrecipient Oversight Guidebook: Risk Analysis Matrix \(hudexchange.info\)](https://hudexchange.info/).

## Corrective and Remedial Actions - 24 CFR 570.910

A subrecipient's failure to perform under the terms of the contract with the City and/or maintain records in the prescribed manner may result in a finding that the subrecipient has failed to meet the applicable requirement to which the contract with the subrecipient pertains. If staff finds that a recipient has failed to comply with program and/or contract requirements or has failed to meet a performance criterion, staff will take the following steps:

1. Issue a letter of warning advising the recipient of the deficiency and putting the recipient on notice that additional action will be taken if the deficiency is not corrected or is repeated;
2. Recommend, or request the recipient to submit, proposals for corrective actions, including the correction or removal of the causes of the deficiency. City staff will offer technical assistance to subrecipients when monitoring indicates less than complete compliance with CDBG regulations or contract requirements. Such assistance may include providing applicable copies of regulatory standards for CDBG and the Uniform

Administrative Standards at 2 CFR 200. In addition, a copy of the [Playing by the Rules](#) guidebook for subrecipients may be provided.

3. Withhold any CDBG funding until issues are corrected and/or terminate Subrecipient Agreement.

If the subrecipient fails to undertake appropriate corrective or remedial actions which resolve the deficiency to the satisfaction of the City, the CDBG staff may take actions to either mitigate, to the extent possible, the adverse effects or consequences of the deficiency, or prevent a recurrence of the deficiency by terminating the Subrecipient Agreement, suspending disbursement of any funds, and seek reimbursement from the subrecipient of all grant funds improperly expended. Prior to a reduction, withdrawal, or adjustment of a grant or other appropriate action, the recipient shall be notified of such proposed action and given an opportunity within a prescribed time for an informal consultation. These actions may include but are not limited to the following:

- Advise the subrecipient in writing that additional assurances are required;
- Advise the subrecipient to suspend disbursement of funds for the deficient activity; or
- Advise the subrecipient to reimburse the City CDBG Program any amounts improperly expended.

The City 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.

## Contractors

In addition to monitoring subrecipients, the City conducts regular oversight of contractors engaged to perform services because of procurement. The procurement process tends to be more rigorous for contractors, while the administrative and monitoring requirements tend to be greater for subrecipients. Oversight for contractors will follow the terms of the written agreement between the City and the contractor.

# CHAPTER 6: REPORTING

In addition to the Consolidated Evaluation and Performance Report (CAPER) required at the end of every program year, other reports are required.

## Other Federal Reporting

The CDBG staff must ensure that expenditures of CDBG funds are drawn down from the U.S. Treasury on a timely basis, per [24 CFR 570.902](#). The CDBG staff must also prepare and submit the following four (4) periodic reports throughout the program year:

- The SF-425 Federal Financial Report (Cash on Hand)
- The Contract- Subcontract Activity Report
- The Semi- Annual Labor Standards Enforcement Report

Each of these reports documents and certifies critical program compliance information used by HUD to assess the City's risk as part of HUD's annual risk assessment to determine which Grantees will receive on-site monitoring visits. For this reason, it is critical that each periodic report is prepared accurately and submitted to HUD promptly.

### SF-425 Federal Financial Report

HUD requires CPD grant recipients to periodically submit reports on the financial progress of the CDBG grant. The Office of Management and Budget consolidated the two most common financial reports, the Financial Status Report (FSR or SF-269/SF-269A) and the Federal Cash Transaction Report (FCTR or SF- 272/SF-272A), into a single form known as the SF-425 Federal Financial Report. This consolidation established government-wide standards for reporting periods and due dates. Entitlement Communities are required to complete the Cash on Hand Quarterly Report and submit it to the grantee's HUD local field office through IDIS.

Instructions for IDIS Cash on Hand Quarterly Report can be found here:

<https://www.hudexchange.info/resource/5947/instructions-for-idis-cash-on-hand-quarterly-report/>

The City Finance Department is responsible for submitting this report within 15 days after each quarter.

### Semi-Annual Labor Standards Enforcement Report

The [Labor Standards Enforcement Report \(form HUD-4710\)](#) is required by the Department of Labor (DOL) to ensure compliance with Davis-Bacon, Contract Work Hours and Safety Standards Act, and other related labor acts and standards. HUD collects information from state and local agencies to document enforcement activities of all HUD programs, and reports to DOL. HUD's Office of Davis-Bacon & Labor Standards' national [home page](#) includes a fill-able form and

instructions for all reports. The information reported consists of two parts. Part I is about contracting activity for work awarded during the reporting period. The number of primary contracts and total dollar amount is entered into the report. Each project name is listed with brief descriptive information including the bid opening date, contract award date, and construction start date.

Part II gathers enforcement activity information for all contracts, regardless of the award date or when construction began. If any complaints have been made against contractors/subcontractors, the names of these individuals are listed along with the projects of concern. If any employee was referred to HUD Labor Relations or DOL staff for investigations, for hearings on appeal and/or debarment hearings the employee is listed in this report along with the project and the agency (HUD or DOL) to which the case was referred and the reason for referral. Information on wage restitution collected and/or disbursed during the reporting period is also collected.

**This report is required semi-annually. Reporting periods are from October 1 through March 31 and April 1 through September 30.** They are due on those dates to HUD. You must send them directly to the HUD Labor Relations Specialist. Track the data necessary to complete this report all year or fill it out periodically with new information to make it easier to meet the deadlines. The spreadsheet should be saved for recordkeeping purposes. HUD typically sends a reminder e-mail shortly before the reporting period ends.

Submitted via email to Miguel Garcia, Labor Specialist, Detroit HUD Field Office at [Miguel.a.garcia@hud.gov](mailto:Miguel.a.garcia@hud.gov).

# CHAPTER 7: CLOSEOUT

The CDBG staff must close out each activity once a final invoice is submitted by the subrecipient, all activities have been completed, all monitoring issue(s) are resolved, and all reporting is complete in IDIS.

Closeout is an integral internal management process by which programmatic, financial and management staff verify that appropriate records demonstrating compliance with all applicable HUD regulations is on file and ready for audit. These documents should provide a comprehensive record of project activities, beneficiaries, and total cost. The City must maintain these records to demonstrate that it has met its obligations to HUD as delineated in the Action Plan certifications that are signed and submitted to HUD with form SF-424 and the CDBG grant agreements terms and conditions.

## Completion in IDIS (Beneficiary Data)

The CDBG staff will implement closeout procedures as part of IDIS activity completion and the preparation of the CAPER. Prior to completing the activity in IDIS, staff will verify records demonstrating that each CDBG activity has complied with 24 CFR Part 570 and all City procedures have been followed in the implementation of each activity. The information in each project file should be organized such that anyone from HUD or the public could gain a clear understanding of what transpired during the grant cycle. The City should not share certain eligibility information, such as an individual's income, with members of the public.

The typical steps to close-out a CDBG activity include:

- Document Compilation and Recordkeeping
- Supplemental Documents (if applicable)
- Acceptance of Summary Report
- Reconcile any open purchase orders and prepare a Final Draw
- Notification of Project Completion
- Close Project in IDIS

## Records and Retention

Subrecipients must adhere to HUD's recordkeeping requirements as contained in [24 CFR Part 570 Subpart J](#). In general, records are to be retained for 5 years from the date of the final draw and the closing of the activity, if there are litigation, claims, audit, negotiation, or other actions involving the records, which have started before expiration of the 5-year period they will be retained longer.

The City maintains a separate file for each CDBG activity. The following items should be included (digital or paper file):

- Pre-award assessment (as applicable)
- Application
- Conflict of interest certification
- Activity Background Information
- Eligibility Determination
- Environmental Review Record and Determination
- Correspondence – letters, emails, notes to the file
- Most recent audit (if Federal over \$750,000)

## Eligibility Determination

Records demonstrating that each activity undertaken meets one of the criteria set forth in [570.208](#), for meeting a National Objective under the CDBG program. All services provided with CDBG funding are required to be City of Battle Creek residents.

## Environmental Review Record and Determination

Each project has an environmental review record (ERR) and determination consisting at least of the accepted HUD format or entered into the HEROS system. The CDBG Staff should maintain the full ERR and related HUD approvals, important correspondence, etc. in the project file as needed.

# Appendix 1: Staff Resources

If you are new to the City of Battle Creek CDBG Program, it is important to introduce yourself to key contacts and register for necessary systems and training, reach out to your Division Supervisor for guidance and support. Depending on your role and with guidance from your Supervisor start by completing the following tasks:

- Send an introductory email to HUD contacts;
- Send an introductory email to local contacts;
- Send an introductory email to Environmental Review contacts;
- Review [IDIS for CDBG](#) Entitlement manual;
- Request access to [IDIS](#) and [HEROS](#);
- Review [Basically CDBG for Entitlements](#) guide and look for upcoming trainings on the NCDA website; and
- Complete the [Web-Based Instructional System for Environmental Review \(WISER\)](#) training

It is important to ensure that staff receive the appropriate information and training complete tasks according to CDBG regulations and other requirements. Staff are required to attend available CDBG training courses and participate in webinars as needed to keep informed and current on HUD regulations. Staff should report latest information via e-mails. The Community Development Supervisor will [subscribe](#) to HUD notices sent via e-mail.

## Online Resources

The Community Development Supervisor is responsible for gathering information from all these sources, determining how it affects our program, and educating those involved. Sources include:

1. [National Community Development Association](#) (NCDA): National Community Development Association (NCDA) is a nonpartisan national nonprofit organization comprised of more than 400 local governments across the country that administer federally-supported community development, economic development, and affordable housing programs, including programs of the U.S. Department of Housing and Urban Development (HUD), Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME) programs.
  - [Basically CDBG](#)
  - Subrecipient Management
2. [Web-Based Instructional System for Environmental Review \(WISER\)](#): WISER is an online training with multiple modules that will teach the intricacies of environmental reviews

and the information to input in the HEROS system. Each module includes an assessment and certificate. City of Battle Creek CDBG staff must complete the following modules:

- Getting Started: Part 58
- Getting Started: Tools and Resources
- Site Contamination
- Water Elements
- Historic Preservation
- Explosive and Flammable Materials
- Noise Abatement and Control
- Environmental Justice
- Air Quality
- Endangered Species
- Farmlands

3. [CDBG Training Modules](#): provide video training modules components of the Community Development Block Grant (CDBG) program. The subjects featured are:

- Statute, Regulations, and National Objectives
- State CDBG Program
- Administration, Planning, and Financial Management
- Housing and Real Property
- Public Facilities, Public Services, and Other Activities
- Economic Development
- Section 108 Loan Guarantee Program
- IDIS, Performance Measurement, and Reporting

4. [Basically CDBG for Entitlements](#): training was developed to guide and assist Community Development Block Grant (CDBG) Entitlement grantees in the implementation of their programs. From national objectives and eligible activities to the details of administration, financial management, and other federal requirements, these resources are valuable for every CDBG program practitioner.

5. [Guide to National Objectives and Eligible Activities for CDBG Entitlement Communities](#): Guide is intended for public officials and citizens seeking to understand what activities are eligible to be assisted under the Community Development Block Grant (CDBG) Entitlement Program and to guide them in making wise choices among certain alternatives available within the program for carrying out particular activities

6. [CDBG Best Practices Webinar Services: Grant Oversight Strategies](#): In this webinar, a panel of four Community Development Block Grant (CDBG) grantees from across the country shared best practices in CDBG grant oversight strategies.

7. [CDBG Best Practices Webinar Series: Prioritizing Greatest Need Activities](#): In this webinar, a panel of four Community Development Block Grant (CDBG) grantees from

across the country shared best practices for prioritizing CDBG funds for activities with the greatest need in the community.

8. [CDBG Income Survey Toolkit](#): provides resources and information on how to conduct a local income survey that meets HUD's guidelines for the Community Development Block Grant (CDBG) program. The goal of an income survey is to help determine the percentage of low- and moderate income (LMI) persons in the service area of a CDBG-funded activity.
9. [Ensuring CDBG Subrecipient Timelines](#): This guidebook identifies management techniques that CDBG grantees can incorporate into their day-to-day operations to inject a timeliness perspective into the selection and oversight of activities undertaken by subrecipients. This publication also offers some possible short-term and long-term solutions for situations where subrecipients are not conducting their activities in a timely manner.
10. [Playing by the Rules: A Handbook for CDBG Subrecipients on Administrative Systems](#): This handbook is intended for Community Development Block Grant (CDBG) subrecipients. The handbook is designed to help subrecipients understand the administrative requirements that apply to the use of federal funds for the delivery of CDBG programs and activities.
11. [Managing CDBG: Guidebook for CDBG Grantees on Subrecipient Oversight](#)
12. [URA the HUD Way Training Modules - HUD Exchange](#)
13. [CDBG Crosscutting Issues Toolkit](#): Crosscutting issues allow Entitlement and State grantees to find information on financial management, environmental review, labor standards, acquisition, relocation, and fair housing.
14. [Section 3](#) - HUD Exchange

## Appendix 2: City Participation Plan

The objective of the City of Battle Creek's Citizen Participation Plan is to encourage citizen involvement in the development of the City's Consolidated Plan, Annual Action Plan, and performance reports. The Citizen Participation Plan also includes provisions defining substantial amendments to the Consolidated Plan, Annual Action Plan, and changes to the Citizen Participation Plan and fostering citizens input on such amendments. The participation of low- and moderate-income residents is particularly encouraged, the City's Citizen Participation Plan is intended to facilitate the participation of all Battle Creek residents including minorities, non-English speaking persons, persons residing in blighted areas, and persons with mobility, visual or hearing impairments. The Citizen Participation Plan outlines how this input will be encouraged.

