Housing and Human Services Grant Program

Policy and Procedure Manual

Community Development Block Grant (CDBG)
HOME Investment Partnerships Program (HOME)
Social Opportunity Endowment Fund (SOE)
Social and Human Service Facility Fee

Updated November 2012

LIVERMORE
CALIFORNIA

Policy and Procedure Manual

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This manual is available on the City of Livermore website at http://www.cityoflivermore.net/civicax/filebank/documents/2823/

If you have any question regarding the information contained in this Policy and Procedure Manual, please contact Housing and Human Services Staff at (925) 960-4590

Housing and Human Services Grant (HHSG) Program Regulations

The Housing and Human Services Grant Program consists of four separate funding sources and regulations unique unto themselves. The four polices listed below govern all four programs.

1. All applications submitted by agencies must meet at least one of HUD's Strategic Goal, Policy Priorities and the City's Consolidated Plan Goals.
2. At least 75% of the City's HHSG funds must be used for activites that benefit low income persons
3. All agencies receiving funding cannot discriminate in the selection of clients or proselytize when providing services.
4. The City will fully comply with the Citizen Participation Plan as stated in this manual.

HHSG Program Goals

US Department of Housing and Urban Development (HUD) Strategic Goals

1. Increase homeownership
2. Promote decent affordable housing
3. Strengthen communities
4. Ensure equal opportunity in housing.
5. Promote participation of grass-roots faith-based and other community-based organizations

US Department of Housing and Urban Development (HUD) Policy Priorities

1. Provide increased homeownership and rental opportunities for low and moderate-income persons, persons with disabilities, the elderly, minorities, and families with limited English proficiency.
2. Improving the quality of life in our Nation's communities
3. Encouraging accessible design features.
4. Participation of minority-serving institutions in HUD programs.
5. End chronic homelessness within ten years.
6. Removal of barriers to affordable housing.

City of Livermore Consolidated Plan Goals

Guiding Principles: Activities and program will

- Be culturally accessible, appropriate and inclusive
- Encourage community engagement and involvement
- Promote energy and resource efficiency

- Encourage networking and information sharing across service providers
- Encourage process streamlining
- Consolidate service delivery

Goals

1. Support and develop a continuum of housing resources that will increase access to low-income, seniors, disabled and homeless persons with emphasis on activities that:

    a. Increase and maintain transitional housing opportunities with supportive services to increase positive outcomes and stability into permanent housing.

    b. Preserve and increase affordable rental housing opportunities for low and moderate income households.

    c. Assist with homeownership opportunities for first-time homebuyers and ensure existing homeowners have safe housing that maintains affordability.

    d. Promote fair housing and reduce housing discrimination

2. Improve community health and access to basic and specialty care including dental and optometry care, behavioral and mental health care services especially for low-income, uninsured and under-insured residents with emphasis on activities that:

    a. Support the maintenance and expansion of services and programs aimed at wellness and preventative care services.

    b. Increase outreach and access for underserved populations including limited English speaking persons, youth, disabled, seniors and homeless persons

3. Increase and maintain affordable and accessible wellness and development opportunities for youth that are age appropriate.

4. Support and expand programs and opportunities that keep seniors engaged and involved in their community

5. Foster and encourage innovative programs that meet emerging community needs with emphasis on low-income and underserved populations

Income restrictions

At least 75% of the City's CDBG funds must be used for activites that benefit low income persons as calculated for the Oakland Standard Metropolitan Statistical Area. The income limits are updated every year. The most recent guidance is located on the City of Livermore's website on the Housing and Human Divison's webpage.

Section 3 Requirements

Section 3 is a provision of the Housing and Urban Development Act of 1968 which requires recipients of annual federal funding in excess of $200,000 to provide notification of new employment, training and contracting opportunites as a result of this funding. Beucase Livermore meets this threshold, all of our subrecipients that receive federal funding **in excess of $100,000** for projects/activities involving housing construction, demolition, rehabilitation, lead-based paint reduction and abatement, or other public construction are required to comply with Section 3 regulations. Further information is provided on page 22 and in Appendix G.

As a member city of the Alameda County HOME Consortium, the City is working along with other Consortium cities and the Alameda County Housing and Community Development Department (HCD) to develop a Section 3 Plan. This includes developing a "First Source" hiring program for all county contracts that will streamline services and create a resource guide for lower income individuals to access employment and training opportunities generated by federal and local funding. The "First Source" Program will be piloted in the first half of 2013.

Funding requests from faith-based organizations

The Livermore Human Services Commission will accept and review all applications from faith-based organizations that complete the application requirements and request funding for eligible activities as defined in this handbook. The Human Services Commission will not provide any special accommodation for faith-based groups. These regulations are in place to level the playing field with other non-secular agencies and non-profit organizations. The City of Livermore will not encourage or discourage religious activity on the part of any faith-based or secular agency or non-profit. However, the City will only provide HHSG funding for programs that offer services on a nondiscriminatory basis.

HUD issued a Final Rule in the Federal Register on September 30, 2003 and July 9, 2004 that removed any barriers to faith-based organizations receiving funding. Major provisions of the Final Rule are as follows:

1. There is a "welcoming tone" that encourages faith-based groups to apply for funding.
2. Funding is prohibited for inherently religious organizations. This is defined as religious institutions and organizations that require worship or proselytize to their clients. There cannot be excessive entanglement with government funding and religion.
3. Faith-based organizations can maintain their independence by:
    - Continuing to carry out their mission.
    - Agreeing that clients receive services that are free of religious influence.
    - Keeping icons or other religious symbols out of facilities.
    - Keeping religious persons on their board of directors and selecting directors based upon religious affiliation.

Language Access for Limited English Proficient Persons (LEP)

The City places priorty funding on services that reflect the cultural diversity of Livermore residents and address the language access needs of underserved, limited English proficient residents. Executive Order 13166 requires all recipients of Federal funding including State, Local and non-profit agencies, to take reasonable steps to ensure meaningful access to services for Limited English speakers.

This includes, but is not limited to, providing appropriate language assistance. For example: translation of materials, staff training, interpreters, and coordination with other services/agencies for translation services.

Agencies may call HHSG program staff at (925) 960-4590 if they have questions on providing appropriate language assistance to their clients.

Citizen Participation Plan

The Housing and Human Services Division of the Community Development Department is responsible for the development and implementation of the Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), the Social Opportunity Endowment Fund (SOE) and the Social and Human Service Facility Fee (HSFF). The City is committed to having all citizens of Livermore participate to the fullest extent possible in the determination of policy priorities and disbursement of grant funds. The City not only follows the guidelines as established in the CDBG and HOME Programs and applicable State regulations, but also fully complies with the requirements of the Brown Act Open Meeting Laws of the State of California (California Government Code Sections 54950, et seq.)

The Housing and Human Services Grant Program (HHSG) consists of CDBG and HOME, federal funding sources, along with the local Social Opportunity Endowment Fund and the Social and Human Service Facility Fee. Each program principally benefits low income citizens of Livermore. To satisfy the federal requirements for recipients of CDBG and HOME funds, the City of Livermore adheres to the following Citizen Participation Plan in providing for and encouraging public participation in the development, administration and disbursement of funding.

To determine the most appropriate uses of these dollars, the City will consult all of our citizens, including minorities, non-english-speaking persons, low and moderate income residents, persons with disabilities, and advocates for our senior, disabled, illiterate, homeless, and low-income populations for whom the HHSG is designed to serve.

Staff is actively working to outreach to Livermore residents of all ethnicities, regardless of language capability. To maximize public comment and responsiveness, Staff currently works with organizations, community leaders, and key individuals that have the trust of the community, including the faith community, public health and school nurses, and the schools. We will continue to work on improving language capacity and multi-lingual outreach.

Intent of the Housing and Human Services Grant Program (HHSG)

The City of Livermore's intent for the HHSG is to meet the identified needs of low and moderate income residents and to provide a more desirable living environment for all residents within the City. It is impossible for the City by itself to identify all of the needs of our residents and/or fund all of the programs necessary to meet those needs. Therefore, the City must rely on a

coordinated effort among private citizens, social service providers and other governmental agencies to assist in addressing the most pressing needs of the residents of Livermore.

Scope of Public Participation in the Housing and Human Services Grant Program

The City of Livermore will provide for continuity of citizen participation throughout all stages of the application and administrative tasks of the HHSG Programs. Citizen involvement will be encouraged through the reasonable and timely access to local meetings, information and records relating to the following areas:

a. The 5-year Consolidated Plan and Needs Analysis;

b. The annual one year Action Plan;

c. The annual one year Consolidated Annual Performance Evaluation Report (CAPER);

d. The 5-year Analysis of Impediments to Fair Housing;

e. Subsequent amendments and other changes to the above initiated by the U.S. Department of Housing and Urban Development or other federal agency.

The Livermore Human Services Commission will act in an advisory role to the City Council during program application, implementation and evaluation. Staff of Community Development's Housing and Human Services Division will assist in providing technical assistance to the Commission any individual and/or organization in developing proposals and submitting comments.

City Council and citizens of Livermore will assess all aspects of the performance of the HHSG programs throughout the year and submit comments to Community Development staff.

All records, except for those which are considered to be private or confidential under applicable laws pertaining to the past use of HHSG funds, may be reviewed during normal City Hall hours by contacting the Community Development Department, Housing and Human Services Division, at (925) 960-4590.

At various times throughout the year, the City will specifically request public comments on various aspects of the HHSG programs. The requests will be advertised in one or more of the following methods:

a. Article(s) in the City-wide Newsletter.

b. News releases to local newspaper(s) in both English and Spanish.

c. Paid advertisements in the local newspaper(s). This will include those papers that outreach to diverse residents.

The City will also maintain an attitude of openness and helpfulness in order to encourage public response through an atmosphere of mutual cooperation.