The City of Battle Creek intends to foster the participation of public and assisted housing residents as well as recipients of tenant-based rental assistance in the development and implementation of the Consolidated/Annual Plan. Low- and moderate-income residents of areas where CDBG, HOME, or other development assistance is to be targeted will be involved in the process of preparing and carrying out the Consolidated/Annual Plan.

Possible vehicles for this level of participation may include public hearings, neighborhood meetings, Consolidated Planning Workshop meetings, Neighborhood Planning Council meetings, in-home meetings, direct mail solicitation, presence at public events, surveys, online meetings, and any other means determined to be effective. Information will also be provided to the Battle Creek Housing Commission on Consolidated Plan activities which might impact its developments so this information can be made available at the Housing Commission's annual public hearing on the Public Housing Agency Plan.

In an effort to promote the use of plain language in this document, the following outline has been created. The policies and procedures in this Citizen Participation Plan relate to several stages of action mentioned in law or regulation. In general, these stages or events include:

1. Identification of housing and community development needs.
2. Preparation of a draft use of funds for the upcoming program year called the proposed Annual Action Plan. Sometimes there might also be the development of a proposed Five-Year Strategic Plan, called the Consolidated Plan.
3. Formal approval by the Battle Creek City Commission of the final Annual Action Plan and/or the Five-Year Consolidated Plan.
4. On occasion during the program year, it might be necessary to change the use of the money already budgeted in an Annual Action Plan, or to change the activities funded with these monies. In that case, a formal Substantial Amendment will be proposed, considered and acted upon.
5. After a program year is complete, a performance report must be drafted for public

review and comment, and then sent to the Department of Housing and Urban Development (HUD).

## Community Development Advisory Council and Neighborhood Planning Councils

**Community Development Advisory Council:** One of the many ways the City of Battle Creek encourages citizen participation in the Community Development Block Grant (CDBG) process is through the Community Development Advisory Council (CDAC). The primary responsibility of the CDAC is to assist the Battle Creek City Commission in developing strategic priorities for the Five Year Consolidated and Annual Action plans. These strategic priorities help determine how CDBG funds are allocated to address community needs.

When funds are made available to outside agencies, either in the form of Public Service grants (up to 15%) or non-city programming of remaining CDBG funds, proposals will be scored against the strategic priorities using criteria developed by local content experts (including city staff) and approved for use by a majority vote of the CDAC. The CDAC reviews the scoring of proposed non-city CDBG grant projects and makes scoring recommendations consistent with the objectives of the federal government (i.e., decent housing, suitable living environment, and expanding economic opportunities), the priorities identified in the City's current Consolidated Plan, as amended, and with other locally adopted priorities, as applicable.

Based on the scoring of the projects, recommendations will then be made by the CDAC and the City Administration to the City Commission regarding activities to be funded and funding levels.

The CDAC membership will consist of 9 to 15 members and one "ex-officio" staff member who will not have voting privileges. CDAC representation will be as follows:

### *Up to Five (5) Neighborhood Planning Council (NPC) members*

*(No more than one from each active NPC. NPC's with a CDBG Revitalization Area within their boundaries will be given the opportunity to recommend an appointment first. If they do not, recommendations will be solicited from other NPC's, starting with NPC's that have low/moderate income areas within their borders. If any of the NPC slots remain unfilled, they can be filled by an "at-large" appointment, or by the City Commission appointment of someone from within that NPC area.)*

### *Seven (7) at-large members*

*(At least three (3) at-large members must be Low/Moderate income persons or residents of low/moderate income areas. Additional at-large members may be representatives from philanthropic or nonprofit agencies that serve Low/Moderate income persons or low/moderate income areas. Nonprofit representatives will be from organizations that will not seek CDBG funding.)*

### *Up to three (3) City Commissioners*

*First consideration for these appointments will be representatives of Wards with low/moderate income concentrations.)*

### *One (1) "ex-officio", nonvoting City staff member.*

Appointments to the CDAC will be made by the City Commission, with recommendations from the City Manager. Appointment of CDAC members will be for three-year, staggered terms.

All CDAC meetings are open to the public and are subject to the Michigan Open Meetings Act, Public Act 267 of 1976, as amended (MCL Section 15.261 *et seq.*). The structure of the CDAC may change periodically based upon changes in federal focus or other community needs and priorities. The CDAC only convenes during years where funds for public service or non-city CDBG grants are made available.

**Neighborhood Planning Councils:** Another avenue for citizen participation in the consolidated planning process is the Neighborhood Planning Councils. The City of Battle Creek is divided into 8 neighborhoods, each of which has its own NPC. Councils are comprised of between 9 and 25 members, who are nominated by sitting council members and appointed by the City Commission. Members serve three year terms and must be a person having a demonstrable or substantial interest within the defined boundaries of the Council Area.

As advisory bodies to the City Commission, it is a function of NPC's to assist in the development of neighborhood development plans, which may include submitting recommendations regarding policy, assessing neighborhood needs, appointing a representative to the CDAC, reviewing program plans, monitoring Community Development programs, and recommending development and improvements within the council neighborhood boundaries. Final decisions with respect to such recommendations are made by the Battle Creek City Commission.

NPC's may review and update public input that has been gathered for the creation of the five-year Consolidated Plan as well as any subsequent public input that has a bearing on their neighborhood. These updates may take the form of an updated needs assessment, a list of recommendations, and/or a neighborhood plan. The updates will be provided to the CDAC, and the City Commission as well as included in the Annual Action Plan.

### **Access to Information and Records**

As a part of the Consolidated Planning process, the City of Battle Creek will make available to citizens, public agencies, nonprofit organizations, and other interested parties the following information:

- The total amount of assistance the City expects to receive (including grant funds and program income);

- The types of activities which may be undertaken with these funds;
- The estimated amount of funding which will be committed to activities benefitting low and moderate income persons; and
- The City's plans to minimize displacement of persons along with its plans to provide assistance to any persons who will be displaced including a description of the types and levels of assistance to be made available.

All relevant documents and records (e.g., Consolidated Plan, Annual Action Plan, Citizen Participation Plan, any Plan amendments, and Consolidated Annual Performance and Evaluation Report (CAPER)) are available during normal business hours in the Community Development Department, 10 N. Division Street, Room 117, Battle Creek, MI. This office is handicapped accessible. These documents are also available on the City's website at [www.battelcreekmi.gov](http://www.battelcreekmi.gov). These documents and associated records are available to all citizens, public agencies, and other interested parties and provide useful information on the Consolidated Planning process as well as Battle Creek's use of funds over the past five years. A reasonable number of copies of these relevant documents will be provided to the public free of charge and within two working days of the request.

In addition, an executive summary of the Consolidated Plan is available on the Internet at the U.S. Department of Housing and Urban Development's home page (<http://www.hud.gov/>). The executive summary is located in the "Cities, Neighborhoods and Communities" section of this home page.

## Public Hearings

The City of Battle Creek will hold at least four public hearings during each program year in order to obtain citizens' views, respond to proposals, address questions, and provide important program information.

One of the public hearings will be held in the Fall of each program year. The purpose of this hearing is to garner citizen input on the City of Battle Creek's annual performance report of CDBG and HOME activities.

A public hearing will also be held in the Winter of each program year. The purpose of this hearing is to solicit citizen input on Battle Creek's housing and community development needs and to provide suggestions to the City on activities to be undertaken. This public hearing will be held after the Consolidated Planning Workshop meetings have been completed, but prior to and outside of the formal 30 day comment period on the Consolidated/Annual Plan. This hearing will serve to solidify the input gathered and priorities agreed upon during the Consolidated Planning Workshop meetings.

Another public hearing will be held in the spring to obtain citizen comments on and to review the proposed activities and budget. The Proposed Budget and Projected Use of Funds will be presented during this public hearing.

Lastly, a public hearing will be held in March/April of each program year to receive citizen comments on the proposed Consolidated/Annual Plan. The public hearings for the budget and the proposed Consolidated/Annual Plan may be combined.

Together, these four public hearings and the various Consolidated Planning Workshop meetings will address housing and community development needs, development of proposed activities, and a review of program performance.

### **Notice of Public Hearings**

At a minimum, notice of any public hearing on the Consolidated/Annual Plan, Citizen Participation Plan, substantial amendments to the Consolidated/Annual Plan or Citizen Participation Plan, and performance report will be published in a prominent newspaper advertisement and will appear not less than 14 days prior to any public hearing. This advertisement will clearly state the purpose of the hearing, provide pertinent background information, provide the time of the hearing, and the location of the hearing. In addition, efforts will be made, that may include letters, press releases, public service announcements, and postings to notify sub-recipients and sub-agents, other service providers, religious organizations located in low and moderate income areas, the local media, target neighborhood residents, and residents of public and other assisted housing of upcoming public hearings.

Also, written notice of upcoming public hearings will be mailed to any person or organization that contacts the Community Development Department requesting to be added to a mailing list.

All public hearings will be held in the City Commission Chambers, City Hall, Room 301, 10 North Division Street, Battle Creek, MI, during a regularly scheduled City Commission meeting. City Commission meetings are held on the 1<sup>st</sup> and 3<sup>rd</sup> Tuesday of each month at 7:00 p.m. City Hall is centrally located for all potential and actual beneficiaries of these federal funds. The City of Battle Creek will provide necessary and reasonable auxiliary aids and services, such as signers for the hearing

Impaired and audio tapes of printed materials being considered in the meeting with seven (7) days' notice to the City of Battle Creek. Individuals requiring auxiliary aids or services should contact the City of Battle Creek by writing or calling the following: City of Battle Creek, Office of the City Clerk, 10 N. Division Street, Room 111, Battle Creek, MI, 49014, (269) 966-3348.

### **Consolidated Planning Workshop Meetings**

During the years when the City prepares its five-year Consolidated Plan, it will conduct several Consolidated Planning Workshop meetings. The primary purpose of these meetings will be to gather information on the housing and community development needs of Battle Creek. These meetings help set the funding priorities for the five year plan, set the parameters for the Request for Proposals for agency grant applications (when applicable), guide advisory

groups and the City Commission in the allocation process, and ultimately inspire the proposed activities to be funded with the federal funds.

These Consolidated Planning Workshop meetings will be held at a variety of times and places to enable the City to reach every potential and actual beneficiary of these federal funds. At a minimum, Consolidated Planning Workshop meetings will be held in the identified low and moderate income neighborhoods. In addition, other Consolidated Planning Workshop meetings may be held with agency personnel, public housing residents, disabled persons, non-English speaking persons, and other groups as needed.

Efforts will be made to hold these meetings in community centers, churches, schools, or any other setting that will be welcoming and comfortable for the anticipated attendees. Efforts will also be made to vary the meeting times from morning, afternoon, and evening hours to accommodate all interested persons.

### **Notice of Consolidated Planning Workshop Meetings**

The City of Battle Creek will develop a “master list” of all Consolidated Planning Workshop meetings and will publicize the meetings through a variety of methods to reach the targeted populations. The methods may include, newspaper articles, radio announcements, Access Vision spots, flyers, announcements at public meetings/events, posting at public places (such as, grocery stores, salons, City Hall, churches, etc.), direct mailings, inserts in water bills, and other means determined to be effective. Whenever possible, notice of the meetings will be at least 14 days prior to the meeting. Every effort will be made to ensure residents of the areas affected by these federal funds will be informed of the process and of any opportunities to participate in the process.

### **Publishing the Consolidated/Annual Plan**

A summary of the Consolidated/Annual Action Plan will be published in the local newspaper at the beginning of the 30 day comment period. The summary will provide a clear description of the contents and purpose of the Plan along with other relevant background information which will be helpful in understanding the objectives of the Plan. The summary will also describe the locations where the complete Plan may be reviewed. Upon request, the City will prepare at no charge a reasonable number of copies of the Plan to citizens or groups within two business days.

### **Period for Citizen Comment**

A formal comment period of 30 days will be provided for all Consolidated Plans, Annual Action Plans or substantial amendments to the Consolidated/Annual Plan or Citizen Participation Plan. A formal 15 day comment period will be provided for the annual performance report. In all cases, a summary of the Plan, performance report, or substantial amendment will be published at the outset of the formal comment period. This summary

will clearly delineate the period during which comments are to be accepted, as well as the procedure for making comments.

Written comments received during the comment period along with oral comments made during public hearings will be considered. A summary of such comments made by citizens, public agencies, and any other interested parties will be attached to the relevant Plan, substantial amendment, or performance report. In cases where it is not possible to incorporate the comment within the Plan or substantial amendment, the comment will be included in the summary of comments along with an explanation of why it was not possible to incorporate the comment.

### **Substantial Amendments**

A substantial amendment to the Consolidated Plan or Annual Action Plan is defined as either of the following:

1. A change in allocation between existing approved activities in excess of 10% of the annual program budget for all activities; or
2. The addition of an activity not included in the approved program. This does not include budget amendments which re-program funds between program years provided the 10% threshold is not crossed and the re-programming involves previously approved activities.
3. A minor amendment is a change in allocation between existing approved activities at or below 10% of the amount of the annual federal allocation for the Community Development Block Grant (CDBG) or HOME Investment Partnership programs.

In the event of a substantial amendment to the Consolidated/Annual Plan or changes to the Citizen Participation Plan, public hearings will be held in the same manner as the Consolidated/Annual Plan process provided that only one hearing will be held in connection with a proposed substantial amendment or group of amendments.