The City will record the following items of comment in its annual performance report(s):

a. Copies of all comments submitted, throughout the year, by citizens in regard to the City's performance.

b. The City's assessment of the citizens' comments; and,

c. A summary of any actions taken in response to the comments received.

All complaints and/or grievances filed by a citizen, or a representative of a citizen, will be submitted in writing to the Community Development Department, Housing and Human Services Division, 1052 S. Livermore Avenue, Livermore, CA 94550. Upon receipt of the complaint and/or grievance, Community Development staff will review it, prepare a written response, and forward the response no later than fifteen (15) working days following the date the complaint and/or grievance was received.

Application to the City's Housing and Human Service Grant Program
The application process for each new HHSG program year will begin in late fall of the preceding program year. Housing and Human Services staff will hold at least two "Notice of Funding Availability" workshops. The workshop will include the following information:

1. The total amount of HHSG funds available or anticipated to be available to the City of Livermore for human service, community development and housing activities;

2. The range of activities that are eligible to receive HHSG funding;

3. The objectives which must be met to qualify for funding;

4. The procedure to follow for submitting proposals to the City and a brief summary of the entire application process, including a schedule of applicable notices and meetings; and

5. Any additional information which the Community Development staff determines to be significant to any particular program year (i.e., new regulations).

Times and location of the "Notice of Funding Availability" workshop will be published in easily readable type in local newspaper(s) of general circulation, including local minority and non-English language publications, along with being emailed or mailed to local non-profit public and private organizations and/or agencies.

Review of Proposals for Funding
The proposals submitted by City Departments and/or non-profit organizations will be reviewed and evaluated by the Human Services Commission and Housing and Human Services staff according to the guidelines defined in this Policy and Procedures Manual. Applicants will make a presentation to the Human Services Commission at their February meeting. The process to discuss the submitted applications and determine funding recommendations will occur at the Commission's public meeting in March.

The Human Services Commission will forward their funding recommendations in a report from the Community Development Director to the City Council for review at a public meeting in April. The City Council will select the projects to be funded and the amount for each project.

Public Hearings for review of funding proposals

The City Council of Livermore will hold a public hearing for the purpose of soliciting community input regarding the City's Annual Plan and CAPER for the HHSG programs. The public hearing will be held in the City Council Chambers at 7:00 p.m. located at 3575 Pacific Avenue in Livermore. The Council Chambers building is in a centralized location which is accessed through public or private transportation and accessible to all members of the disabled community. Accommodations can be made for any disability if the City is notified at least 48 hours in advance of the meeting. Requests can be made to the Housing and Human Services Division, 1052 S. Livermore Avenue, Livermore, 94550, phone number is (925) 960-4590. Requests for person that are deaf or require sign language interpretation can be sent to the City via email at housing@cityoflivermore.net The meeting will be noticed in the local newspaper(s) at least two weeks prior to the scheduled meeting. The projects selected by the City Council, in addition to comments from citizens regarding the needs of the community, will be included in the City's Action Plan for the new program year.

The City is eager to receive comments all from low/moderate income persons on how they believe certain HHSG funded projects and/or activities will assist them to meet their various needs regardless of their ability to speak English. Low/moderate income persons will be encouraged to participate in the identification of projects/activities to be funded through the CDBG and HOME programs in any given year.

The City will use various forms of advertisement in an attempt to gain greater low/moderate income persons' participation in establishing goals and objectives for Livermore's HHSG programs. An example of an effective form of advertisement is the City-published newsletter. The City Newsletter is published three times per year and delivered, through the mail, to every household free of charge. Whenever feasible, an article will be placed in the City Newsletter to provide the public with information on the HHSG programs and encourage low/moderate persons to participate in its ongoing operations. In addition, the City will request comments from identified agencies representing low/moderate income persons through service provision or advocacy efforts.

If a significant number of non-English speaking residents are expected to participate at a public hearing, the City will make an effort to accommodate them through the use of bilingual City staff or by hiring a translator for the meeting.

Funding Awards

Upon final determination by the City Council of the projects to be included in the City's applications for funds, Community Development staff will notify, in writing, all individuals and/or organizations submitting proposals of the action taken by the City Council. Community Development staff will forward the correspondence explaining the City Council's action within fifteen (15) working days of the business meeting.

After the City Council has selected the projects for inclusion in its application to the U.S. Department of Housing and Urban Development, a draft "Annual Plan" for the new program year will be prepared and published for public comment. The draft profile will be forwarded to Alameda County Housing and Community Development Department for inclusion in the Alameda County HOME Consortium's Annual Action Plan. Alameda County will publish notices in the local ANG newspapers along with the site(s) where the public can review the document.

The review period will be no less than thirty (30) working days in length. Alameda County will also hold a public hearing on the Action Plan and submit this document to the Alameda County Board of Supervisors for approval.

The Livermore City Council will also hold a public hearing to receive comments from citizens regarding Annual Plan at a public hearing at their regularly scheduled second meeting in April. City Council meetings are scheduled on the second and fourth Monday evenings at 7:00 p.m. in the City Council Chambers. The City Council meetings are legally noticed in the local newspaper(s) and agendas are available in the City Clerk's Office at least seventy-two (72) hours prior to each meeting.

The City's final applications for HHSG funds will be prepared by the City's Community Development staff and forwarded to Alameda County Housing and Community Development Office for inclusion in the Annual Action Plan for the Alameda County HOME Consortium. This is forwarded by Alameda County Housing and Community Development Department to the San Francisco Office of the U.S. Department of Housing and Urban Development (HUD) prior to the May 15th deadline.

Citizens of Livermore wishing to object to HUD approval of an application submitted by the City may do so by contacting the San Francisco Office of the U.S. Department of Housing and Urban Development at 600 Harrison Street, 3rd Floor, San Francisco, CA 94107, (415) 489-6400. Citizen objections should be filed with the U.S. Department of Housing and Urban Development within thirty (30) days of the publication of the City's notice that the application has been submitted to HUD for approval.

The U.S. Department of Housing and Urban Development will consider objections to the application on the following grounds only: the City's description of needs and objectives is plainly inconsistent with available facts and data; or the activities to be undertaken are plainly inappropriate to meeting the needs and objectives identified by the City; the application does not comply with the requirements' applicable law; or the application proposes activities which are otherwise ineligible according to federal regulations.

All objections should include identification of the requirements not met and, in the case of objections made on the grounds that the description of needs and objectives is plainly inconsistent with generally available facts and data, the data upon which the persons rely.

Displacement Minimization

It is the intent of the City of Livermore to avoid, whenever possible, the involuntary displacement of any family, household, individual, business or non-profit organization as a result of acquisition, rehabilitation or demolition activity funded through the HHSG programs.

As a general rule and under routine circumstances, the City will not undertake any HHSG project which will result in the involuntary displacement of low/moderate income households from their homes. If, however, involuntary displacement does occur as an unanticipated result of any activity funded by HHSG funds, the City will adhere to the Residential Relocation Plan requirements of the US Department of Housing and Urban Development to provide assistance to the displaced households.

Program Amendments

The City will adhere to this Citizen Participation Plan whenever its Annual Plan or CAPER is amended and forwarded to the U.S. Department of Housing and Urban Development for approval. The City is required by federal regulations to amend its final Annual Plan whenever a decision is made to cancel an identified project, to add a project not previously identified or to substantially change the purpose, scope, location or beneficiaries of an identified activity. For the purpose of processing amendments to the City's final Annual Plan, "substantial change" is defined as a change in the HHSG funding level of the project or activity 25% or greater than the original adopted project budget.

Prior to amending its Annual Plan or any other aspect of its HHSG programs, the City will provide citizens with reasonable notice of and opportunity to comment on the proposed changes. When necessary, the City will hold public hearings on the proposed amendment(s) according to procedures.

CDBG Program Overview

The City of Livermore receives a yearly CDBG (Community Development Block Grant) entitlement from the US Department of Housing and Urban Development (HUD). To continue participation in this program, the City contractually agrees with HUD to implement the Housing and Community Development Act of 1974 and related CDBG program regulations in 24 CFR 570. All CDBG allocations are subject to the regulations detailed in OMB Circulars A-110 & A-122. Information regarding this program can be located on HUD's website.

The City of Livermore has extensive information regarding CDBG on the Human Services/CDBG webpage found at http://www.cityoflivermore.net/citygov/cd/hhs/cdbg/grants.asp

CDBG National Objectives (24 CFR 570.200 (a)(2))

1. At least 70% of the City's CDBG funds must be used for activites that benefit low or moderate income persons as defined by HUD.
2. The project must eliminate slum and blight as defined by HUD.
3. Meet an urgent need designated as an emergency by the Livermore City Council.

CDBG Eligible Activities (24 CFR 570.201)

1. Acquisition of real property for any public purposes other than the general conduct of government.
2. Disposition of property acquired with Community Development Block Grant funds.
3. Acquisition, construction, rehabilitation, or installation of public facilities and improvements carried out by the City or other public or private nonprofit entities. Generally, this does not apply to new construction.
4. Public services (limited to 15% of the City's total CDBG entitlement) which are directed toward improving the community's public services and facilities, including, but not limited to, those concerned with employment, Welfare Reform, child care, health, drug abuse, education, job training assistance, recreational needs, crime prevention, or energy conservation.
5. Removal of architectural barriers, which restrict the mobility or access of elderly and/or persons with disabilities. All publicly and privately owned buildings and facilities are eligible for funding.
6. Rehabilitation and preservation for:
    - Low and moderate-income owner-occupied houses.
    - Low and moderate-income public housing.
    - Publicly owned non-residential buildings and improvements otherwise eligible for assistance.
    - Publicly or privately owned historic properties.

- Closed school buildings to be converted for use as an eligible commercial or industrial facility, public facility, or for housing.
- Low and moderate-income senior housing.
- Businesses that agree to hire and/or serve low and moderate-income persons.

7. Activities designed to create or retain jobs. All jobs created within the applicant's program are required to be permanent and at least 51 percent of the total amount must be for persons of low and moderate income.

CDBG Ineligible Activities (24 CFR 570.207)

The following activities may not be assisted with CDBG funds:

1. Buildings for the general conduct of government. This includes operating and maintenance expenses. Exceptions are operation and maintenance expenses associated with public service activities, interim assistance, and CDBG program staff.
2. General government expenses except to carry out the CDBG program.
3. Political or religious activities.
4. Construction equipment.
5. Fire protection equipment unless integral part of a public facility.
6. Personal furnishing and property.
7. Food not related to direct service delivery to clients.
8. Furnishings that are not integral structural fixtures.
9. New housing construction except for land acquisition and other specific circumstances
10. Income payments and other subsistence payments made to individuals or a family.

HOME Program Overview

The City of Livermore receives HOME (HOME Investment Partnerships Program) funding through our participation in the Alameda County HOME Consortium. To continue participation in this program, the City contractually agrees to implement HOME's program regulations at 24 CFR parts 92, established by Title II of the Cranston-Gonzales National Affordable Housing Act of 1990. All HOME allocations are subject to the regulations detailed in OMB Circulars A-110 & A-122. Information regarding this program can be located on HUD's website.

HOME National Objectives (Title 42, Chapter 130, Subchapter II, Section 202)

1. Expand the supply of rental housing that is affordable to very low and low-income persons and families.
2. Improve homeownership opportunities to very low and low-income persons and families.
3. Expand the capacity of non-profit providers of lower income housing.
4. Encourage private-sector participation in the development of lower income housing.

HOME Eligible Activities (24 CFR 92.205 & 206)

1. The HOME program defines a project as a site with any building(s) under common ownership, management and financing to be assisted with HOME funds as a single undertaking to construct or rehabilitate housing units
2. HOME program allows for various forms of project subsidies that include loans, grants, equity investments, loan guarantees or other forms with approval from HUD. The subsidy limit is based upon a formula developed by HUD.
3. Eligible costs include new construction, homeowner and rental rehabilitation, reconstruction, conversion, site improvements, acquisition, demolition relocation, refinancing, soft costs, tenant-based rental assistance, first time homebuyer acquisition.
4. HOME funds can only be committed after the City has underwritten the project and determined that the potential Subrecipient has capacity to complete the project and is fiscally sound. The City must also determined there are market conditions show there is adequate need for the project.

HOME Ineligible Activities (24 CFR 92.214)

1. Project reserve accounts or operating subsidies
2. Tenant based rental assistance in conjunction with a rental rehabilitation program.
3. Match for other federal programs except McKinney Act funds
4. Operations or modernization of public housing.
5. Acquisition of City-owned property.
6. Committing additional HOME funds after a project has been completed for over one year.

HOME Proposed Rule
On December 16, 2011, HUD issued a Proposed HOME Rule to make a number of changes to existing HOME regulations. The proposed changes are in effect until the Final Rule is issued.

The Proposed Rule may be downloaded at http://www.hud.gov/offices/cpd/affordablehousing/homeproposedrule/index.cfm.

Underwriting and Subsidy Layering: If your project is being considered for HOME funding, it will be necessary for staff to conduct an underwriting analysis and subsidy layering review to ensure the long-term viability of the proposed project and reasonableness of the requested funding amount. City Staff may require submittal of some or all of the items listed below to assess the experience and financial capacity of the agency applying for HOME funding. If you are a new applicant for HOME funding, staff reserves the right to request information to complete underwriting during the application review process:

- Proposed budget submitted with the HHSG project application
- Documentation of other funding sources to be utilized in project and whether they are committed or being applied for/timing for applications, etc.
- Documentation on organization's background, experience, purpose, capacity and types of service provided
- Resumes of Executive Director, Program Manager, Fiscal Officer, and other key personnel
- Agency Audit Requirements and Copy of Most Recent Audit
- Articles of Incorporation and Bylaws
- Conflict of Interest Statement

Qualification as Affordable Housing: The Proposed Rule requires the use of the actual 95% of Area Median Purchase Price, as determined by HUD, or as approved by HUD if the local participating jurisdiction (Alameda County) exercises an option to calculate its own 95% of median sales price. This revised provision for After-Rehab Value limits applies to proposed housing rehabilitation programs funded by HOME through the City's HHSG Program. If your project receives HOME funding for housing rehabilitation purposes, it will be necessary to obtain the applicable After-Rehab Value limits from the City applicable for the program fiscal year.

Tenant-Based Rental Assistance: Language has been added in the Proposed Rule to clarify eligible costs and requirements for HOME-assisted Tenant-Based Rental Assistance (TBRA). For example, the Proposed Rule clarifies that tenant selection policies and criteria must be based on local housing needs, utility deposit assistance is an eligible cost only when provided as part of an ongoing TBRA or security deposit assistance, and allowing participating jurisdictions to use HOME TBRA in connection with a self-sufficiency program in which the family is required to participate as a condition of selection for assistance.

HHSG recipients who have been funded with HOME Program assistance will be notified by City Staff at such point the Proposed Rule becomes Final.

Social Opportunity Endowment Program Overview

The purpose of the Social Opportunity Endowment (SOE) is to establish a long term, stable, funding source for public service programs. All programs being funded with these dollars will provide assistance to low income residents of Livermore. The City will use the low income statistics is defined as a total household income of 80% or less of Area Median Income of the Oakland Standard Metropolitan Statistical Area as defined by the US Department of Labor and US Department of Housing and Urban Development.

The income chart for the current fiscal year (updated annually) for the City of Livermore is found at www.cityoflivermore.net/citygov/cd/hhs/cdbg/income.asp.

Eligible Applicants and Service Priorities

The organization applying for funds must have a 501(c) (3) tax status or be a public agency. The application must be for a program that meets a goal and/or addresses a need identified within the City's Consolidated Plan Priorities and the Human Services Needs Assessment. Both documents can be found on the City's website or obtained from the Community Development Department. Grants are not made directly to individuals.

Funding

To maintain a consistent source of future funding for public services, a portion of the total endowment will be expended each year, with the City maintaining the remainder in an interest bearing account. Funding recommendations will be made by the Human Services Commission for final approval by the City Council.

Yearly Fund Availability

Up to $150,000 will be awarded to programs serving low-income Livermore residents each year. The allocation from the Social Opportunity Fund will equal the difference between $150,000 and the public service portion of the City's Community Development Block Grant (CDBG) entitlement.

Application funding

Maximum per application is $20,000. These funds can be mixed with, and/or used as a match for other local, state, or federal sources.

Requirements for organizations or agencies receiving funding

Applications must demonstrate a specified direct service to clients/participants. Agencies cannot utilize these funds as pass-through for other organizations.

Applicant agencies/organizations must comply with the Civil Rights Act of 1964, the Rehabilitation Act of 1973 as amended, the Age Discrimination Act of 1975, and all relevant California laws which bars discrimination based on race, color, national or ethnic origin, gender, sexual preference, age, or disability.

Agency must comply with all funding regulations of the City of Livermore including insurance requirements. In addition, the agency will at all times indemnify and save harmless the City of Livermore, its employees and agents, from and against any and all manner of claims, losses, costs, charges, actions and other proceedings whatsoever made or brought against, suffered by,

or imposed upon any person or property directly or indirectly arising out of, resulting from or sustained as a result of the work associated with the Endowment.

Applicant programs/services must be fully accessible to all members of the public who meet income limits.

Funding will be available to faith based organizations only if they offer services on a nondiscriminatory basis and do not proselytize.

Endowment funds cannot be used to supplant other contract funds or grant awards.

Eligible Activites

Endowment funds must be used to establish, expand or enrich direct services. This includes staff salaries, benefits and training that are directly applicable to the program's operation.

No funding is available for capital grants to purchase equipment, establish, or expand the agency's physical space.

Application Process

The application process will maintain the same timeline and procedures as the City's Housing and Human Service Grant Process.

The Human Services Commission (HSC) will accept and review all applications. All applications will be reviewed against the following criteria identified in the Evaluation Criteria worksheet included in this document in **Appendix B**.

After review, the HSC will make recommendations to the Livermore City Council for funding. The HSC will only consider complete applications.

Priority will be given to applications that request one time only funding or are matching and/or leveraging funding from other sources. The agency applying for funding must demonstrate a commitment to service integration, community cooperation, and collaboration between service providers.

Projects must begin on July 1 and conclude on June 30 of the following year.

The proposed project must identify a target population and specific need in the community. The applicant must provide statistical and/or anecdotal evidence of need. The City encourages applications that meet a current unmet need, or seek to enhance a need not being adequately met through creative and innovative solutions.

Agency must have sufficient infrastructure to effectively deliver the services. The applicant organization must present evidence satisfactory to the HSC that it is fiscally and managerially competent

Cost Reimbursement

The Endowment will only reimburse expenses occurred by the agency or organization. All invoices must contain appropriate back-up documentation that clearly shows the agency expended funds on program costs specified in the grant application.

Reporting

Each agency receiving a grant must submit quarterly and year-end activity reports.

- Quarterly reports will include client data, units of service and percentage of goal met to date.
- Year-end reports will include final client data and service delivery. In addition, the applicant must define how the grant funds made an impact on the need and problem stated within the application.
- The Human Services Commission will report to the City Council at least one time per year as to how the funds are expended and their impact in the community.

Monitoring

City Program Staff will conduct a yearly risk analysis on each agency receiving a grant. Each agency will be monitored at least every two years. In the event that staff finds a breach of the polices and procedures outlined in this document or evidence that any of the statements made by the applicant during the application process are false, the City of Livermore will immediately revoke all funding. If any funds have been disbursed, the City will have the right to demand repayment. In addition, the agency will be barred from applying for any City funds for a time frame specified by the Human Services Commission.