### **Other Consultations**

In addition to the public hearings, Consolidated Planning Workshop meetings, and formal comment procedures contained in this Plan, the City will maintain a system of regular consultations with a broad spectrum of citizens and organizations. This process will include Neighborhood Planning Councils (with particular emphasis on those councils representing predominantly low and moderate income neighborhoods); other public agencies (including the Battle Creek Housing Commission); sub-recipients/sub-agents; other service providers; elected and appointed officials; various advocacy groups; economic development organizations; civic organizations; and private interests such as lenders and realtors. These consultations are designed to ensure a continuous exchange of information and views on Battle Creek's housing and community development needs along with an assessment of the City's response to these needs.

## Special Rules for COVID-19 Response

*The Coronavirus Aid, Relief and Economic Security Act (CARES Act) (Public Law 116-136) made available \$5 billion in supplemental Community Development Block Grant (CDBG) funding for grants to prevent, prepare for, and respond to coronavirus (CDBG-CV grants). Additionally, the*

CARES Act provided CDBG grantees with flexibilities that made it easier to use CDBG-CV grants and fiscal years 2019 and 2020 CDBG Grants for coronavirus response and authorizes HUD to grant waivers and alternative requirements.

Pursuant to the provisions of the CARES Act, the City of Battle Creek may use an expedited citizen participation and public hearing process for drafting, proposing, and amending its consolidated plans. This expedited process applies to the use of CDBG-CV funds, amendments to the 2019-20 Annual Action Plan, and the drafting and submission of its 2020 Five Year Consolidated Plan.

Expedited procedures must include notice and reasonable opportunity to comment of no less than five (5) days. The five day period can run concurrently for comments on the action plan amendment and the amended citizen participation plan.

In-person hearings are not required. The City of Battle Creek may meet public hearing requirements with virtual public hearings if: 1) national/local health authorities recommend social distancing and limiting public gatherings for public health reasons; and 2) virtual hearings provide reasonable notification and access for citizens in accordance with the City's certifications, timely responses from local officials to all citizen questions and issues, and public access to all questions and responses.

The CARES Act eliminates the 15 percent cap on the amount of grant funds that can be used for public service activities for CDBG-CV and fiscal year 2019 and 2020 CDBG Grants. The City waives the requirement to convene the CDAC related to the use of these funds for public service activities or the funding of non-city administered activities.

## Anti-Displacement Policy

The City of Battle Creek has a policy of avoiding, to the extent feasible, the involuntary permanent displacement of persons as a result of Federally-assisted projects. No displacement is anticipated to result from current or projected community development or housing activities to be undertaken by the City. In the event conditions occur which trigger displacement as defined by applicable Federal regulations, the City will provide all advisory services and financial assistance in accordance with the Uniform Relocation and Real Property Acquisition Policies Act of 1970 and Section 104(d) of the Housing and Community Development Act of 1987, as amended. The City will take steps to ensure its sub-recipients or sub-agents are aware of the necessity of avoiding displacement and that they are also aware of their responsibilities should displacement occur in connection with any of the activities they administer

## Technical Assistance

The City will respond to all reasonable requests for technical assistance or information from applicants for funding, citizen organizations, non-profits, or other potential program beneficiaries. Organizations representing the interests of low and moderate income persons may receive assistance in developing proposals for funding through any of the programs covered by the Consolidated Plan by contacting the City's Community Development Department. The City will provide current or potential sub-recipients or sub-agents

information on current and anticipated funding levels, selection criteria, and performance standards.

### Complaints

All written complaints about programs included in the Consolidated/Annual Plan will receive a written response from the City's Community Development Department. This response will occur within 15 days of receipt of the complaint. Copies of all written complaints and responses will be maintained in the City's files. Verbal complaints will receive action considered to be appropriate by the City. A written record of such complaints will be created at the discretion of the City. Written complaints may be addressed to: City of Battle Creek, Community Development Division, 10 N. Division Street, Room 117, Battle Creek, MI 49014.

## Appendix 3: Guide to National Objectives and Eligible Activities for Entitlement Communities

This Guide is designed to help public officials and citizens understand what activities are eligible to be assisted under the Community Development Block Grant (CDBG) Entitlement Program and to guide them in making wise choices among certain alternatives available within the program for carrying out activities statute, as amplified by the regulations, provides the authoritative version of program requirements, this Guide:

- ✓ Organizes eligibility requirements in a more accessible and understandable format;
- ✓ Provides additional explanatory materials, including examples;
- ✓ Provides guidance on the factors to be considered in selecting among alternative categories of eligibility and national objectives, where applicable; and
- ✓ Provides guidance on accessing additional CDBG resources that may be available to a community.

## Appendix 4: CDBG Matrix Definitions

Matrix codes are used to indicate—but do not establish—activity eligibility. An activity must be eligible in accordance with the regulations at 570.201–570.207. Grantees need to refer to the regulations to determine an activity's eligibility; the codes defined below are used in IDIS OnLine chiefly to categorize activities for reporting purposes.

# Appendix A

## CDBG MATRIX CODES

Release Date:  
March 2019

### MATRIX CODE DEFINITIONS

Matrix codes are used to indicate—but do not establish—activity eligibility. An activity must be eligible in accordance with the regulations at 24 CFR 570.201 – 570.207 for Entitlements, 570.703 – 570.705 for the Section 108 loan guarantee program, and with Section 105(a) of the HCDA [42 USC 5305] and 24 CFR 570.482 for States. Grantees need to refer to the regulations to determine an activity's eligibility; the codes defined below are used in IDIS On-Line chiefly to categorize activities for reporting purposes.

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<b>Acquisition and Disposition</b>	
<b>01</b>	<p><b>Acquisition of Real Property</b> 24 CFR 570.201(e) or 42 USC 5305(a)(1)            Acquisition of real property that will be developed for a public purpose. Use code 01 if CDBG funds will be used ONLY for the acquisition of property. This code is frequently used for the acquisition of property on which a public facility, public improvement or housing will be constructed using other funds.</p> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• When a grantee acquires and constructs or rehabilitates a public facility with CDBG funds, assign the appropriate 03* matrix code, instead of 01.</li> <li>• When a grantee combines acquisition with relocation or disposition in a single activity, that activity can be coded as Acquisition 01.</li> <li>• When a grantee acquires and rehabilitates housing with CDBG funds for residential purposes, use code 14G.</li> <li>• When a grantee or subrecipient acquires land, clears structures, or packages land for the purpose of creating an industrial park or encouraging commercial/industrial redevelopment, use matrix code 17A.</li> </ul>
<b>02</b>	<p><b>Disposition of Real Property</b> 24 CFR 570.201(b) or 42 USC 5305(a)(7)            Costs related to the sale, lease, or donation of real property acquired with CDBG funds or under urban renewal. Eligible costs would include the costs incidental to disposing of the property, such as preparation of legal documents, fees paid for surveys, transfer taxes, and other costs involved in the transfer of ownership of the CDBG-assisted property. The costs can also include the costs of temporarily maintaining property pending disposition, for example, boarding property up, mowing grass, security. However, the temporary maintenance costs are eligible only for properties initially acquired with CDBG funds.</p>
<b>04</b>	<p><b>Clearance and Demolition</b> 24 CFR 570.201(d) or 42 USC 5305(a)(4)            Clearance or demolition of buildings/improvements, or the movement of buildings to other sites.</p>
<b>04A</b>	<p><b>Cleanup of Contaminated Sites</b> 24 CFR 570.201(d) or 24 CFR 570.482(c)(3) [Public Law 105-276]            Activities undertaken primarily to clean toxic/environmental waste or contamination from a site.</p>
<b>08</b>	<p><b>Relocation</b> 24 CFR 570.201(i) or 42 USC 5305(a)(11)            Relocation payments and other assistance for permanently or temporarily displaced individuals, families, businesses, non-profit organizations, and farms.</p>

## Public Facilities and Improvements

Use matrix codes in this section when the CDBG funds are used by the grantee or other public or private non-profit entities for public facilities and improvements.

### Note:

- Grantees may only have one public facility in an activity. Grantees must set up a separate activity for each public facility. When two or more related activities are funded with CDBG, the grantee needs to set up a separate activity for each facility or improvement.
- When a facility is used only by a specific client group, the activity should be assigned the matrix code specific to that group, not the type of facility. For instance, assign 03Q to a health facility for abused and neglected children, not 03P.
- If CDBG funds are only used to acquire property for a public facility, use matrix code 01. If the grantee uses CDBG funds to pay for the acquisition and construction, or rehabilitation of a public facility or improvement, use the appropriate 03\* matrix code.
- For commercial and industrial improvements undertaken by a grantee or a subrecipient for economic development purposes, use matrix code 17A, 17B, 17C, or 17D.

<b>03A</b>	<b>Senior Centers</b> 24 CFR 570.201(c) or 42 USC 5305(a)(2) Acquisition, construction, or rehabilitation of facilities (except permanent housing) for seniors. 03A may be used for a facility serving both the elderly and persons with disabilities, provided it is not intended primarily to serve persons with disabilities. If it is, use 03B instead.  <i>Note: For the construction of permanent housing for the elderly, use code 12; for the rehabilitation of such housing, use the appropriate 14* code.</i>
<b>03B</b>	<b>Facilities for Persons with Disabilities</b> 24 CFR 570.201(c) or 42 USC 5305(a)(2) Acquisition, construction, or rehabilitation of centers, group homes, and other facilities (except permanent housing) for persons with disabilities. 03B may be used for a facility serving both persons with disabilities and the elderly, provided it is not intended primarily to serve the elderly. If it is, use 03A instead.  <i>Note: For the construction of permanent housing for the persons with disabilities, use code 12; for the rehabilitation of such housing, use the appropriate 14* code.</i>
<b>03C</b>	<b>Homeless Facilities (not operating costs)</b> 24 CFR 570.201(c) or 42 USC 5305(a)(2) Acquisition, construction, conversion of buildings, or rehabilitation of temporary shelters and transitional housing for the homeless, including victims of domestic violence, dating violence, sexual assault or stalking, disaster victims, runaway children, drug offenders, and parolees.  <i>Note: For the construction of permanent housing for the homeless, use code 12; for the rehabilitation of such housing, use the appropriate 14* code; for facilities for abused and neglected children, use 03Q.</i>

<b>03D</b>	<p><b>Youth Centers</b> 24 CFR 570.201(c) or 42 USC 5305(a)(2)</p> <p>Acquisition, construction, or rehabilitation of facilities intended primarily for young people age 13 to 19. These include playground and recreational facilities that are part of a youth center.</p> <p>For the acquisition, construction or rehabilitation of facilities intended primarily for children age 12 and under, use 03M; for facilities for abused and neglected children, use 03Q.</p>
<b>03E</b>	<p><b>Neighborhood Facilities</b> 24 CFR 570.201(c) or 42 USC 5305(a)(2)</p> <p>Acquisition, construction, or rehabilitation of facilities that are principally designed to serve a neighborhood and that will be used for social services or for multiple purposes (including recreation). Such facilities may include libraries and community centers.</p>
<b>03F</b>	<p><b>Parks, Recreational Facilities</b> 24 CFR 570.201(c) or 42 USC 5305(a)(2)</p> <p>Development of open space areas or facilities intended primarily for recreational use.</p>
<b>03G</b>	<p><b>Parking Facilities</b> 24 CFR 570.201(c) or 42 USC 5305(a)(2)</p> <p>Acquisition, construction, or rehabilitation of parking lots and parking garages. Use 03G if rehabilitation of a public facility or street improvement is a small part of an activity to improve a parking facility. However, if parking improvements are only a small part of a larger street improvement activity, use 03K.</p>
<b>03H</b>	<p><b>Solid Waste Disposal Improvements</b> 24 CFR 570.201(c) or 42 USC 5205(a)(2)</p> <p>Acquisition, construction or rehabilitation of solid waste disposal facilities. The eligible costs can also include equipment, such as bulldozers, used exclusively at the facility.</p>
<b>03I</b>	<p><b>Flood Drainage Improvements</b> 24 CFR 570.201(c) or 42 USC 5305(a)(2)</p> <p>Acquisition, construction, or rehabilitation of flood drainage facilities, such as retention ponds, catch basins, streambank erosion controls, channelization of streambeds, or dams. 03I can also be used for "Green Infrastructure" improvements to manage stormwater. However, if stormwater management improvements are integral to some other activity like a park or a street project, it should be included in that matrix code (03F for parks, 03K for streets) rather than 03I.</p> <p><i>Note: Do not use 03I for construction/rehabilitation of storm sewers, street drains, or storm drains. Use 03J for storm sewers and 03K for street and storm drains.</i></p>
<b>03J</b>	<p><b>Water/Sewer Improvements</b> 24 CFR 570.201(c) or 42 USC 5305(a)(2)</p> <p>Installation or replacement of water lines, sanitary sewers, storm sewers, and fire hydrants. Costs of street repairs (usually repaving) made necessary by water/sewer improvement activities are included under 03J.</p> <p>For water/sewer improvements that are part of:</p> <ul style="list-style-type: none"> <li>More extensive street improvements, use 03K. For example, an activity that involves paving six blocks of Main Street and installing 100 feet of new water lines in one of those blocks.</li> <li>A housing rehabilitation activity such as water/sewer hookups (lines from a house to the street), use the appropriate 14* housing rehabilitation matrix code.</li> </ul>

<b>03K</b>	<p><b>Street Improvements</b> 24 CFR 570.201(c) or 42 USC 5305(a)(2)</p> <p>Installation or repair of streets, street drains, storm drains, curbs and gutters, tunnels, bridges, and traffic lights/signs. Also use 03K:</p> <ul style="list-style-type: none"> <li>For improvements that include landscaping, street lighting, and/or street signs (commonly referred to as "streetscaping").</li> <li>If sidewalk improvements (see code 03L) are part of more extensive street improvements.</li> </ul>
<b>03L</b>	<p><b>Sidewalks</b> 24 CFR 570.201(c) or 42 USC 5305(a)(2)</p> <p>Improvements to sidewalks. Also use 03L for sidewalk improvements that include the installation of trash receptacles, lighting, benches, and trees.</p>
<b>03M</b>	<p><b>Child Care Centers</b> 24 CFR 570.201(c) or 42 USC 5305(a)(2)</p> <p>Acquisition, construction, or rehabilitation of facilities intended primarily for children age 12 and under. Examples are daycare centers and Head Start preschool centers. For the construction or rehabilitation of facilities for abused and neglected children, use 03Q; for the construction or rehabilitation of facilities for teenagers, use 03D</p>
<b>03N</b>	<p><b>Tree Planting</b> 24 CFR 570.201(c) or 42 USC 5305(a)(2)</p> <p>Activities limited to tree planting (sometimes referred to as "beautification"). For streetscape activities that include tree planting, use 03K; for sidewalk improvement activities that include tree planting, use 03L.</p>
<b>03O</b>	<p><b>Fire Stations/Equipment</b> 24 CFR 570.201(c) or 42 USC 5305(a)(2)</p> <p>Acquisition, construction, or rehabilitation of fire stations and/or the purchase of fire trucks and emergency rescue equipment.</p>
<b>03P</b>	<p><b>Health Facilities</b> 24 CFR 570.201(c) or 42 USC 5305(a)(2)</p> <p>Acquisition, construction, or rehabilitation of physical or mental health facilities. Examples of such facilities include neighborhood clinics, hospitals, nursing homes, and convalescent homes.</p> <p>Health facilities for a specific client group should use the matrix code for that client group. For example, use 03Q for the construction or rehabilitation of health facilities for abused and neglected children.</p>
<b>03Q</b>	<p><b>Facilities for Abused and Neglected Children</b> 24 CFR 570.201(c) or 42 USC 5305(a)(2)</p> <p>Acquisition, construction, or rehabilitation of daycare centers, treatment facilities, or temporary housing for abused and neglected children.</p>
<b>03R</b>	<p><b>Asbestos Removal</b> 24 CFR 570.201(c) or 42 USC 5305(a)(2)</p> <p>Rehabilitation of any public facility undertaken primarily to remove asbestos.</p>
<b>03S</b>	<p><b>Facilities for AIDS Patients (not operating costs)</b> 24 CFR 570.201(c) or 42 USC 5305(a)(2)</p> <p>Acquisition, construction, or rehabilitation of facilities for the treatment or temporary housing of people who are HIV positive or who have AIDS.</p> <p>For the construction or rehabilitation of facilities for AIDS education and prevention, use 03P.</p>

03Z	<p><b>Other Public Improvements Not Listed in 03A-03T</b> 24 CFR 570.201(c) or 42 USC 5305(a)(2)</p> <p>This matrix code replaces matrix code 03. Only use this code when an activity does not fall under a more specific 03A – 03S matrix code. Check the following before using this matrix code:</p> <ul style="list-style-type: none"> <li>• Grantees may only have one public facility in an activity. Grantees must set up a separate activity for each public facility. When two or more related facilities are funded by CDBG, the grantee needs to set up a separate activity for each facility or improvement.</li> <li>• 03Z can be used for seawalls, bus shelters, retaining walls, and wind turbines.</li> <li>• 03Z can be used for activities that assist persons with disabilities by removing architectural barriers from or providing ADA improvements to government buildings (activities that otherwise would not be eligible for CDBG funding).</li> </ul>
06	<p><b>Interim Assistance</b> 24 CFR 570.201(f) or 42 USC 5305(a)(4)</p> <p>Only for activities undertaken either to:</p> <ul style="list-style-type: none"> <li>• Make limited improvements (e.g., repair of streets, sidewalks, or public buildings) intended solely to arrest further deterioration of physically deteriorated areas prior to making permanent improvements.</li> <li>• Alleviate emergency conditions threatening public health and safety, such as removal of tree limbs or other debris after a major storm.</li> </ul>
11	<p><b>Privately Owned Utilities</b> 24 CFR 570.201(l) or 42 USC 5305(a)(14)</p> <p>Acquisition, reconstruction, rehabilitation, or installation of distribution lines and facilities of regulated, privately owned utilities. This includes placing new or existing distribution lines/facilities underground.</p>
16B	<p><b>Non-Residential Historic Preservation</b> 24 CFR 570.202(d)</p> <p>Rehabilitation of historic buildings for non-residential use. Examples include the renovation of an historic building for use as a neighborhood facility, as a museum, or by an historic preservation society.</p>
23	<p><b>Tornado Shelters Serving Private Mobile Home Parks</b> 42 USC 5305(a)(25)</p> <p>Construction or improvement of tornado-safe shelters for residents of manufactured housing parks and the provision of assistance (including loans and grants) to nonprofit and for-profit entities to do so, in accordance with Section 42 USC 5305(a)(24).</p>

## Public Services

Use matrix codes in this section for CDBG assisted public services activities.

- It is important to distinguish a service from construction or rehabilitation of a facility where a service is being provided. For example, the construction or rehabilitation of a senior center is coded as 03A, but the funding of services provided at a facility for senior citizens is coded as 05A.
- Rental of a facility for a service is considered a part of delivery of service and should be treated as a public service.
- Operation and maintenance may be paid with CDBG funds only for the portion of the building where a public service is being carried out.
- If the activity is restricted to one client group, use the matrix code for that group. For example, use 05A for senior services.

<b>03T</b>	<b>Homeless/AIDS Patients Programs</b> 24 CFR 570.201(e) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2) Costs associated with the operation of programs for the homeless or for AIDS patients, such as staff costs, utilities, maintenance, and insurance. Because payment of operating costs for these programs is a public service under CDBG, all CDBG expenditures for 03T activities are included in the calculation of the Public Services cap.
<b>05A</b>	<b>Senior Services</b> 24 CFR 570.201(e) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2) Services for the elderly. 05A may be used for an activity that serves both the elderly and persons with disabilities provided it is intended primarily to serve elderly. If the activity is intended primarily to serve persons with disabilities, use 05B instead.
<b>05B</b>	<b>Services for Persons with Disabilities</b> 24 CFR 570.201(e) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2) Services for the persons with disabilities, regardless of age. If the activity is intended primarily for elderly persons, use 05A instead.
<b>05C</b>	<b>Legal Services</b> 24 CFR 570.201(e) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2) Services providing legal aid to low- and moderate-income (LMI) persons. If the legal service is only provided for the settlement of tenant/landlord disputes, use 05K.
<b>05D</b>	<b>Youth Services</b> 24 CFR 570.201(e) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2) Services for young people age 13 to 19. For example, recreational services limited to teenagers and teen counseling programs. 05D can also be used for counseling programs that target teens but include counseling for the family as well. For services for children age 12 and under, use 05L; for services for abused and neglected children, use 05N.
<b>05E</b>	<b>Transportation Services</b> 24 CFR 570.201(e) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2) General transportation services. Transportation services for a specific client group should use the matrix code for that client group. For example, use 05A for transportation services for the elderly.

<b>05F</b>	<p><b>Substance Abuse Services</b> 24 CFR 570.201(e) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2)</p> <p>Substance abuse recovery programs and substance abuse prevention/education activities. If the services are provided for a specific client group, the matrix code for that client group may be used instead. For example, substance abuse services that target teenagers may be coded either 05D or 05F.</p>
<b>05G</b>	<p><b>Services for victims of domestic violence, dating violence, sexual assault or stalking</b></p> <p>24 CFR 570.201(e) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2)</p> <p>Services for victims of domestic violence, dating violence, sexual assault or stalking. For services limited to abused and neglected children, use 05N.</p>
<b>05H</b>	<p><b>Employment Training</b> 24 CFR 570.201(e) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2)</p> <p>Assistance to increase self-sufficiency, including literacy, independent living skills, resume writing, job coaching, "how to get and keep a job" training, or training students in a particular field or skill when there is no tie to a specific position or business.</p> <p>For activities providing training for specific permanent jobs with specific businesses, use 18A.</p>
<b>05I</b>	<p><b>Crime Awareness/Prevention</b> 24 CFR 570.201(e) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2)</p> <p>Promotion of crime awareness and prevention, including crime prevention education programs, community-oriented policing programs above and beyond normal staffing levels, installation of security cameras, and paying for security guards.</p>
<b>05J</b>	<p><b>Fair Housing Activities (subject to Public Services cap)</b> 24 CFR 570.201(e) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2)</p> <p>Fair housing services (e.g. counseling on housing discrimination) as public services. The activity needs to meet a national objective.</p> <p>For fair housing services activities carried out as part of general program administration (and thus not required to meet a national objective), use 21D.</p>
<b>05K</b>	<p><b>Tenant/Landlord Counseling</b> 24 CFR 570.201(e) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2)</p> <p>Counseling to help prevent or settle disputes between tenants and landlords.</p>
<b>05L</b>	<p><b>Child Care Services</b> 24 CFR 570.201(e) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2)</p> <p>Services that will benefit children (generally under age 13), including parenting skills classes.</p> <p>For services exclusively for abused and neglected children, use 05N.</p>
<b>05M</b>	<p><b>Health Services</b> 24 CFR 570.201(e) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2)</p> <p>Services addressing the physical health needs of residents of the community.</p> <p>For mental health services, use 05O.</p>
<b>05N</b>	<p><b>Services for Abused and Neglected Children</b> 24 CFR 570.201(e) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2)</p> <p>Daycare and other services exclusively for abused and neglected children.</p>

<b>05O</b>	<b>Mental Health Services</b> 24 CFR 570.201(e) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2) Services addressing the mental health needs of residents of the community.
<b>05P</b>	<b>Screening for Lead Poisoning</b> 24 CFR 570.201(e) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2) Activities undertaken primarily to provide screening for lead poisoning.  <i>Note:</i> <ul style="list-style-type: none"> <li>• Use 05P to test people for possible lead poisoning.</li> <li>• Use 14I to test buildings/properties for presence of lead contamination.</li> </ul>
<b>05Q</b>	<b>Subsistence Payments</b> 24 CFR 570.207(b)(4) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2) One-time or short-term (no more than three months) emergency payments on behalf of individuals or families, generally for the purpose of preventing homelessness. Examples include utility payments to prevent cutoff of service, and rent/mortgage payments to prevent eviction.
<b>05R</b>	<b>Homebuyer Downpayment Assistance - Excluding Housing Counseling under 24 CFR 5.100</b> 24 CFR 570.201(e) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2) Homebuyer downpayment assistance provided as a PUBLIC SERVICE. If housing counseling (under 24 CFR 5.100) is provided to in conjunction with downpayment assistance, report housing counseling separately under matrix code 05Y. If referral services, homeownership education programs, or general budget/financial counseling are provided to homebuyers in conjunction with downpayment assistance as part of a package, then the services are considered activity delivery costs as a part of an 05R activity. <ul style="list-style-type: none"> <li>• It is subject to the public service cap, unless the assistance is provided by a CBDO in an NRSA or by a 105(a)(15) entity.</li> <li>• Only report the number of households that received downpayment assistance as accomplishments for 05R.</li> <li>• For more extensive types of homeownership assistance provided under authority of the National Affordable Housing Act, use code 13B.</li> </ul>
<b>05S</b>	<b>Rental Housing Subsidies</b> 24 CFR 570.204 or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2) Tenant subsidies exclusively for rental payments for more than three months. Activities providing this form of assistance must be carried out by CBDOs or 105(a)(15) entities.
<b>05T</b>	<b>Security Deposits</b> 24 CFR 570.201(e) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2) Tenant subsidies exclusively for payment of security deposits.

<b>05U</b>	<b>Housing Counseling only, under 24 CFR 5.100</b> 24 CFR 570.201(e) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2) Housing counseling, under 24 CFR 5.100, for renters, homeowners, and/or potential new homebuyers that is provided as an independent public service (i.e., not as part of another eligible housing activity).
<b>05V</b>	<b>Neighborhood Cleanups</b> 24 CFR 570.201(e) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2) One-time or short-term efforts to remove trash and debris from neighborhoods. Examples of legitimate uses of this code include neighborhood cleanup campaigns and graffiti removal.
<b>05W</b>	<b>Food Banks</b> 24 CFR 570.201(e) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2) Costs associated with the operation of food banks, community kitchens, and food pantries, such as staff costs, supplies, utilities, maintenance, and insurance.
<b>05X</b>	<b>Housing Information and Referral Services</b> 24 CFR 570.201(e) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2) An activity that provides housing information, education, and referral services, or general budget/financial counseling that does not meet the 24 CFR 5.100 definition of Housing Counseling.
<b>05Y</b>	<b>Housing Counseling under 24 CFR 5.100 Supporting Homebuyer Downpayment Assistance (05R)</b> 24 CFR 570.201(e) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2) Housing Counseling, under 24 CFR 5.100, that is provided to in conjunction with homebuyer downpayment assistance (05R) as a public service.
<b>05Z</b>	<b>Other Public Services Not Listed in 03T and 05A-05Y</b> 24 CFR 570.201(e) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2) This matrix code replaced matrix code 05. Only use this matrix code when an activity does not fall under a more specific 05A-05Y code. An example of a legitimate use of this code is when the CDBG funds are provided to a non-profit organization that provides multiple types of social services for operating costs. In another example, when a public service activity that does not have a more specific matrix code, provides services to multiple groups of clients such as seniors, persons with disabilities, and homeless persons. For instance, for a "meals on wheels" program for seniors and persons with disabilities, use 05Z. If this program had only been available to seniors, the correct matrix code would have been 05A.