Modification of Program Polices and Procedures

Any changes or modification of these polices and procedures will only occur by approval of a 2/3 majority of the Human Services Commission. This recommendation will be forwarded to the Livermore City Council for final approval.

Social and Human Service Facility Fee Program Overview

The purpose of this fee is to establish a long term, stable funding source for capital projects that support Human Service programs. All agencies receving funding will use this funding for construction or rehabilitation of facilities that provide assistance to low income residents of Livermore. The City will use the low income statistics is defined as a total household income of 80% or less of Area Median Income of the Oakland Standard Metropolitan Statistical Area as defined by the US Department of Labor and US Department of Housing and Urban Development (HUD).

The income chart for the current fiscal year (updated annually) for the City of Livermore is found at www.cityoflivermore.net/citygov/cd/hhs/cdbg/income.asp

Eligible Applicants and Service Priorities

The organization applying for funds must have a 501(c) (3) tax status or be a public agency. The application must be for a program that meets a goal and/or addresses a need identified within the City's Consolidated Plan Priorities and the Human Services Needs Assessment. Both documents can be found on the City's website or obtained from the Community Development Department. Grants are not made directly to individuals.

Funding

To maintain a consistent source of future funding for public services, only a portion of the total amount received through development impact fees will be expended each year. Funding recommendations will be made by the Human Services Commission for final approval by the City Council.

Application funding

Human Service Facility Fee dollars can be mixed with, and/or used as a match for, other local, state or federal sources.

Requirements for organizations or agencies receiving funding

Applications must demonstrate a specified direct service to clients/participants. Agencies cannot utilize these funds as pass-through for other organizations.

Applicant agencies/organizations must comply with the Civil Rights Act of 1964, the Rehabilitation Act of 1973 as amended, the Age Discrimination Act of 1975, and all relevant California laws which bars discrimination based on race, color, national or ethnic origin, gender, sexual preference, age, or disability.

Agency must comply with all funding regulations of the City of Livermore including insurance requirements. In addition, the agency will at all times indemnify and save harmless the City of Livermore, its employees and agents, from and against any and all manner of claims, losses, costs, charges, actions and other proceedings whatsoever made or brought against, suffered by, or imposed upon any person or property directly or indirectly arising out of, resulting from or sustained as a result of the work associated with the Human Service Facility Fee.

Applicant programs/services must be fully accessible to all members of the public who meet income limits.

Funding will be available to faith based organizations only if they offer services on a nondiscriminatory basis and do not proselytize.

Human Serivce Facility Fee funds cannot be used to supplant other contract funds or grant awards.

Eligible Activites

Human Service Facility Fee funds must be used construct or rehabilitate buildings that establish, expand or enrich direct services.

Application Process

The application process will maintain the same timeline and procedures as the City's Housing and Human Service Grant process.

The Human Services Commission (HSC) will accept and review all applications. All applications will be reviewed against the following criteria identified in the Evaluation Criteria worksheet included in this document in **Appendix B.**

After review, the HSC will make recommendations to the Livermore City Council for funding. The HSC will only consider complete applications.

Priority will be given to applications that request one time only funding or are matching and/or leveraging funding from other sources. The agency applying for funding must demonstrate a commitment to service integration, community cooperation, and collaboration between service providers.

Projects must begin on July 1 and conclude on June 30 of the following year.

The proposed project must identify a target population and specific need in the community. The applicant must provide statistical and/or anecdotal evidence of need. The City encourages applications that meet a current unmet need, or seek to enhance a need not being adequately met through creative and innovative solutions.

Agency must have sufficient infrastructure to effectively deliver the services. The applicant organization must present evidence satisfactory to the HSC that it is fiscally and managerially competent.

Invoicing

The Human Service Facility Fee will only reimburse expenses occurred by the agency or organization. All invoices must contain appropriate back-up documentation that clearly shows the agency expended funds on program costs specified in the grant application.

Reporting

Each agency receiving a grant must submit quarterly and year-end activity reports.

- Quarterly reports will include status of the rehabilitation/construction project. This includes when construction began and percentage of the construction completed to date.
- Year-end reports will include final client data and when construction/rehaiblaition was completed. In addition, the applicant must define how the grant funds made an impact on the need and problem stated within the application.
- The Human Services Commission will report to the City Council at least one time per year as to how the funds are expended and their impact in the community.

Monitoring

City Program Staff will complete a risk analysis on each agency receiving funding. Staff will monitor each agency at least every two years. In the event that staff finds a breach of the polices and procedures outlined in this document or evidence that any of the statements made by the applicant during the application process are false, the City of Livermore will immediately revoke all funding. If any funds have been disbursed, the City will have the right to demand repayment. In addition, the agency will be barred from applying for any City funds for a time frame specified by the Human Services Commission.

Human Services Commission Application Review Process

The Request for Proposals (RFP) for the Housing and Human Services Grant programs is disseminated in December of the previous program year.

Contact program staff at (925) 960-4590 for specific dates or check the City's website at http://www.cityoflivermore.net/citygov/cd/hhs/cdbg/default.asp.

Each agency must attend one of the scheduled RFP workshops and submit a complete application package to be considered for funding. Staff will not contact the agency to submit any missing information. The Human Services Commission will utilize the Grant Application Evaluation Criteria in **Appendix B** to score each application.

Performance Measures

The US Department of Housing and Urban Development has instituted performance measures to gather information to demonstrate that the programs funded with CDBG and HOME are meeting local needs. The City will use these same performance measures for the Social Opportunity Fund and Social and Human Service Facility Fee to show how HUD funds are leveraged with local dollars. All information will be disseminated to the Human Services Commission, Livermore City Council and HUD. Performance Measures can be found in **Appendix B**.

Application Evaluation Criteria

The Human Services Commission (HSC) will analyze a proposal against the evaluation criteria in **Appendix B** to determine which project will receive a funding recommendation to the Livermore City Council. In conjunction with the evaluation criteria, the HSC will also consider if the applicant agency met their stated program goals and spent their funding allocation for current and previous fiscal years. If agency wishes want to know how the HSC scored an individual application, they must make a request in writing to the Human Services Manager. The applicant will only receive general comments, not individual scoring sheets. As noted under the HOME Program Overview section, additional underwriting and subsidy layering analyses will be conducted for agencies seeking HOME funds.

Presentation of application to the Human Services Commission

At the regular February meeting of the Human Services Commission (HSC), a representative of the agency is required to attend the meeting to make a 5 minute presentation and answer questions regarding the submitted funding proposal. The agency should send a person that has intimate knowledge of the application and the program. We have found in the past that person without such knowledge can be detrimental to representing an application.

The Human Services Commission will make final funding recommendations to the City Council at their regular March meeting. A person from the agency should be availalble in case any additional questions arise.

Appeals Process

The City Council and Human Services Commission (HSC) is committed to maintaining a fair, uniform application process. To achieve that end, all agencies must comply with the entire application process or the HSC will not consider their application for funding. However, if an

emergency occurs and your agency is unable to meet some portion of this process, you can appeal to the HSC to modify the procedures described in this manual.

What to expect if the City awards you a Housing and Human Services Grant

The agency cannot invoice or begin encumbering costs for projects approved by the City Council before July 1. However, if a unique situation arises within a capital project, according to 24 CFR 570.200 (3) (h), you may make a request in writing to the City's Human Services Manager to encumber funds before the beginning of the fiscal year. Failure to comply with any of these requirements in this section could result in the de-obligation of current grant funds or barring of future Housing and Human Services Grant funding from the City of Livermore.

Federal Program Requirements

Environmental Review The City Council does not officially allocate funding until the Environmental Review (ER) is completed by City Staff and a finding of no significant impact ("FONSI") is issued. Therefore, your agency is prohibited from spending any Housing and Human Services Grant money for the project until the beginning of the fiscal year. Staff may contact you for specific information regarding your project to complete the ER as described in 24 CFR 570.604. If staff requests information, please reply promptly to ensure the document is completed before July 1.

Federal Labor Standards (Davis Bacon) **I**f the City awards funds for a capital project, staff will contact you if the federal wage requirements ("Davis-Bacon Act" wages) apply to your project. If the Davis-Bacon Act applies, staff will provide your agency a brief technical assistance training and a binder with handouts that detail the appropriate Davis-Bacon requirements and paperwork to help you complete this requirement. *If you are unsure about how to implement any part of this process, please contact City Staff immediately.*

If federal prevailing wages apply to your project, the federal wage checklist and sample wage determination will be included as an exhibit to your agency's contract with the City. ***Please note, it will be necessary for you to confirm with City staff the actual federal wage decision applicable to your project prior to starting the bid advertisement process for your project***. In accordance with HUD, the correct wage decision for your project must be "locked-in". You **must** confirm with staff regarding the correct wage decision to use in your project. A checklist outlining Davis-Bacon requirements and when specific items must be supplied to the City is found in **Appendix F**. It will be necessary for your agency to submit the required documentation to the City at the project milestones as outlined in the checklist. If you do not comply with the timeframes for submitting information, it will impact the payment of all invoices. It will also jeapordize current and future funding.

A number of requirements must be met in the bidding of a project subject to Davis-Bacon, including, but not limited to, use of the applicable wage decision, required documentation in the contract award, and post-award requirements such as employee interviews and certified payroll submittal. The Invoicing Section below outlines the items that must be submitted to the City to comply with Davis-Bacon before your first invoice is paid. These are also outlined in **Appendix F**. Therefore, it is essential that your agency discuss and be familiar with the Davis-Bacon

requirements prior to the start of the project.

If your agency is undertaking a capital project that requires implementation of Davis-Bacon Labor Standards, you must submit a number of items to the City before the first invoice is paid. A checklist outlining all procedures is found in **Appendix F**.