**Housing**

Housing includes new construction and rehabilitation.

- Reconstruction of housing is eligible as is rehabilitation. Replacement of stick-built residential structures with manufactured housing units, or vice versa, is eligible as reconstruction of housing.
- Manufactured housing may be rehabilitated if it is considered part of the community's permanent housing stock.
- Wiring multifamily properties for broadband internet service, as part of substantial rehabilitation as defined in 24 CFR 5.100, should be treated as a cost of the rehabilitation, not broken out separately.
- Conversion of non-residential structures to housing is eligible as rehabilitation (esp. significant for 14B, 14D, 14G).
- Rehabilitation of housing can include water/sewer hookups, running water/sewer lines from a house out to the street, installation/rehabilitation/replacement of wells, septic tanks, septic drainfields, etc.
- Historic preservation work that is done as part of other housing rehabilitation can be included in the relevant matrix code.
- Installation or replacement of landscaping materials, sidewalks, and driveways can be included when the costs are incidental to the rehabilitation of the property.

<b>09</b>	<b>Loss of Rental Income</b> 24 CFR 570.201(j) or 42 USC 5305(a)(6) Payments to owners of housing for loss of rental income due to temporarily holding rental units for persons displaced by CDBG-assisted activities.
<b>12</b>	<b>Construction of Housing</b> 24 CFR 570.201(m), 570.204 or 42 USC 5305(a)(15) Construction of housing with CDBG funds must either be: carried out by CBDOS, in accordance with the regulations at 24 CFR 570.204(a); in accordance with 42 USC 5305(a)(15); or last resort housing under the provisions of the Uniform Act, 42 USC Part 49.
<b>13A</b>	<b>Housing Counseling, under 24 CFR 5.100, for Homeownership Assistance (13B)</b> 24 CFR 570.201(n) or 42 USC 5305(a)(24) Housing Counseling, under 24 CFR 5.100, when provided in conjunction with direct homeownership assistance 13B. Report housing counseling under matrix code 13A as a separate activity.

13B	<p><b>Homeownership Assistance - excluding Housing Counseling under 24 CFR 5.100</b></p> <p><i>24 CFR 570.201(n) or 42 USC 5305(a)(24)</i></p> <p>CDBG funds may be used to provide direct homeownership assistance under 24 CFR 570.201(n) and Section 105(a)(24) of the HCDA under the low- and moderate-income housing national objective [24 CFR 570.208(a)(3) and 570.483(b)(3)]. Direct homeownership assistance may include:</p> <ul style="list-style-type: none"> <li>• Subsidizing interest rates and mortgage principal amounts to make loan payments affordable. This may include making grants to reduce the effective interest rates charged on the loans. Low-or no-interest subordinate loans can also be used to reduce overall loan repayment amounts.</li> <li>• Financing the cost of acquiring property already occupied by renter households at terms needed to make the purchase affordable.</li> <li>• Paying all or a part of the premium on behalf of the homebuyer for mortgage insurance required upfront by a private mortgagee.</li> <li>• Paying any or all of the reasonable closing costs associated with the home purchase on behalf of the homebuyer.</li> <li>• Paying up to 50 percent of the down payment required by the mortgagee for the purchase on behalf of the homebuyer. (The 50 percent limitation on downpayment assistance is a statutory requirement. Grantee records must document what amount of downpayment is required by the mortgagee, and must clearly distinguish between the amount of CDBG funds being provided for downpayment assistance vs. the amount provided for subsidizing the mortgage principal, for closing costs, for mortgage insurance, etc.)</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>If Housing Counseling, under 24 CFR 5.100, is provided in conjunction with direct homeownership assistance, report housing counseling under matrix code 13A, as a separate activity.</i></li> <li>• <i>If referral services, homeownership education programs, or general budget/financial counseling is provided to homebuyers in conjunction with homeownership assistance, the services are considered activity delivery costs as part of a 13B activity.</i></li> <li>• <i>All recipients of assistance provided under matrix code 13B must be low/moderate income and the activity must meet the LMH national objective.</i></li> <li>• <i>Only report the number of households that received homeownership assistance as accomplishments for 13B.</i></li> </ul>
14A	<p><b>Rehabilitation: Single-Unit Residential</b> <i>24 CFR 570.202(a)(1) or 42 USC 5305(a)(4)</i></p> <p>Rehabilitation of privately owned, single-unit homes. If Housing Counseling under 24 CFR 5.100 is provided in conjunction with rehabilitation, report Housing Counseling under matrix code 14L separately. If referral services, or general budget/financial counseling is provided to residents in conjunction with rehabilitation, the services are considered activity delivery costs as a part of a 14A activity.</p>

<b>14B</b>	<p><b>Rehabilitation: Multi-Unit Residential</b> 24 CFR 570.202(a)(1) or 42 USC 5305(a)(4)</p> <p>Rehabilitation of privately owned buildings with two or more permanent residential units. If Housing Counseling under 24 CFR 5.100 is provided in conjunction with rehabilitation, report Housing Counseling under matrix code 14L separately. If referral services or general budget/financial counseling is provided to residents in conjunction with rehabilitation, the services are considered activity delivery costs as a part of a 14B activity.</p> <p>For the rehabilitation of units that will provide temporary shelter or transitional housing for the homeless, use 03C.</p>
<b>14C</b>	<p><b>Rehabilitation: Public Housing Modernization</b> 24 CFR 570.202(a)(2) or 42 USC 5305(a)(4)</p> <p>Rehabilitation of housing units owned/operated by a public housing authority (PHA).</p>
<b>14D</b>	<p><b>Rehabilitation: Other Publicly Owned Residential Buildings</b> 24 CFR 570.202(a)(2) or 42 USC 5305(a)(4)</p> <p>Rehabilitation of permanent housing owned by a public entity other than a PHA.</p> <p>For the rehabilitation of other publicly owned buildings that will provide temporary shelter or transitional housing for the homeless, use 03C.</p>
<b>14F</b>	<p><b>Rehabilitation: Energy Efficiency Improvements</b> 24 CFR 570.202(b)(4) or 42 USC 5305(a)(4)</p> <p>Housing rehabilitation with the sole purpose of improving energy efficiency (e.g., a weatherization program).</p> <p>For energy efficiency improvements to public housing units, use 14C; for other publicly owned residential buildings, use 14D.</p>
<b>14G</b>	<p><b>Rehabilitation: Acquisition</b> 24 CFR 570.202(b)(1) or 42 USC 5305(a)(1)</p> <p>Acquisition of property to be rehabilitated for housing. 14G may be used whether CDBG funds will pay only for acquisition or for both acquisition and rehabilitation.</p>
<b>14H</b>	<p><b>Rehabilitation: Administration</b> 24 CFR 570.202(b)(9) or 42 USC 5305(a)(4)</p> <p>All delivery costs (including staff, other direct costs, and service costs) directly related to carrying out housing rehabilitation activities. Examples include appraisal, architectural, engineering, and other professional services; preparation of work specifications and work write-ups; loan processing and underwriting; survey, site and utility plans; application processing.</p> <p>14H should be used when the CDBG funds are used for activity delivery costs in implementing a program where the rehabilitation hard costs are paid with other funding sources.</p> <p>Do not use 14H for the costs of actual rehabilitation and do not use it for costs unrelated to running a rehabilitation program (e.g., tenant/landlord counseling).</p> <p>For administration activities carried out as part of general program administration (and thus not required to meet a national objective), use code 21A.</p>

14I	<p><b>Lead-Based Paint/Lead Hazards Testing/Abatement</b> <i>24 CFR 570.202(f) or 42 USC 5305(a)(26)</i>  Housing rehabilitation activities with the primary goal of evaluating housing units for lead-paint hazards and reducing lead-based paint/lead hazards in units.  For lead-based paint/lead hazards screening of persons, use 05P.</p>
14J	<p><b>Housing Services - Excluding Housing Counseling, under 24 CFR 5.100</b>  <i>24 CFR 570.201(k) or 42 USC 5305(a)(20)</i>  Housing services, except Housing Counseling, under 24 CFR 5.100, in support of the HOME Program, eligible under 24 CFR 570.201(k).</p>
14K	<p><b>Housing Counseling, under 24 CFR 5.100, Supporting HOME Program Housing Activities</b> <i>24 CFR 570.201(k) or 42 USC 5305(a)(20)</i>  Housing Counseling, under 24 CFR 5.100, in support of a HOME- funded housing assistance program.</p>
14L	<p><b>Housing Counseling, under 24 CFR 5.100, in Conjunction with CDBG-assisted Housing Rehabilitation</b> <i>24 CFR 570.202 or Section 42 USC 5305(a)(4)</i>  Housing Counseling, under 24 CFR 5.100, in support of CDBG assisted housing rehabilitation activities, including 14A-14D, 14F-14I, and 16A.</p>
15	<p><b>Code Enforcement</b> <i>24 CFR 570.202(c) or 42 USC 5305(a)(3)</i>  Salaries and overhead costs associated with property inspections and follow-up actions (such as legal proceedings) directly related to the enforcement (not correction) of state and local codes.    For the rehabilitation hard costs of correcting code violations, use the appropriate rehabilitation code under the 14* series.</p>
16A	<p><b>Residential Historic Preservation</b> <i>24 CFR 570.202(d)</i>  Rehabilitation of historic buildings for residential use. Use matrix code 16A when the preservation or restoration of historically significant features is the only work being done. If historic preservation work is done as part of other housing rehabilitation, then use the relevant 14* matrix code.</p>
19E	<p><b>CDBG Operation and Repair of Foreclosed Property ("In-Rem Housing")</b>  <i>42 USC 5305(a)(23)</i>  Activities to prevent the abandonment and deterioration of housing acquired through tax foreclosure. These include making essential repairs to the housing and paying operating expenses to maintain its habitability.</p>

## Economic Development

- Matrix codes 17A – 17D should be used to identify special economic development activities carried out by the grantee or through a public or private non-profit subrecipient. Under these matrix codes, CDBG funds are not given to a specific for-profit business or businesses.
- Matrix codes 14E, 18A, 18B, 18C should be used when assistance is provided to a for-profit business for economic development projects.

<b>14E</b>	<b>Rehabilitation: Publicly or Privately Owned Commercial/Industrial</b> <i>24 CFR 570.202(a)(3) or 42 USC 5305(a)(2)</i> Rehabilitation of commercial/industrial property. If the property is privately owned, CDBG-funded rehab is limited to: <ul style="list-style-type: none"><li>• Exterior improvements (generally referred to as "façade improvements").</li><li>• Correction of code violations.</li></ul> For more extensive rehabilitation of privately owned commercial/industrial property, use 17C; for infrastructure developments and improvements at commercial/industrial sites, use 17B.
<b>17A</b>	<b>Commercial/Industrial: Acquisition/Disposition</b> <i>24 CFR 570.203(a) or 42 USC 5305(a)(14)</i> Land acquisition, clearance of structures, or assembling land for the purpose of creating industrial parks or promoting commercial/industrial development. 17A activities must be carried out by the grantee or by public or private non-profits.
<b>17B</b>	<b>Commercial/Industrial: Infrastructure Development</b> <i>24 CFR 570.203(a) or 42 USC 5305(a)(14)</i> Street, water, parking, rail transport, or other improvements to commercial/industrial sites. 17B also includes the installation of public improvements, such as the construction of streets to and through commercial/industrial areas. 17B activities must be carried out by the grantee or by public or private non-profits.
<b>17C</b>	<b>Commercial/Industrial: Building Acquisition, Construction, Rehabilitation</b> <i>24 CFR 570.203(a) or 42 USC 5305(a)(14)</i> Acquisition, construction, or rehabilitation of commercial/industrial buildings. 17C activities must be carried out by the grantee or by public or private non-profits.
<b>17D</b>	<b>Commercial/Industrial: Other Improvements</b> <i>24 CFR 570.203(a) or 42 USC 5305(a)(14)</i> Commercial/industrial improvements not covered by other 17* codes. 17D activities must be carried out by the grantee or by public or private non-profits.

<b>18A</b>	<p><b>Economic Development Direct Financial Assistance to For-Profit Business</b> <i>24 CFR 570.203(b) or 42 USC 5305(a)(17)</i></p> <p>Financial assistance to private for-profit businesses to (for example) acquire property, clear structures, build, expand or rehabilitate a building, purchase equipment, or provide operating capital. Forms of assistance include loans, loan guarantees, and grants.</p> <p>With one exception, a separate 18A activity must be set up for each business assisted. If an activity is carried out under 24 CFR 570.208(a)(4)(vi) or 24 CFR 570.483(b)(4)(vi), job aggregation is allowed, and all businesses assisted during a program year may be combined in one activity.</p>
<b>18B</b>	<p><b>Economic Development: Technical Assistance</b> <i>24 CFR 570.203(c) or 42 USC 5305(a)(17)</i></p> <p>Technical assistance to for-profit businesses, including workshops, assistance in developing business plans, marketing, and referrals to lenders or technical resources. Also use 18B for activity delivery costs eligible under 24 CFR 570.203(c).</p>
<b>18C</b>	<p><b>Economic Development: Microenterprise Assistance</b> <i>24 CFR 570.201(o) or 42 USC 5305(a)(22) + 24 CFR 570.482(c)</i></p> <p>Financial assistance, technical assistance, or general support services to owners and developers of microenterprises. A microenterprise is a business with five or fewer employees, including the owner(s). The activity must be designed to exclusively serve microenterprises.</p> <p>With one exception, a separate activity must be set up for each microenterprise assisted. If an activity is carried out under 24 CFR 570.208(a)(4)(vi) or 24 CFR 570.483(b)(4)(vi), job aggregation is allowed, and all assisted businesses may be combined in one activity.</p>

General Admin	
<b>20</b>	<b>Planning</b> <i>24 CFR 570.205 or 24 CFR 570.489(a)(3)</i> Program planning activities, including the development of comprehensive plans (e.g., a consolidated plan), community development plans, energy strategies, capacity building, environmental studies, area neighborhood plans, and functional plans. These activities, along with administration activities, are subject to the 20 percent limitation under 24 CFR 570.200(g) and 570.489(a)(3). Under State CDBG, this matrix code would only be used for planning done in conjunction with another eligible activity.
<b>20A</b>	<b>State Planning-Only Activities</b> <i>24 CFR 570.483(b)(5) and (c)(3)</i> Program planning activities for when states award grants to units of general local government in which planning is the only activity, or in which planning activities are unrelated to any other activity funded as part of the grant. These are often referred to as "planning-only grants." These activities, along with administration activities, are subject to the 20 percent limitation under 24 CFR 570.489(a)(3).
<b>21A</b>	<b>General Program Administration</b> <i>24 CFR 570.206 or 24 CFR 570.489(a)(3)</i> Overall program administration, including (but not limited to) salaries, wages, and related costs of grantee staff or others engaged in program management, monitoring, and evaluation. These activities, along with planning activities, are subject to the 20 percent limitation under 24 CFR 570.200(g) and 570.489(a)(3).
<b>21B</b>	<b>Indirect Costs</b> <i>24 CFR 570.206(e)</i> Costs charged as general program administration under an indirect cost allocation plan. These activities are subject to the 20 percent limitation under 24 CFR 570.200(g) and 570.489(a)(3).
<b>21C</b>	<b>Public Information</b> <i>24 CFR 570.206(b)</i> Providing information and other resources to residents and citizen organizations participating in the planning, implementation, or assessment of CDBG-assisted activities. These activities are subject to the 20 percent limitation under 24 CFR 570.200(g) and 570.489(a)(3).
<b>21D</b>	<b>Fair Housing Activities (subject to Admin cap)</b> <i>24 CFR 570.206(c)</i> Fair housing activities carried out as part of general program administration rather than as a public service. These activities are subject to the 20 percent limitation under 24 CFR 570.200(g) and 570.489(a)(3).  For fair housing activities carried out as a public service, use 05J.
<b>21E</b>	<b>Submission of Applications for Federal Programs</b> <i>24 CFR 570.206(f)</i> Preparation of (1) documents that must be submitted to HUD to receive CDBG funds or (2) applications to other federal programs for community development assistance. These activities are subject to the 20 percent limitation under 24 CFR 570.200(g) and 570.489(a)(3).

<b>21H</b>	<p><b>CDBG Funding of HOME Administrative Costs</b> 24 CFR 570.206(i)(2) or 42 USC 5305(a)(13)</p> <p>CDBG funding of administrative costs for the HOME Program. These activities are subject to the 20 percent limitation under 24 CFR 570.200(g) and 570.489(a)(3).</p>
<b>21I</b>	<p><b>CDBG Funding of HOME CHDO Operating Expenses</b> 24 CFR 570.206(i)(2)</p> <p>CDBG funding of CHDO operating expenses for HOME Program. These activities are subject to the 20 percent limitation under 24 CFR 570.200(g) and 570.489(a)(3).</p>
<b>21J</b>	<p><b>State Program Administration</b> 24 CFR 570.489(a)</p> <p>State program administration, including (but not limited to) salaries, wages, and related costs required for overall program management, coordination, monitoring, reporting, and evaluation. These activities are subject to the \$100,000 plus 3% limitation.</p>
<p><b>Repayment of Section 108 Loans</b></p>	
<b>19F</b>	<p><b>Planned Repayments of Section 108 Loans</b> 24 CFR 570.705(c)</p> <p>Planned payments of principal due on Section 108 loans (including prepayment or defeasance of Section 108 loans). If a grantee is planning to use CDBG funds to repay the Section 108 loans, then use matrix code 19F.</p>
<b>19G</b>	<p><b>Unplanned Repayments of Section 108 Loans</b> 24 CFR 570.705(c)</p> <p>Unplanned payments of principal due on Section 108 loans (including prepayment or defeasance of Section 108 loans). Use matrix code 19G for the following two situations:</p> <ul style="list-style-type: none"> <li>When the funds planned for Section 108 loan repayment are not available, the grantee needs to use CDBG funds to repay the Section 108 loans.</li> <li>The grantee does not make a timely payment on its Section 108 Guaranteed loan, and the CDBG grant funds are deducted from grantee's line of credit to pay the Section 108 Guaranteed loan.</li> </ul>
<b>24A</b>	<p><b>Payment of Interest on Section 108 Loans</b> 24 CFR 570.703(c), 570.705(c)</p> <p>Payment of interest on Section 108 loans.</p>
<b>24B</b>	<p><b>Payment of Costs of Section 108 Financing</b> 24 CFR 570.703(g), 570.703(n), 570.705(c)</p> <p>Payment of issuance, underwriting, servicing, trust administration and other costs associated with private sector financing of Section 108 loans and payment of fees charged by HUD.</p>
<b>24C</b>	<p><b>Debt Service Reserve</b> 24 CFR 570.703(k), 570.705(c)</p> <p>Establishment of debt service reserves as additional security for repayment of Section 108 loans.</p>

<b>Other</b>	
<b>07</b>	<p><b>Urban Renewal Completion</b> <i>24 CFR 570.201(h) or 42 USC 5305(a)(10)</i>  Completion of Urban Renewal projects funded under Title I of the Housing Act of 1949.</p> <ul style="list-style-type: none"> <li>• Do not use code 07 for a downtown renewal, downtown development, or locally-created Urban Renewal activity unless the activity will result in the closing out of a federally-approved urban renewal project.</li> <li>• Only use for activities necessary to complete an existing Urban Renewal Plan.</li> </ul>
<b>19C</b>	<p><b>CDBG Non-Profit Organization Capacity Building</b> <i>24 CFR 570.201(p) or 42 USC 5305(a)(19)</i>  Activities specifically designed to increase the capacity of non-profit organizations to carry out specific CDBG eligible neighborhood revitalization or economic development activities. Such activities may include providing technical assistance and specialized training to staff. The specific eligible activity for which capacity is being developed must meet a national objective. Payment of general operational and administrative costs of a non-profit organization is not eligible under this category.</p>
<b>19H</b>	<p><b>State CDBG Technical Assistance to Grantees</b> <i>24 CFR 570.489(a)</i>  Use this code to indicate State CDBG technical assistance to grantees. This code should be used only for states. CDBG State grantees should use this matrix code for activities that fall under the set-aside for technical assistance in the CDBG program. These activities are subject to the \$100,000 plus 3% limitation.</p>

## Appendix 5: Environmental Review

The City of Battle Creek receives federal grant funds from the U.S. Department of Housing and Urban Development (HUD) to provide assistance to low- to moderate-income households and improve our community.

The purpose of these environmental procedures is to ensure that all projects funded with federal funds, including program income are in compliance with all applicable federal laws and authorities identified in Title 24 Part 58: Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities. Also, these procedures are intended to ensure a suitable living environment, or more specifically, to determine if any significant environmental impact may occur as a result of a proposed project; to release funds to support eligible projects that neither harm nor are harmed by the environment; to safeguard, enhance, and restore the environment; and to foster public participation in the development decision-making process.

As the City of Battle Creek assumes HUD environmental responsibilities for HUD grant funding under the requirements of HUD's environmental review regulations at 24 CFR Part 58, the City acts as the responsible entity to ensure all regulations are implemented under the National Environmental Policy Act (NEPA). The HUD environmental review process within the City's jurisdiction must be completed before federal funds can be utilized for the following programs:

- Community Development Block Grant (CDBG)
- Home Investment Partnership Program (HOME)
- Neighborhood Stabilization Program (NSP)
- Lead-based paint abatement program
- Other grants that require 24 CFR Part 58 Compliance

[City of Battle Creek Community Development Environmental Review Policy, Procedure, and Standards 24 CFR Part 58](#)

## Appendix 6: Healthy Homes Assessment Checklist

This form is used to make detailed notes as the Housing Inspector inspects the various areas of the home and talks with homeowner/tenants. For each area the Housing Inspector will be checking for insulation, air leaks, moisture problems and the heating system components.

Household Name:		Energy Provider (s)
Address:		Heat:
		Electric:
City:	Zip Code:	County:
Housing Type: <input type="checkbox"/> Site built/Single <input type="checkbox"/> Mobile Home <input type="checkbox"/> Duplex <input type="checkbox"/> Multi-Family		
<input type="checkbox"/> Owner occupied	<input type="checkbox"/> Rental	<input type="checkbox"/> Other (explain)
Home Phone:		Number of Occupants:
Cell Phone:		Number under 6 yrs:
Email:		Number over 65 yrs:
Approx year built: <input type="checkbox"/> Pre-1940 <input type="checkbox"/> 1940-1959 <input type="checkbox"/> 1960-1977		<input type="checkbox"/> 1978-2000 <input type="checkbox"/> 2011 +
Assessor:		Date:

Resident Survey	Health Home Assessment Information Collection	Yes	No	Don't Know
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does anyone who lives in the home smoke?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Do visitors ever smoke in your home?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are there extension cords used inside the home?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Is there any condensation visible? OR water/moisture problems/concerns?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are there any visible mold or musty odor problems?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are chemicals, pesticides, cleaning supplies, or medications stored within easy reach of children? (e.g. below the sink)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Do you have a problem/concern with pests in the home? (e.g. bodies, fecal pellets or gnaw marks)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Has anyone in the house been scald3ed (burned) by water in the past 12 months? (If yes, did this require medical attention?)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Has anyone less than 6 yrs, that lives in the home, been diagnosed by a health professional with asthma? (If yes, has there been symptoms in the past 12 months?)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Has any child been injured in the home in the past 12 months? Did they require medical attention?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Have your children been tested for lead? If so, how many _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Has the home been tested for radon? If so, Results: _____ pCi/L	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

## Housing Inspector Healthy Homes Assessment

	Yes	No	Don't know	Location	Recommendation
Is there any condensation visible?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Are there any visible mold or musty odor problems?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Does the bathroom(s) have a working exhaust fan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Does the bathroom have non-slip surfaces?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Are there any water damage or water stains?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Is there evidence of pests in the home?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Is there a mitigation system?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Are there any missing or non-working smoke alarms?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Are there any missing or non-working CO alarms?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Is there any chipping or peeling paint?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Is there any bulging/buckling in the floors?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Is the home free from hazards that could cause injuries, such as tripping hazards, sharp edges, and missing or broken stairs or railings?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Are the railings of a porch, deck, patio or balcony secure? Are spindles in place, in good condition, and not more than 4 inches apart? Is the railing high enough to prevent falling, a minimum of 36 inches high?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Do the stairs have proper lighting?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Are un-vented combustion appliances present? OR Dryer?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Is the clothes dryer drum free of lint?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Are there extension cords used? What is there condition?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

<b>Housing Inspector Healthy Homes Assessment - For Homes With Children</b>					
	Yes	No	Don't know	Location	Recommendation
Is there evidence of smoking in the home?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Are chemical(s), pesticides, cleaning supplies, or medications stored within easy reach of children?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Are there window blind cords or other strangulation hazards?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
If there are stair gates, do they work?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Are window guards present?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Are there missing or broken electrical covers?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Are there child tamper-resistant outlet covers?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
What temperature is the water heater set at?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Is it safe for children? (<120F)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
				Yes	No
Does the Roof, Water Heater, Furnace, Electrical Box, Water Meter or Plumbing need repair?				<input type="checkbox"/>	<input type="checkbox"/>
Gave occupant a copy of National Center for Healthy Housing "Healthy Homes Maintenance Checklist".				<input type="checkbox"/>	<input type="checkbox"/>
Any comments on any health and safety issues or descriptions of repairs that need completing that are not listed?:					

## Appendix 7: Minor Home Repair Program

Attachment A: Minor Home Repair Program Contract and Roofing Standards

Attachment B: Proceed to Work Form

Attachment C: Change of Order Form

Attachment D: Final Inspection Form

Attachment E: Contractor's Final Invoice, Release of Liens and Warranty

Attachment F: Denial Notice

**CITY OF BATTLE CREEK**  
**MINOR HOME REPAIR PROGRAM**

**PROPOSAL AND CONTRACT**

Minor Home Repair Program  
Community Development Division  
Community Services Department  
**City Contact Name, City Contact Title**  
**City Contact Phone #**  
**City Contact eMail Address**

HOMEOWNER: **Owner Name**  
ADDRESS: **Owner Address**  
PHONE NUMBER: **Owner Phone #**  
EMAIL: **Owner eMail Address**

SUBJECT: **Property Address**

**PROPOSAL:** I/We propose to furnish all supervision, labor, materials, equipment, tools and services required to complete the work in accordance with the specification and conditions contained herein, including all attachments thereto, in consideration of the "Contract Amount" which shall consist of the "Base Proposal Sum" stated below plus any alternate(s), accepted by the Homeowner under his/her acceptance below and agree that this document and all attachments will constitute a Contract upon acceptance by the Homeowner.

I/We understand that the items, Proposal and Contract; Instructions to Bidders; General Conditions; Specifications and/or Drawings; Proceed to Work order; and Insurance Certificate, are fully incorporated herein as material and necessary parts to the Contract.