Section 3

Subrecipients, contractors and subcontractors that receive contracts funded with CDBG or HOME **in excess of $100,000** for projects involving housing construction, demolition, rehabilitation, lead-based paint reduction and abatement, or other public construction are required to comply with Section 3 regulations. Section 3 is triggered when federal funds are spent on activities which create the need for **new** employment, contracting, or training opportunities. The Section 3 program requires that contractors or subcontractors, to the greatest extent feasible, provide job training, employment, and contracting opportunities for low- or very-low income residents in connection with projects and activities in their neighborhoods. "Section 3 residents" are defined as public housing residents or low- or very low-income residents where the Section 3 covered assistance is provided. A "Section 3 business concern" is that in which 51% or more of the business is owned by Section 3 residents or which employs Section 3 residents for at least 30% of its full-time, permanent staff.

Agencies that are awarded funding through the City's Housing and Human Services Grant Program at a level that triggers compliance with Section 3 are required to be familiar with the Section 3 program regulations. Capital projects that are funded which trigger Section 3 are also required to include Section 3 provisions in their contracts, as detailed in **Appendix D**. Additional information on Section 3 may be found in **Appendix G** and by visiting HUD's Fair Housing and

Equal Opportunity Office webpage at http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/section3/section3.

Quarterly and Fiscal Year-End Reporting

As a recipient, the agency is required to submit the reports listed on the following table. If the agency does not comply with this requirement, the City will withhold payment of all submitted invoices until we receive the appropriate reports. If the agency continues to not comply with submission of required reports, the City will respond by deobligating current funding or deny future funding requests. A sample of the CAPER year-end report may be found in **Appendix E**.

Report Item	Due Date to City
Quarter 1 reports due through ZoomGrants	**October 15**
Invoicing: All agencies should have at least one invoice submitted by the end of November or submit a letter explaining no activity.	November 30
Quarter 2 reports due through ZoomGrants	**January 15**

Quarter 3 report due through ZoomGrants	**April 15**
Semi Annual Labor Standards Report (covering the October 1 through March 31 period) *(staff will contact you if this applies to your project)*	April 15
Equipment Report due	June 30
Quarter 4 report and Fiscal Year-End CAPER Narrative Question Responses due through ZoomGrants	**July 15**
Agency Audits are due from all Subrecipients	**July 15**
Invoicing: Last day to submit invoices for the fiscal year	To be determined by City's Finance Dept. Date changes yearly
Section 3, Minority Business Enterprise and Women Business Enterprise Report **(MBE/WBE)** for prior fiscal year's activities. *(staff will contact you if this applies to your project)*	August 31
Semi Annual Labor Standards Report (covering the April 1 through September 30 period) *(staff will contact you if this applies to your project)*	October 15

City Contracting and Insurance requirements

City Staff will send you two copies of the CDBG contract and related program certifications. You must sign and return all the contracts, Certification Regarding Lobbying, insurance certification, and additional signature pages in mid-June to provide the City sufficient time to execute the contracts before July 1. Requirements relating to federal prevailing wages are described on pages 21 and 24-25, and in **Appendix F**. Insurance provisions are described below. If you have any questions, please contact staff at (925) 960-4590.

Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).
2. Insurance Services Office form number CA 0001 covering Automobile Liability, code 1 (any auto).
3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

Minimum Limits of Insurance

Sub-grantee shall maintain limits no less than:

1. General Liability, including operations, products and completed operations, as applicable: $1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

2. Automobile Liability: $1,000,000 per accident for bodily injury and property damage.
3. Employer's Liability: $1,000,000 per accident for bodily injury or disease.

Deductibles and Self-Insured Retention

Any deductibles or self-insured retention must be declared to and approved by the City. At the option of the City, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the City of Livermore, its officers, officials, employees and volunteers; or the Sub-grantee shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration and defense expenses.

Other Insurance Provisions

The general liability and automobile liability policies are to contain, or be endorsed to contain, the list with the date that this information was verified.

Submitting to HHSG for Reimbursement of Costs

Fiscal management of CDBG and HOME allocations are subject to requirements defined in 24 CFR 84.21-28 and OMB Circular A-110 and A-122 (A-110 is found in **Appendix E**).

Due to HUD's regulations describing the timely use of grant funds, the City strongly encourages each sub-recipient to invoice the program on a monthly basis. However, if your agency does not have any activity and therefore cannot invoice against the grant, please describe this on the quarterly report.

In order to comply with HUD's regulation 24 CFR 570.902, which requires the City ensure the timely expenditure of CDBG funds, the Human Services Commission ***strongly*** encourages that all grantees spend their funds within the fiscal year they were appropriated. However, the Commission does understand that situations may arise that does not allow this to occur. ***In those unique cases***, the Subrecipient must make a request to the Commission in writing describing why they were unable to spend down the grant and when they anticipate the grant to be closed out. The Human Services Commission reserves the right to recommend to the City Council which agencies should be allowed to carry forward funds. Please note that timely expenditure of funds is one of the criteria the Commission uses to determine future allocations from the City's Housing and Human Service Grant Program.

If an agency is awarded a Social Opportunity Endowment or Human Service Facility Fee Grant, and does not spend their entire grant by the end of the fiscal year in which they were awarded funds, they can make a request to the Human Services Commission (HSC) to carry forward funds into the next year (called a "carry over"). If the carry over request is approved by the HSC and City Council, and if the agency is awarded either a CDBG public services or Endowment grant in the subsequent fiscal year, the amount of the carry over will be subtracted from the new grant award. The Human Services Commission can return the excess funds to the City's account or recommend reallocation to another agency.

Each agency is required to use the City's invoice form. The City Attorney and Finance Department have set policy that all costs must be reimbursed. If your agency does not choose to reimburse costs, you must purchase a performance bond in the amount of the grant.

You must also attach the appropriate documentation to backup your request for reimbursement. This could include, but is not limited to invoices to your agency, canceled checks, and if you are asking CDBG to reimburse staff costs, the applicable time cards. *Also note* that stapling documents together and/or mutilation of these forms in any manner may result in a slower processing of your request. ☺ Please contact City Staff if you have questions regarding these requirements.

Year End Program Reports and Monitoring

At the close of the fiscal year on June 30, each agency is required to undergo a program monitoring and submit the Consolidated Annual Performance and Evaluation Report (CAPER) documenting program accomplishments to the City. Failure to comply with the requirements outlined in this section could result in the de-obligation of current grant funds or barring of future Housing and Human Services Grant funding from the City of Livermore.

As required by OMB Circular A-110, Subpart C, Section 34, each agency that has received CDBG funding from the City of Livermore to purchase equipment must complete an **Equipment Report Form**. A sample Equipment Report is in **Appendix E**. Each agency must submit this report to the City by June 30 of each year they own the equipment. Non-submittal of this document will result in delayed payment of invoices and may result in denial of future funding from the City.

Monitoring

It is the policy of the City of Livermore to monitor all agencies that receive Housing and Human Service Grant Funds at least every other year. Each year, Staff will complete a Risk Analysis (**Appendix C**) on all HHSG subrecipients. If the agency scores less than a 6 on the Risk Analysis they will not be monitored in that year. However, if the agency is new to the grant program, scores higher than 6 points, or was not monitored the previous year the City will complete a program monitoring.

Staff utilizes a Compliance Monitoring Checklist (**Appendix C**) for each project to ensure all requirements are met and appropriate reports are maintained. An annual monitoring visit involves a review of contract performance, program effectiveness, compliance with national objectives, and financial management. City Staff will send a letter to the Subrecipient describing the results of the monitoring within 30 days of the visit. If staff determines there are program concerns or findings, the agency will have up to 30 days to resolve the matter(s). If the Subrecipient does not respond to the City within 30 days, the City will withhold payment of all invoices. If the Subrecipient continues to not comply with resolving the results of the audit, the City will determine an appropriate corrective course of action that could include, but not be limited to, deobligation of current funding and denial of future funding requests.

Members of the City's Human Services Commission can accompany City Staff on monitoring visits. This enables the Commission members to view the program in operation and evaluate the agency's performance first hand. Staff also provides quarterly performance reports to Commissioners. All Subrecipients who are not progressing on their project are requested to submit a written report to the Human Services Commission indicating why the project has been delayed and what plans have been prepared to assure that the project will be completed in a timely fashion.

City Staff and the Human Services Commission consider monitoring an ongoing process throughout the year involving continual communication with the Subrecipient. The scope of the Livermore Housing and Human Services Grant Program, as well as the physical size of the City, makes it possible to have thorough knowledge of each project. The goal of the City's monitoring process is to identify deficiencies early to provide technical assistance to improve the Subrecipient's performance before it becomes a greater concern.

Appendix A
Program acronyms and other useful definitions

A

Accessibility: All new construction of CDBG and HOME funded multifamily buildings must include certain features of accessible and adaptable design. Units covered are; all buildings with four or more units and one or more elevators, and all ground floor units in buildings without elevators.

Action Plan: Document submitted to Alameda County Housing and Community Development as part of HOME consortium and submitted to HUD. Action Plan informs HUD how we will spend our CDBG and HOME allocations throughout the next fiscal year.

Americans with Disabilities Act (ADA): This regulation prohibits discrimination on the basis of disability in employment, federal, state or local government serve and provides for accommodations in public and commercial facilities.

Analysis of Impediments to Fair Housing: HUD requirement for each state to conduct an analysis to determine impediments to fair housing choice within the state. The Municipality/County/State must take appropriate actions to overcome the effects of any impediments identified through that analysis.

B

Brownfields: Abandoned, idled, or under-used industrial and commercial facilities where expansion or redevelopment is complicated by real or perceived environmental contamination. Additional information can be found on the Environmental Protection Agency website at http://www.epa.gov/swerosps/bf/.

Brownfields Redevelopment Initiative (BRI): An interagency initiative to address the financial and legal risks of cleaning up and redeveloping brownfields. To attract private financing, HUD brings together three existing types of assistance that communities can use to clean up and revitalize potentially contaminated sites: annual formula grants allocated through Community Development Block Grants; lower interest loan guarantee authority through the Section 108 Loan Guarantee program; accompanying competitive grants provided through the Lead-Based Paint Hazard Control program.

C

California Environmental Quality Act (CEQA): This is a State requirement similar to an Environmental Review (ER) on the federal level. This review is required if any State funds are used to complete the project. However if there are federal funds as part of project financing, a CEQA does not substitute for a federal ER.

California Housing Finance Agency (CHFA): State agency that issues tax-exempt bonds to provide below-market rate loans for affordable rental housing to assist first-time homebuyers.

Consolidated Annual Performance and Evaluation Report (CAPER): CDBG and HOME sub-recipients must file this report at the end of the fiscal year informing the City how they spent their grant allocation. The agency reports their results to the Human Services Commission at a public hearing also known as a Performance Hearing. Staff compiles all reports into a City-wide CAPER which is presented to the City Council for approval and to HUD.

California Debt Limit Allocation Committee (CDLAC): State agency that allocates the Tax Credit program.

Code of Federal Regulations (CFR): Where the CDBG and HOME regulations live.

Community Action Program: The Community Action Program (CAP) was created under the Economic Opportunity Act of 1965 and restructured under the Omnibus Budget and Reconciliation Act of 1981. The program was created to examine and ameliorate the causes of poverty in the U.S. CAP agencies are nonprofits that operate an array of assistance programs, such as weatherization and emergency housing for low-income homeowners, shelters for the homeless and employment training.

Community Based Organization (CBO): A neighborhood based non-profit organization dedicated to improving its community.

Community Development Block Grant Program (CDBG): Authorized by the Housing and Community Development Act of 1974, CDBG replaces several community development categorical grant programs. CDBG provides eligible metropolitan cities and urban counties (entitlement communities) with annual direct grants that they can use to revitalize neighborhoods, expand affordable housing and economic opportunities, and/or improve community facilities and services, principally to benefit low-and moderate income persons.

CDBG Entitlement: Is the yearly grant allocation Livermore receives from HUD. An entitlement community's allocation is derived from a varity of local demographics including the City's population, poverty rate, overcrowded housing units, and pre-1940 housing units. HUD enters data into a computer and calculates the amount received by each Entitlement City, Urban County, and State CDBG programs.

CDBG program areas: A jurisdiction must spend CDBG funding within three program areas: housing, community development, and economic development. At least 70% of the City's CDBG funds must be used for activites that benefit persons that have incomes less than 80% in the Oakland SMSA. The jurisdiction outlines how they will spend their CDBG allocation in their Action Plan and Consolidated Plan. The housing goal is met when the jurisdiction either supports or builds single family houses or apartments. Community development supports infrastructure and programs. Economic development supports for-profit businesses that provide jobs to low-income persons.

Community Development Corporation (CDC): Non-profit groups accountable to local residents that engage in a wide range of physical, economic and human development activities. CDC's rebuild their communities through housing, commercial, job development and other activities.

Community and Housing Development Organization (CHDO): A federally defined nonprofit housing provider that can receive 15 percent of all HOME Investment Partnership funds. The Board of Directors of a CHDO must include low-income representation.

Community Planning and Development (CPD): The office at the U.S. Department of Housing and Urban Development that ensures we spend our CDBG dollars correctly.

Community Reinvestment Act (CRA): A 1977 federal law that requires banks and savings and loan associations to help meet the credit needs of their local communities, including low-income communities.

Comprehensive Improvement Assistance Program (CIAP): Program to provide funds to Public Housing Agencies to modernize public housing units.

Congressional Budget Office (CBO): Budget organization created by the Congressional Budget Impoundment and Control Act of 1974 that provides staff assistance to Congress.

Consolidated List of Debarred, Suspended, and Ineligible Contractors: This document, compiled by the Department of Labor, lists all contractors that cannot work on projects funded with federal money. Before beginning any project, the agency receiving federal funding is required to check if any of their subrecipients are on this list.

Consolidated Plan: This report is completed in either 3 or 5 year cycles. It reports the overall needs in the community and how the City will spend the CDBG and HOME allocations to meet those needs. The current Consolidated Plan effective in Livermore covers a five-year period of FY2010 /11 through FY2014/15.

Continuum of Care: A program to help homeless Americans receive housing, job training, child care, and other services. The Continuum of Care, which is the centerpiece of the federal policy on homelessness, stresses permanent solutions to homelessness through comprehensive and collaborative community planning. Livermore is a partner in Alameda County's Continuum of Care, also known as Every One Home.

D

Davis-Bacon: Statutory requirement that requires employees on on a federally-funded construction projects to be paid at least a minimum prevailing wage applicable to the project.

E

Eligible CDBG Expenses:
Administrative: The jurisdiction can use twenty percent (20%) of their total allocation to cover administrative costs. The funds are utilized to pay for staff salaries, training, supplies, travel, and other related costs.

Public Service: Fifteen percent (15%) of the entitlement is used to fund these grants. Agencies are allowed to use public service funds to cover costs associated with running a program.

Capital: This is the amount remaining after Administrative and Public Service costs are subtracted from the CDBG allocation. HUD does not restrict the amount of CDBG funds spent on capital projects. Eligible projects include single and multi-family housing renovations, handicap ramps and other ADA upgrades, community centers and other major building projects.

Emergency Solutions Grant (ESG): Offers financial assistance to prevent homelessness, to rapidly re-house people people who are homeless, and to provide shelter. ESG funds provide sheltering, homelessness prevention, short-term leasing assistance dollars, and housing case management. ESG focuses on the needs of people who are temporarily housed in emergency or transitional shelters to assist them in quickly regaining stability in permanent housing after experiencing a housing crisis and/or homelessness.

Entitlement: An underlying formula governing the allocation of federal Block Grant funds to eligible recipients.

Entitlement City (Urban County/State): All Cities with populations above 50,000 can apply for status as an entitlement city and receive CDBG funds directly from HUD. Livermore became an entitlement City in 1985.

Environmental Assessment (EA): A preliminary, written, environmental analysis required by EPA to determine whether a federal activity such as building airports or highways would significantly affect the environmental an EA may require preparation of more detailed Environmental Impact Statement.

Environmental Impact Statement (EIS): A document prepared by or for EPA which identifies and analyzes, in detail, environmental impacts of a proposed action. As a tool for decision-making, the EIS describes positive and negative effects and lists alternatives for an undertaking, such as development of a wilderness area.

EPA: Environmental Protection Agency.

Equal Employment Opportunity: Term which refers to a variety of activities to ensure non-discrimination in hiring, promoting, and managing employees.

Expenses: The outflow of assets or incurrence of liabilities (or both) during a period as a result of rendering services, delivering or producing goods, or carrying out other normal operating activities.

F

Fair Housing Act: Legislation first enacted in 1968 and expanded by amendments in 1974 and 1988, which provides the Secretary with investigation and enforcement responsibilities for fair housing practices. This Act prohibits discrimination in housing and lending based on race, color, religion, sex, national origin, handicap, or familial status.

Fair Housing Assistance Program (FHAP): A Program to assist state and local agencies and community housing resources boards in processing Fair Housing Act complaints.

Fair Housing and Equal Opportunity (FHEO): HUD mandates all jurisdictions receiving CDBG funds to eliminate any barriers to housing. These discriminatory actions include denying housing based on race, handicap, religion, sex, family status, etc.

Fair Market Rents (FMR): Using market data, HUD sets the limit on the amount of rent that can be charged for a specific unit. This is also based on size and number of bedrooms in the unit.

Federal Home Loan Bank (FHLB): The Federal Home Loan Bank System was created in 1932 by the Federal home Loan Bank Act to restore confidence in the nation's financial institutions and to improve the supply of funds to local lenders that, in turn, finance loans for home mortgages. Since 1989, the Federal Home Loan Bank System's public policy mission has been expanded to include Affordable Housing and Community Development lending.

Federal Home Loan Mortgage Corporation (Freddie Mac): A federally chartered stockholder owned corporation which supports the secondary market for conventional mortgages.

Federal National Mortgage Association (Fannie Mae): A federally chartered, stockholder owned corporation which supports the secondary market for both conventional mortgages insured by the FHA.

FEMA: Federal Emergency Management Administration.

Federal Housing Administration (FHA): The FHA provides mortgage insurance on loans made by FHA-approved lenders throughout the United States. FHA insures mortgages on single family and multifamily homes including manufactured homes and hospitals. It is the largest insurer of mortgages in the world, insuring nearly 33 million properties since its inception in 1934.

Finding of no significant impact (FONSI): A FONSI is issued after an Environmental Assessment concludes that a proposed project will not result in an action which will significantly affect the quality of human life. If a FONSI is not issued, the project's developers must mitigate the impact of the project on the environment.

Fiscal year: Any yearly accounting period, regardless of its relationship to a calendar year. The City of Livermore's fiscal year is July 1 through June 30.

Full Time Equivalent (FTE): One FTE is 2,080 hours of paid employment. The number of FTEs is derived by summing the total number of hours (for which included categories of employees) are paid by the appropriate categories of employees and dividing by 2,080 hours (one work-year). Appropriate categories include, but are not limited to, overtime hours, hours for full-time permanent employees, temporary employees, and intermittent employees who may not have been paid for an entire reporting period. The number of full time employees it would take to work the total number of hours worked by all employees during a specific reporting period, regardless of schedules.

G

GOOMBY: Get out of my backyard.

Grant: A federal grant may be defined as a form of assistance authorized by statute in which a federal agency (the grantor) transfers something of value to a party (the grantee) usually, but not always, outside of the federal government, for a purpose, undertaking, or activity of the grantee which the government has chosen to assist, to be carried out without substantial involvement on the part of the federal government.

GSA: Government Services Administration.

H

Hatch Act: Act prohibiting partisan political activity (lobbying) on the part of government employees.