I/We understand that this is a Contract between us and the Homeowner. The City of Battle Creek is not party to the Contract but is acting as a Technical Advisor (T.A.) to the Homeowner.

**BASE PROPOSAL SUM, per specification \$0,000.00**

Addendum(s) Included:  Yes  No

Company name:\_\_\_\_\_

Signature:\_\_\_\_\_

Date::\_\_\_\_\_

Title:\_\_\_\_\_

Address:\_\_\_\_\_

Phone:\_\_\_\_\_

**ACCEPTANCE:**

The Homeowner hereby accepts this proposal and agrees to pay the contractor for the performance of the Contract subject to subsequent additions and/or deletions agreed upon between the Contractor and the Homeowner. The "Contract Amount" consists of the "Base Proposal Sum" stated above as modified by the selection of the alternate(s), if any listed below.

The Homeowner understands that this is a Contract between themselves and the Contractor and that the City of Battle Creek is not a party to the Contract but is acting as Technical Advisor (T.A.) to the Homeowner.

Selected Alternates:

**CONTRACT AMOUNT: \$0,000.00**

ACCEPTED BY: \_\_\_\_\_

Signature of Homeowner

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature of Homeowner

Date: \_\_\_\_\_

**CITY OF BATTLE CREEK  
MINOR HOME REPAIR CONSTRUCTION CONTRACT  
GENERAL CONDITIONS**

**1. TIME OF PERFORMANCE:**

A written Proceed to Work order shall be issued upon the date of acceptance of the Contractor's bid and proposal and signing of a Contract between the Contractor and the Homeowner. No work shall be commenced by the Contractor until he/she has received a written Proceed to Work order signed by the Homeowner. The services of the Contractor are to commence on **Month Day, Year** and shall be completed by **Month Day, Year**.

**Liquidated Damages:** As time is of the essence, in the event the Contractor does not complete the work within the period designated above, the Contractor shall pay the sum of Two Hundred Fifty Dollars (\$250.00) a day as liquidated damages, and not as a penalty, for each and every day of delay until the Contract work is completed. Excepting, however, those days granted by the Owner in consultation with the T.A., to the Contractor as provided in Section 2 below.

**2. EXTENSION OF TIME:**

It is agreed that if the Contractor shall be unavoidably delayed in beginning or fulfilling this Contract by reasons of excessive storms or floods, or by acts of Providence, or by reasons of extra work ordered by the Homeowner, or by any act, neglect, delay or default on part of the Homeowner, the Contractor shall have no valid claim for damages on account of any such cause or delay, but he shall in such case be entitled to such an extension or advancement of the time period specified in Section 1 herein as the T.A. shall adjudge to be just and reasonable provided, however, that formal claim for such extension shall be made in writing by the Contractor within one week after the date upon which such alleged cause of delay shall have occurred.

**3. TERMINATION FOR BREACH:**

It is agreed that if at any time the Contractor shall abandon the work of this Contract or become habitually negligent of his/her obligations under it, or shall fail to prosecute the work with reasonable diligence so that the time of final completion of work shall be unnecessarily and intolerably delayed in the opinion of the T.A., or if he shall willfully and repeatedly violate any of the provisions of the Contract, the Homeowner, in consultation with the T.A., may notify him/her to discontinue all work under this Contract, or any part thereof. Thereupon the Contractor shall discontinue such work, or such part thereof and shall cease to have any right to possession of the ground. The Homeowner, in consultation with the T.A., shall have the right to complete the work, or such part thereof, by Contract or otherwise as he/she may elect and for that purpose to take possession and make use of such materials and equipment as may be found upon the work site, and further to receive payment for the additional cost and expense occasioned by a breach under this section from the Contractor or off-set the additional cost and expense against payment due and payable to the Contractor from the Homeowner under this Contract.

**4. ASSIGNMENT OR NOVATION OF CONTRACT:**

It is agreed that the Contractor shall not assign the Contract without the written consent of the Homeowner. The request of assignment shall be addressed to both the Homeowner and the T.A. It is further agreed by the Contractor that all parts of the work which may be performed by a

subcontractor shall conform to the plans and specifications as stated in this Contract, and be subject to all provisions of this Contract as if performed by his/her immediate employees and workmen. No subletting or subcontracting of the work shall in any way diminish, avoid or weaken the Contractor's obligation, liabilities, and responsibilities pursuant to this Contract.

## **5. WORKING CONDITIONS:**

It shall be understood that the premises will be occupied, unless otherwise stated in the specifications, during the course of the work called for under this Contract and that the work shall be done with minimum interference in the normal use and enjoyment of the residence by the Homeowner or resident. Materials, tools, and other work items shall be organized and stored so as not to unreasonably burden access to, and movement in, the premises. The Homeowner shall permit the Contractor to use, at no cost, existing utilities such as light, heat, power and water, necessary to carrying out the completion of the work. Contractor shall be held to have visited the site and checked with the resident or Homeowner, the working conditions, the methods of carrying out the work and to have included in his/her proposal all costs for meeting such working conditions.

## **6. MATERIALS AND WORKMANSHIP:**

Unless otherwise specified, all materials and workmanship shall be new, of the appropriate grade of the respective kinds for the purpose, and shall match as close as possible existing conditions and material. Whenever an article, material, or equipment is specified by name a substitute of equal qualifications may be used upon the written approval of the Homeowner, in consultation with the City.

## **7. EMPLOYEES AND SUPERINTENDENCE:**

Contractor shall at all times enforce good order among his/her employees and shall not employ at the work site any disorderly, intemperate, or unfit person or anyone not skilled in the work assigned to him/her. The Contractor, or a competent person having authority to act for him/her, shall be at the construction site whenever work is underway. The Contractor shall have the plans and specifications available on the site at all times.

## **8. EQUAL EMPLOYMENT OPPORTUNITY:**

The Contractor and all subcontractors shall not discriminate against any employee or applicant for employment in the performance of this Contract, with respect to his/her hire, tenure, terms, conditions or privileges of employment because of his/her race, gender, color, religion, national origin or ancestry.

## **9. PLANS AND SPECIFICATIONS:**

It is agreed that the nature and extent of the work to be done under this Contract shall be in accordance with, and governed by, the Specifications, and the drawings (if any), component of which copies are appended hereto. The Contractor assumes the responsibility for knowing their content and applying the same as applicable. Each specification (general or technical) and drawing explanation (if any) contained shall be part of the Contractor's Bid and Proposal and are incorporated herein by such identification as though fully set forth. Additional specifications and/or drawings in elaboration or explanation of the work to be done may be prepared by the Homeowner, in consultation with the T.A. Such additional specifications and/or drawings shall be considered as

part of the Specifications component of this Contract and shall be respected and followed as such by the Contractor.

#### **10. PERMITS AND REGULATIONS:**

The Contractor shall perform all work in conformance with all ordinances and codes of the jurisdiction in which the work is done, including all applicable ordinances and codes of the City of Battle Creek, whether or not the same be included in the specification and/or drawings for the work. The Contractor shall obtain and pay for all permits and licenses required by any ordinances, code, or regulation of the jurisdictions in which the work is to be done, and also, for all permits and licenses required by any ordinance, code or regulation of the State of Michigan, or any or its agencies, required for the performance, completion and execution of the work and labor to be performed. In particular, the Contractor shall secure and bear the cost of shutting off and turning on public utilities of every nature which may be required or affected by his/her operations. Where such discontinuance of service affects consumers, due and sufficient notice shall be made to those so affected. The Contractor shall be responsible for notifying any utility company whose services are in the construction zone.

#### **11. INSPECTION:**

The Contractor shall at all times permit and facilitate inspection of the work by the T.A. or its agents.

#### **12. OTHER CONTRACTS:**

The Homeowner, in consultation with the T.A., may let other contracts in connection with the work and the Contractor shall properly connect and coordinate his/her work with the work of such other Contractor. The Homeowner shall not be liable for any damages or increased costs occasioned by the failure of other contractors to execute their work as may be anticipated by these documents.

#### **13. PROTECTION AND SAFETY:**

The Contractor shall properly protect all new and existing work from damage. Repairs shall be made at no additional cost to the Homeowner to all surfaces damaged by the Contractor resulting from his work. Where repair of existing work is called for in the specifications, the feature (floor, wall, ceiling, door, window, or trim, excluding ornamentation) shall be placed in "Equal to New Condition." Such patching or replacement shall be made to blend with existing work so that the patch or replacement will be inconspicuous after finishing.

Contractor shall fully comply with all applicable construction and safety laws and regulations promulgated by the State of Michigan and its concerned departments.

#### **14. CHANGES:**

The Contractor shall make changes in the contracted work only as ordered in writing by the T.A. and the Homeowner. All changes in original Contract must be authorized by a Change Order form.

#### **15. CONTRACTOR'S INSURANCE:**

A. The Contractor shall at the time of execution of this Contract, file with the T.A. the Certificate of Insurance, which shall cover all of his insurance as required herein, including evidence of payment of premiums thereon, and the policy or policies of insurance covering said City and their officers,

agents and employees. Each such policy and certificate shall be satisfactory to the City and shall bear an endorsement precluding the cancellation or reduction in coverage without giving to the T.A. at least thirty (30) days prior notice thereof in writing. Nothing contained in these insurance requirements is to be construed as limiting the extent of the Contractor's responsibility for payment of damages resulting from his operations under this Contract.

B. The Contractor shall maintain insurances in force at all times during the term of this agreement at the minimum amounts and types as indicated.

Workers' Compensation:	\$100,000 or statutory limit as required under the MI Worker's Compensation Act.
Comprehensive General Liability: (including XCU if appropriate)	Bodily Injury \$300,000 each occurrence \$500,000 aggregate
or	
Combined Single Limit	Property Damage \$500,000
Automobile Liability	Bodily Injury \$100,000 each person \$300,000 each occurrence
Property Damage or	\$50,000
Combined Single Limit	\$300,000

The **City of Battle Creek** shall be listed as an **additional insured** on all liability coverages, and shall be provided with a Certificate of Insurance which reflects this additional insured status. A **30 day notice of cancellation or material change shall be provided** to the City and so noted on the Certificate of Insurance. All certificates and notices shall be sent to Community Development Division, Housing Rehabilitation, City of Battle Creek, P.O. Box 1717, Battle Creek, MI 49016.

#### **16. ACCIDENT PREVENTION:**

The Contractor shall exercise proper precaution at all times for the protection of persons and property and shall be responsible for all the damages to persons or property either on or off the site, which occur as a result of his fault or negligence in connection with the execution of the work. The safety provisions of applicable laws and OSHA standards shall be observed and the Contractor shall take or cause to be taken such additional safety and health measures as may be determined to be reasonably necessary.

#### **17. CLEAN-UP:**

On a daily basis, the Contractor shall keep the premises free from accumulations of waste materials or rubbish caused by employees or work. Materials and equipment specified to be removed or replaced shall become the property of the Contractor, and shall be promptly removed from the site at the Contractor's expense. At the completion of the work, the Contractor shall remove all waste,

tools, equipment and surplus materials from the structure and grounds and leave the work clean and ready for use.

If the project involves lead hazard remediation or reduction work, the project must pass the appropriate lead clearance test. If the project fails the initial clearance test, additional cleaning and testing will be required. The additional cleaning and testing will be paid for by the Contractor and said cost will not be passed on to the Homeowner.

#### **18. GUARANTEES AND WARRANTIES:**

The Contractor agrees to remedy, at his own expense, any defects due to faulty materials or workmanship which appear in the work within 18 months or 5 years for a roof from the date of final inspection by the Building Inspectors; provided however, that such defects are not the result of normal depreciation and wear or misuse and abuse as determined by the City. Furthermore, the Contractor shall furnish the Homeowner with operating and maintenance instructions as well as the manufacturers' and suppliers' written guarantee and warranties covering new materials and equipment furnished under this Contract. Contractor shall, upon request, provide manufacturers' or suppliers' certificate that the product furnished complies with the specified standards, in fulfilling the requirements of this Section. If the Contractor disturbs any work previously completed or guaranteed under another Contract, the Contractor must restore such disturbed work to a satisfactory nature of such work, and in the event of a dispute concerning the satisfactory nature of such work, the decision of the City shall be binding upon all parties.

#### **19. METHOD OF PAYMENT:**

Payment will be made under the supervision of the T.A. in one amount by a check payable to the Contractor within thirty (30) days after the satisfactory completion of all work under this Contract. Partial payment arrangements may be considered, on a case by case basis, by the Homeowner in consultation with the T.A.

#### **20. ACCEPTANCE OF WORK:**

The Contract and the Contractor's duty of performance shall not be considered complete until the work has been finally accepted by the Homeowner, and inspected by the T.A. and the Contractor has furnished the following:

- A. All required guarantees and warranties as specified in Section 17 of this Contract.
- B. A sworn statement, on the form provided, stating that all payrolls, material bills, and indebtedness connected with the work have been paid.

Upon termination of this Contract under Section 3 herein, the Contractor shall be entitled only to payment for the portion of work completed at the time of termination, less a set off for damages due to the Contractor's breach in the manner stated in Section 3. Payment shall not be made until after contract project is completed.

#### **21. DISPUTES:**

Any disputes, between the parties hereto, arising under this section of pertaining to the satisfactory completion and acceptance of any work under this Contract, shall be submitted to the T.A. for resolution, and its decision shall be final, determinative and binding upon the Homeowner and

Contractor and their respective rights under this contract.

**22. REQUIREMENTS REGARDING TREATMENT OF LEAD:**

A. Federal Regulatory Requirements: The Contractor shall comply with United States Department of Housing and Urban Development, Federal Regulations 24 CFR Part 35 and the EPA lead regulation.