Home Investment Partnership Program (HOME): Provides funds to local governments and states for new construction, rehabilitation, acquisition of standard housing, assistance to homebuyers, and tenant-based rental assistance.

Home Mortgage Disclosure Act (HMDA): A federal law requiring financial institutions to report key information about mortgage loans. Using this information, community organizations are able to access a bank's performance under the Community Reinvestment Act.

Housing and Community Development (HCD): State agency that administers state housing programs and the HOME and CDBG programs for jurisdictions that do not receive funding directly from HUD. This is often confused with the Alameda County agency of the same name. However, they are two separate entities.

Housing and Human Services Grant Program: This program, established in 2005, consists of three programs to provide housing and services for low income Livermore residents. The programs include the Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME) and the Social Opportunity Endowment Fund. The City of Livermore's intent for the HHSG is to meet the identified needs of low and moderate income residents and to provide a more desirable living environment for all residents within the City.

Housing for the Elderly and Handicapped: This housing program authorized by Section 202 of the National Housing Act provides direct Federal loans to nonprofit sponsors for construction and mortgage financing of housing for elderly and handicapped.

Housing for People with AIDS (HOPWA): This program provides grant money specifically for subsidized housing for individuals suffering from AIDS. Due to size and number of AIDS patients, the City of Oakland receives this entitlement from HUD and is administered by Alameda County Housing and Community Development.

Housing Quality Standards (HQS):. All HOME and CDBG construction and rehabilitation projects must meet these standards.

Human Services Commission (HSC): The Human Services Commission is comprised of local citizens who act as an advisory body to the Livermore City Council for CDBG funding and other matters that affect human and social services throughout Livermore.

HUD: Our funding agency and the one we report to, the United States Department of Housing and Urban Development.

I

In-Lieu: A fund paid to the City by developers of housing projects. Livermore's Inclusionary Housing ordinances requires 15% of all housing developments (10% in the former Redevelopment Project Area) to have homes affordable to incomes less than 80% of median income in the Oakland SMSA. The City utilizes In-Lieu fees to build and support affordable housing.

IDIS: HUD's Integrated Disbursement and Information System have two applications: draw down our CDBG allocations from HUD and report program accomplishments to HUD.

Inclusionary Housing: Housing built or rehabilitated which is required by law (in Livermore's case a local ordinance) to be available at an affordable cost to very low, low and or moderate income persons.

Income guidelines: This is used to meet one of the national objectives of the CDBG program. These guidelines are published in the spring of each year and adjust median income for the Oakland SMSA. It is based on the total number of persons and total income of the household. Income limits can be found in **Appendix E**.

K

KIIMBY: Keep it in my backyard. Our friends!

L

Limited English Proficient Persons (LEP): Persons who, as a result of national origin, have a limited ability to speak, read, write, or understand English.

Low Income Housing Tax Credits (LIHTC): A way of obtaining financing to develop low-income housing. Government programs provide dollar-for-dollar credit toward taxes owed by the housing owner. These tax credits can be sold, or used to back up bonds that are sold, to obtain financing to develop the housing.

LULU: Locally unacceptable land uses.

M

Minority Business Enterprise/Women Business Enterprise (MBE/WBE): A For-Profit business which is certified by a government agency as being at least 51% owned by minority and/or women owners. CDBG/HOME Subrecipients must generate a report detailing the number of MBE/WBE businesses that worked on their contracts in the previous fiscal year.

Mixed-Finance: Refers to the combination of public housing funds with other government and private funds to develop low-income and public.

Mixed-Income: Refers to a resident mix that includes families with various income levels within one development. Mixed-income developments combine public housing families with other residents in order to decrease the economic and social isolation of these families.

Mortgage Credit Certificate: Authorized by Section 25 of the IRS Code, permits the issuance of Mortgage Credit Certificates (MCC's) allowing the holder of an MCC to take a credit against their federal income tax liability each year. The effect is to directly reduce the monthly housing costs and increase the ability of a homebuyer to qualify for a mortgage loan.

MOU: Memorandum of Understanding

Multifamily Housing Program (MHP): A State of California financing program that provides low-interest loans to affordable housing developments, usually leveraging federal, local and private sources.

N

NAHA: National Affordable Housing Act

National Association of Housing and Redevelopment Officials (NAHRO): An organization which develops new techniques related to the finance, design, construction and management of housing. The NAHRO also plays a key role by consulting with Federal Agencies and the Congress on U.S. housing policy.

National Environmental Policy Act (NEPA): This legislation establishes policy, sets goals and mandates protection the environment.

National Objectives of the CDBG program: Every organization we fund must meet at least one of the three overriding national objectives of CDBG program which are, low and moderate income benefit, elimination of slum and blight and meeting urgent community needs. The third national objective, meeting urgent community needs, can only be used when a local, state or federal emergency or disaster has been declared.

NIMBY: Not in my backyard

NIMFYE: Not in my front yard, either.

Notice of Funding Availability (NOFA): Announcement by public agency that funding is being made available for a program. There is usually information on how to apply and the deadline.

Notice of Intent to Request to Release Funds (NOIRRF): After an Environmental Review is completed and a Finding of No Significant Impact (FONSI) has been determined, this document is published in the newspaper for 14 days to request public comment on the project.

NOPE: Not on Planet Earth.

NORC: Naturally occurring retirement community.

Neighborhood Preservation Program: Most cities refer to this as Code Enforcement. In Livermore we enforce codes to preserve neighborhoods.

O

Oakland SMSA: The Oakland Standard Metropolitan Statistical Area (SMSA) consists of Alameda and Contra Costa Counties. From this area, the Department of Labor derives median income statistics, which they pass onto HUD for our income guidelines.

Office of Management and Budget (OMB): An Executive Agency which assists the president in overseeing the preparation of the Federal budget and to supervise its administration in Executive Branch agencies. In addition, OMB oversees and coordinates the Administration's procurement, financial management, information and regulatory policies.

OMB Circular A-102: Official Office of Management and Budget (OMB) rule defining uniform administrative requirements for grants-in-aid to state and local governments.

Operating Subsides: Operating subsides are payments authorized by the U.S. Housing Act of 1937 for operating costs of low-rent public housing projects to assure the low-income character of the projects involved.

P

Performance Hearing: At the completion of each program year (June 30), all agencies receiving HHS Grant funds are required to complete a CAPER. At the August Human Services Commission meeting, the agencies are required to attend a performance hearing, (also a public hearing) where they discuss their program accomplishments and how they spent the City's grant funds in the previous fiscal year.

PIITBY: Put it in their backyard.

Prevailing Wage: Similar to Davis Bacon, California has adopted a State Prevailing Wage, which is required with any construction projects funded with State grant money. If there are both federal and state funds in a project, contractors using CDBG funds are required to pay the higher of the two wage decisions.

Program Execution: The processes necessary to carry out program objectives and provide information to monitor and manage program execution activities.

Program Income: This is income generated by the use of CDBG funds. For example, repayments from the owner rehabilitation program are an example of program income.

Project: A planned undertaking of something to be accomplished, produced, or constructed, having a finite beginning and finite end.

Proposal Hearing: After an agency submits an application for Housing and Human Services Grant funding, they must attend a public hearing with the Human Services Commission to review their request and field individual questions from Commissioners. After this hearing, the Human Services Commission makes funding recommendations to the City Council.

Public Housing Authority (PHA): A public agency created by a state or local government to finance or operate low-income housing. Livermore's PHA distribute Section 8 funding through 780 portable vouchers and Leahy Square.

R

Request for Proposals (RFP): This is a formal announcement inviting qualified persons or agencies to propose a particular service or project. The RFP will usually describe the issue involved, the general type of service sought, and the qualifications required of respondents.

Request for Qualifications (RFQ): A RFQ is an announcement to solicit qualifications from interested parties to provide specific services.

Request for Release of Funds (RROF): The Environmental Review is submitted to HUD along with the NOIRRF and the public notice to show there are no adverse impacts to the environment. If no public comments are received after an additional 7 days, funds can be released for use by the project.

S

Section 8: A federally funded program which assists low-income persons by paying a portion of their rent based on the amount of their income. There are two (2) principle types of Section 8 assistance.

Site Specific Certificate: The Landlord holds a Section 8 certificate for the rental unit and can rent to a qualified low-income person. The certificate stays with the unit when the tenant moves.

Voucher (or Portable Certificate): The low-income person receives a certificate from the Housing Authority, which allows the person to choose their own housing. The certificate moves with the tenant.

Section 9 Operating Subsidies: Section 9(a) of the U.S. Housing Act of 1937 authorizes HUD to make annual contributions to Public Housing Authorities to pay for the operation of public housing rental units.

Section 108: Is a loan guarantee program used to provide long term financing for projects that create jobs for persons of low and moderate income. The program is administered through HUD's CPD office. CDBG funds can be used as a source of repayment for the loan.

Section 202: Is a HUD loans program specifically for the construction or rehabilitation of housing for the Elderly and Handicapped. Section 202 was authorized by the Housing Act of 1950.

Section 811: Section 811 is a housing assistance program for elderly and persons with disabilities.

SHPO: State Historic Preservation Office. All rehabilitation or construction projects must meet approval of this office before the Environmental Review (ER) is cleared and a Request for Release of Funds (RROF) issued.

Single-Room Occupancy (SRO): The Section 221(d) program provides mortgage insurance for multifamily properties consisting of single-room occupancy (SRO) apartments. These apartments are intended for a single person who has a source of income but is priced out of the rental apartment market.

Social and Human Service Facility Fee: Capitalized with development fees, the purpose of this fee is to establish an additional funding source to construct and rehabilitate buildings that house human service programs.

Social Opportunity Endowment Grant Fund: This endowment was capitalized with negotiated contributions from developers to create housing in Livermore. The purpose of this endowment is to establish a long term, stable, funding source for public service programs.