B. Fines: The Contractor is fully responsible for the means and methods of executing the scope of work. The Contractor is specially trained in the safe work practices of lead hazard reduction and therefore agrees to hold the Homeowner harmless in the event of any fines from federal or local agencies controlling the lead hazard reduction work. The Contractor agrees to immediately satisfy any and all fines or judgments presented by OSHA, MIOSHA, EPA, the Michigan Department of Health or the Calhoun County Health Department and any other governmental agency having jurisdiction over lead hazard reduction work.

**23. CONTRACTOR CERTIFICATION:**

The Contractor warrants and represents that he/she is of good reputation, is financially sound, and has adequate financial resources to carry out the Bid and Proposal set forth, and is qualified to perform the work set forth in the specifications, and drawing (if any). The Contractor further warrants and represents that he/she is not subject to administrative review by the U.S. Department of Housing and Urban Development (HUD) or the State of Michigan.

**24. PROVISION OF ACCESS TO PROPERTY FOR REHABILITATION:**

It shall be understood that the Contractor shall have access onto the Homeowner's property during the hours of 7:00 am to 6:00 pm, Monday through Saturday unless otherwise mutually agreed.

**25. FUNDING:**

This project shall be funded by HUD. HUD has oversight authority on this Contract.

**26. VALIDITY, SEVERABILITY, AND INTERCHANGEABILITY:**

This Contract shall be construed in accordance with the laws of the State of Michigan. Whenever possible, each provision of this Contract shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Contract shall be prohibited by or be deemed invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions for this Contract. If more than one joins in the execution hereof as Homeowner, this agreement shall be deemed joint and several with respect to the obligations of the Homeowner hereunder. If Contractor be a partnership, or a corporation, or other legal entity, the pronouns and relative words herein shall be read as if written in plural or neuter, respectively.



**CITY OF BATTLE CREEK  
COMMUNITY DEVELOPMENT DIVISION  
REHAB STANDARD - ROOF**

- Obtain permit from City Inspections Division and schedule inspection upon completion.
- Protect the exterior of the home with tarps and plywood to catch and control falling debris.
- Remove ALL layers of roof coverings to deck.
- Make repairs to the existing roof framing where required to provide adequate strength
- Pull out all protruding nails and re-nail sheathing securely.
- Repair or replace any deteriorated sheathing with material to match existing.
- Re-deck with 7/16" OSB over the entire roof
  - Sweep roof thoroughly to remove all debris before installing new roof coverings.
- Install rubberized or polypropylene ice & water shield at all eave edges, valleys, and dormers, and around all chimneys and plumbing vents. Ice & water shield shall extend from the lowest edges of all roof surfaces to a point at least 24" inside the exterior wall line of the building.
- Install synthetic underlayment.
- Install non-corroding metal drip edge to all rake and eave edges.
- Install asphalt dimensional strip shingles with a minimum 30 year warranty.
- Install ventilation system, if necessary, to ensure adequate attic ventilation. Continuous ridge vent system is preferred – use when possible.
- Use non-corroding metal flashing at all sidewalls and dormers and non-corroding metal base with flexible rubberized boots around plumbing vent pipes.
- Use non-corroding metal base, step, and counter flashing around chimney. Counter flashing shall be neatly cut into the chimney mortar joints and properly sealed with urethane caulk.
- Install rubberized or polypropylene ice & water shield to the entire roof deck area of any low-slope portions (2:12 to 4:12) or install flat roofing material with appropriate base sheet (less than 2:12).
- Remove all construction debris, including nails, from the work site daily or provide a dumpster on-site to contain all construction debris and remove dumpster at completion of job.
- All materials shall be installed in accordance with the manufacturer's printed instructions and the Michigan Residential Code.
- Shingle color shall be approved by homeowner.



**City of Battle Creek  
Community Services Department  
Community Development Division**

**MINOR HOME REPAIR PROGRAM  
Proceed to Work Order**

Upon receipt of this memorandum, you are hereby authorized to "proceed to work" on the premises located at:

---

Street Address of Homeowner

The work is to be done under the auspices of the City of Battle Creek, Calhoun County, MI.

The Contractor, \_\_\_\_\_, understands and agrees that work shall be performed in conformity with the various codes of the City of Battle Creek, the County of Calhoun and the State of Michigan. Furthermore, all specifications of this contract shall be followed.

Signatures:

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Homeowner

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Date

---

Contractor

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Date

---

**Date to Proceed to Work**

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**Date by which work is to be completed**

**City of Battle Creek** Community Development Division  
City Hall, 10 N. Division Street, Suite 117, Battle Creek, MI 49014

Phone: 269-966-3315



**City of Battle Creek**  
**Community Services Department**  
**Community Development Division**

**MINOR HOME REPAIR PROGRAM**

**Change Order**

Contractor: \_\_\_\_\_

Homeowner: \_\_\_\_\_

Address: \_\_\_\_\_

Address: \_\_\_\_\_

Date: \_\_\_\_\_

Change Order #: \_\_\_\_\_

Original Contract Amount \$ \_\_\_\_\_

In connection with the above captioned contract, the following work items are hereby (added or deleted) and the contract price will be adjusted accordingly. The time for completion of the original contract (is not changed or is extended to): \_\_\_\_\_.

**ITEM AND SPECIFICATION**

**COST \$**

**ACCEPTANCE:**

Company name: \_\_\_\_\_

Contractor

Signature: \_\_\_\_\_

Homeowner

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**City of Battle Creek** Community Development Division

City Hall, 10 N. Division Street, Suite 117, Battle Creek, MI 49014

Phone: 269-966-3315



City of Battle Creek  
Community Services Department  
Community Development Division

**MINOR HOME REPAIR PROGRAM**  
**Certificate of Final Inspection**

Name of Owner:

Address:

A final inspection has been made on the above referenced property rehabilitated with Community Development Block Grant (CDBG) Minor Home Repair funding. The following has been determined and acknowledged:

The construction work has been satisfactorily completed in accordance with the construction contract:      YES      No      (Please Circle)

---

Homeowner's Signature

---

Date

---

Housing Rehabilitation Coordinator or City Representative

---

Date

**City of Battle Creek** Community Development Division

City Hall, 10 N. Division Street, Suite 117, Battle Creek, MI 49014

Phone: 269-966-3315



City of Battle Creek  
Community Services Department  
Community Development Division

**MINOR HOME REPAIR PROGRAM**

**Contractor's Final Invoice, Release of Liens and Warranty**

Property Address: \_\_\_\_\_

Contract Date: \_\_\_\_\_

Total Contract Amount \$ \_\_\_\_\_

1. As a final invoice, the undersigned hereby certifies that there is due from, and payable by the Homeowner to the Contractor under the above contract, the balance or the sum of \$ \_\_\_\_\_
2. The undersigned further certifies that all work required under this contract has been performed in accordance with the terms thereof, and that there are no unpaid claims for materials, supplies or equipment, and no claims of laborer or mechanics for unpaid wages arising out of the performance of this contract.
3. That in consideration of the payment amount state in Paragraph 1 hereof, the undersigned does hereby release the Homeowner from any and all claims arising under or by virtue of this contract; provided, however, that if for any reason the Homeowner does not pay in full the amount state in Paragraph 1 hereof, said deduction shall not affect the validity of this release.
4. The undersigned hereby guarantees the work performed for a period of eighteen months from the date of final acceptance of all the work required by the contract as shown on the "Certificate of Final Inspection" as \_\_\_\_\_. The undersigned certifies all available manufacturers and suppliers written guarantees and warranties covering materials and equipment furnished under the contract have been supplied to the Homeowner.

In WITNESS WHEREOF, the undersigned has signed this instrument this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Signature: \_\_\_\_\_

Company name: \_\_\_\_\_

Contractor Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Witness: \_\_\_\_\_ Date: \_\_\_\_\_

**City of Battle Creek** Community Development Division

City Hall, 10 N. Division Street, Suite 117, Battle Creek, MI 49014

Phone: 269-966-3315

Date  
Name  
Address

Dear :

Thank you for your interest in the City of Battle Creek's Minor Home Repair Program. After further review, unfortunately, the City is unable to assist you in the repair of your property at this time because

- 1) the repairs needed to bring the property up to Battle Creek's minimum housing code are too extensive for this program.
- 2) your application for assistance is incomplete. Please provide . . .
- 3) your household income is over the income limits for the program.
- 4) of pending court action through the City's Code Compliance program. When this situation is resolved, you are welcome to reapply for assistance through the program.

The Minor Home Repair Program provides grant funds of up to \$15,000 for eligible, low-income homeowners to fix exterior code compliance orders to repair, or other exterior or interior health and safety issues. Roofs are funded for replacement cost up to \$25,000.

To be eligible, you must live in the City of Battle Creek, have owned and occupied your single family home for at least six months, be current on property taxes, have current homeowner's insurance, certify that the property is not up for sale and is the primary residence of the applicant and have a household income (all members) that is at or below the following income guidelines:

Household Size	1	2	3	4	5	6	7	8
Income Limit	\$42,750	\$48,850	\$54,950	\$6,1050	\$65,950	\$70,850	\$75,750	\$80,600

If anything changes and you would like us to reevaluate your application, please contact us and we are happy to reopen your application, within 12-month period. Please note that there are additional organization with resources that might be able to assist such as Community Action Agency of Southwest Michigan, Habitat for Humanity and/or Neighborhoods, Inc. of Battle Creek.

Sincerely,

Intake Special

## Appendix 8: Subrecipients and Contractor's Invoice Approval Checklist

Attachment A: Contractor's Invoice Approval Checklist

Attachment B: Subrecipient Invoice Approval Checklist

Contractor's Invoice Approval Checklist

Address: \_\_\_\_\_ Owner: \_\_\_\_\_

HUD-LEAD \_\_\_\_\_

Date: \_\_\_\_\_

CHIP-LEAD \_\_\_\_\_

MHR \_\_\_\_\_

HOME \_\_\_\_\_

CS = Construction Specialist

RC = Rehab Coordinator

CDS= Community Development Supervisor

- Review Invoice for date, amount and details of work (CS & RC )
- Check BSA for Finalized permits (CS & RC)
- Signed final inspection (CS and/or RC)
- Review Change Orders if Applicable (CS & RC)
- Review to see all documents are in Neighborly (CS and RC)
- Prepare pay voucher and review invoice (RC)
- Review budgets and draws in neighborly (RC & CS)
- Update Project Trackers with dates and amounts (RC)
- Review trackers for correct data (RC & CDS)

NOTES: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Construction Specialist Signature: \_\_\_\_\_

Rehab Cooordinator Signature: \_\_\_\_\_

Community Development Supervisor Signature: \_\_\_\_\_

## Subrecipient Invoice Approval Checklist

Address: \_\_\_\_\_

Organization: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_ Review Invoice for date, amount and details of work

\_\_\_\_\_ Review pay voucher, the timesheet, the activity log, the GL from accounting and the demographic information of the households served.

\_\_\_\_\_ Prepare pay voucher and review invoice

\_\_\_\_\_ Review budgets and draws in LOGOS

\_\_\_\_\_ Update Project Trackers with dates and amounts

\_\_\_\_\_ Review trackers for correct data

NOTES: \_\_\_\_\_

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Community Development Specialist Signature: \_\_\_\_\_

Community Development Supervisor Signature: \_\_\_\_\_

# Appendix 9: Walk-away Guidelines

## Walk Away Guidelines

The policy of the City of Battle Creek's Minor Home Repair Program is to provide services when those services may be delivered effectively and safely, without undue hazards to staff and contractors. The following list includes general conditions which may lead to the denial or withdrawal of services to a specific property. While the list is comprehensive, it is impossible to list all the conditions that might lead to the withdrawal of services, therefore, the Minor Repair Program reserves the right to determine, on a case-by-case basis, when and if services will be denied or withdrawn.

### Health and Safety

City staff and contractors must be able to perform their duties at home without undue threats to their health or safety. Conditions which may constitute undue threats may include, but are not limited to, the following:

- Verbal or physical abuse directed toward a staff member or contractor.
- An overt threat of violence to any staff or contractor while services are being provided.
- The presence of unrestrained animals that may cause a threat to any staff or contractors.
- Electrical or plumbing hazards that cannot be resolved before, or as part of, required repairs.
- Environmental hazards such as carbon monoxide, gas leaks, friable asbestos, or other hazardous materials, including excessive mold and/or moisture problems which cannot be resolved by utilizing normal methods.
- Evidence of substantial, persistent infestations of rodents, insects, or other vermin.
- The presence and/or use of any controlled substance, or paraphernalia, in the dwelling unit during the period in which services are being performed.
- The presence of animal feces in any area of the dwelling unit where program staff and/or contractors must perform their duties.
- Excessive garbage built up in and around the dwelling unit limits staff or contractors' access to the dwelling and encourages rodent infestation.
- Maintenance and housekeeping practices that are negligent to the point of limiting the access of staff or contractors to the dwelling, or creating a work-limiting working environment

### Cost Effectiveness

Repair work should be cost effective in addressing health and safety issues, and/or correcting Code Compliance findings. Situations or conditions which limit the cost-effectiveness of any work may include, but are not limited to, the following:

- Structurally unsound dwellings
- Housing units in which the cost of repairs exceeds maximum program limits and guidelines
- Uncooperative homeowners, where homeowners refuse to allow reasonable access necessary to permit services to be performed.

### Notification and Appeal

Homeowners will be informed in writing when services are denied or withdrawn. The written notice will include the reason for the denial or withdrawal of services and instructions for appeal of the denial, or the steps the homeowner must take to allow the program to proceed with services.

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Homeowner's Signature

---

Date