Sub-recipient or Sub-grantee: Any agency or non-profit who has been awarded Housing and Human Services Grant funds.

Supportive Housing Program (SHP): A federal program, authorized by Title VI of the Stewart B. McKinney Homeless Assistance Act of 1987, that provides financial assistance toward the development and operating cost of transitional housing for the homeless and permanent housing for the homeless and disabled. Grants may only be used to provide long-term housing opportunities.

T

Target Area: Jurisdictions may name census tracts or block groups with fifty-one percent or more low and moderate income people as Target Areas. Public works such as street improvements, curbs, gutters, etc. can only be completed within a Target Area.

Temporary Assistance to Needy Families (TANF): TANF is a block grant program to help move recipients into work and turn welfare into a program of temporary assistance. Under the welfare reform legislation of 1996, TANF replaced the old welfare programs known as the Aid to Families with Dependent Children (AFDC) program, the Job Opportunities and Basic Skills Training (JOBS) program, and the Emergency Assistance (EA) program. The law ended Federal entitlement to assistance and instead created TANF as a block grant that provides States, Territories, and Tribes Federal funds each year. These funds cover benefits and services targeted to needy families.

Tax Credit Allocation Committee (TCAC): Agency responsible for administering Low Income Housing Tax Credits (LIHTC) and state tax credit programs. *http://www.treasurer.ca.gov/CTCAC*

Technical Assistance (TA): Guidance and information that can range from the general (board-building, effective meetings) to the extremely technical (low-income tax credits for housing projects).

Three-Year Cycle: In previous years, Livermore awarded CDBG funds on three-year cycles. Because HUD does not know how Congress will fund the CDBG program from year to year, they do not encourage this practice.

Title I of the Housing and Community Development Act of 1974: Title I of the Housing and Community Development Act of 1974, which authorized assistance to community by block grants in place of categorical grants, establishing the Community Development Block Grant Program, also known as CDBG.

Title I, National Housing Act of 1937: The original Title I statute provides FHA insurance for home improvements and mobile homes. This federal statute is the precursor to all of today's housing and community development programs.

Appendix B

Housing and Human Services Grant Application Information

While the City of Livermore makes every reasonable effort to inform the community of this Request for Proposals (RFP), we assume no responsibility for failure to inform all interested parties of its availability. The City reserves the right to reject incomplete and unresponsive proposals and deny future funding to applicants that have been unresponsive in carrying out previous grants and their requirements as stated by the City and the US Department of Housing and Urban Development (HUD). The RFP is a solicitation of proposals only; no offer of contract or funding is implied. Costs incurred by the respondent in preparation and completion of this RFP are not the City's obligation and may not be reimbursed through grant funds.

HSC Application Review and Funding Recommendation to City Council

1. All agencies submitting an application are required to send a representative to the regularly scheduled February meeting of the Human Services Commission (on the second Tuesday of February). The representative shall be knowledgeable about the application, organization, and program and able to answer potential questions from Human Services Commissioners. Responses will be evaluated as part of the grant selection process.

2. The Human Services Commission will score all applications against the Evaluation Criteria described in the Housing & Human Services Grant Policy and Procedure Manual. The Commission will utilize application scores to make funding recommendations to the Livermore City Council.

3. The Human Services Commission will make their funding recommendations on all funding proposals at their regular meeting on the second Tuesday of March.

4. Staff will present the Human Services Commission funding recommendations at the Livermore City Council's first meeting in April, beginning at 7:00 pm in the City Council Chambers.

5. If the City awards your agency funding, you will receive a contract and related regulatory requirements that must be completed prior to encumbering funds on July 1 of the fiscal year you were awarded funding.

Overview, Format and Submittal of the RFP

1. If an agency is requesting funding for more than one program, a separate application must be submitted for each program.

2. The Human Services Commission will only consider applications that request a minimum of $5,000. This applies to both Public Service and Capital project applications.

3. You must note if you are requesting capital or public service funds. If you are requesting funds for both you must submit separate applications for each funding type.

- **Capital requests** will be funded with CDBG, HOME or Human Service Facility Fee dollars.
- **Public Service** requests will receive funding from CDBG or Social Opportunity Endowment.

The Human Services Commission and staff will determine which funding source best fits your project and provide that recommendation to the City Council. Please contact staff if you have any questions regarding this decision.

4. All application will be submitted through ZoomGrants, the online application submission system. We will only accept applications submitted through this method. Each question narrative will have a specific number of characters that you will not be able to exceed. The budget and other required documentation will be uploaded to the online grant.

5. Because of HUD's Limited English Proficiency/Language Access Plan requirements, agencies must describe in detail services provided and outreach and language access accommodations to Limited English speaking clients. Application score will be lowered if this information is not described in the narrative.

6. Complete applications are due by 5:00 p.m. on a date set that year by staff (typically the last Friday in January)**.** Any applications received after this date and time will not be considered for funding by the Human Services Commission. Refer to the checklist to ensure that your application and copies are complete.

7. **DO NOT include program literature or any information in your application that is not required on the application checklist.** You may distribute program literature at the Human Services Commission application review meeting.

8. All agencies must have a DUNS number and register in the Central Contractor Registration (CCR) database. In 2012, the CCR system migrated to the System for Award Management ("SAM") .

   For more information on obtaining a DUNS number, visit http://www.sba.gov/content/getting-d-u-n-s-number.

   For information on registering your agency, visit https://www.sam.gov/portal/public/SAM/.

9. Failure to comply with any of the requirements will result in loss of points in scoring or removal from funding consideration. City staff will not contact your agency if you fail to submit any portion of the application or add any additional material that causes your application to lose funding or be disqualified from consideration.

Instructions to Complete Financial and Budget Forms

1. On *Financial Information Form,* Additional Program Funding Sources, list all funding sources other than what you are applying for within this application. This is to include, but not limited to, foundations, corporations, individual contributions, events, and in-kind contributions. Include the name of the organization, the amount and type of funds, how

your agency will use the funding, and if the funds are committed. If a source is uncommitted, provide the date your agency anticipates receiving approval.

2. Also *Financial Information Form*, if you are utilizing HHSG funds to pay for staff costs, please list each employee and the percentage of their salary and benefits that will be paid for with grant funds. Include the total monthly and annual costs to the grant program.

3. On *Budget Form*, Estimated Project Budget Worksheet, list the budget for the funding request. Include staff, services, contracts, office expenses, design, property acquisition, and other soft costs, as applicable. Specifically define what percentage of the total program budget you will spend on administration.

4. Also on the Budget Form, outline the entire program budget. One of the required outcome indicators is the amount of money that is being leveraged with grant dollars. We must have the complete amount to correctly report this percentage.

Instructions to complete Performance Measures

The US Department of Housing and Urban Development has instituted a performance measurement system to ensure that programs funded with CDBG and HOME dollars are meeting local needs. The City will use these same performance measures for the Social Opportunity Fund and the Social and Human Service Facility Fee to describe how HUD funds are leveraged by local dollars. Reporting information in this manner will ensure program outcomes are reported in a consistent manner. All information will be disseminated to the Human Services Commission, Livermore City Council and HUD.

1) Indicate which City Consolidated Plan Goal along with HUD strategic goal and policy priority the program is designed to meet.

US Department of Housing and Urban Development (HUD) Strategic Goals:

1. Increase homeownership
2. Promote decent affordable housing
3. Strengthen communities
4. Ensure equal opportunity in housing
5. Promote participation of grass-roots faith-based and other community-based organizations

US Department of Housing and Urban Development (HUD) Policy Priorities:

1. Provide increased homeownership and rental opportunities for low and moderate-income persons, persons with disabilities, the elderly, minorities, and families with limited English proficiency.
2. Improving the quality of life in our Nation's communities.
3. Encouraging accessible design features.
4. Participation of minority-serving institutions in HUD programs.
5. End chronic homelessness within ten years.
6. Removal of barriers to affordable housing.

2) All agencies applying for Housing and Human Services grant funding must select the Objective, Outcome and Indicator that is applicable to your project.

a) **Choose ONE of the following Objectives**
- Creating a Suitable Living Environment
- Providing Decent Affordable Housing
- Creating Economic Opportunities

> *When selecting an objective, ask yourself*
> **What is the purpose of the activity?**
> **What is the larger community need that I am seeking to address?**

b) **Choose ONE of the following Outcomes**
- Availability/Accessibility
- Affordability
- Sustainability

> ***Tip:*** *When selecting an outcome, ask yourself*
> **What type of change or result am I seeking?**

c) **Choose ONE of the following Specific Indicators**

Public facility or infrastructure: This indicator shows the number of persons that have been assisted by public facility or infrastructure activities that provide individuals with new or improved access to the facility or infrastructure. If the activity was used to meet a quality standard or to measurably improve quality, then this indicator will report the number of household units that no longer have access to a substandard service.

Public Service: This indicator shows the number of persons that have been assisted with new or improved access to a service. If the activity was used to meet a quality standard or to measurably improve quality, then this indicator will report the number of persons that no longer have access to a substandard service.

Targeted revitalization: This indicator shows a range of outcomes such as jobs created and retained, businesses assisted, low- and moderate-income persons and households served, slum/blight demolition, number of acres of brownfields remediated, etc. in a targeted area.

Commercial facade treatments or business building rehabilitation: This indicator shows the number of commercial facade treatments undertaken and the number of business buildings that were rehabilitated.

Brownfields remediated: This indicator shows the number of acres of brownfields that were remediated.

Rental units constructed: This indicator shows the number of affordable rental units created, as well as the number of years of affordability, number of units occupied by the elderly, and those units designated for chronically homeless persons and persons with HIV/AIDS.

Rental units rehabilitated: This indicator shows the number of affordable rental units rehabilitated as well as the number of years of affordability, units for chronically homeless persons, elderly persons, and persons with HIV/AIDS.

Homeownership units constructed or acquired with rehabilitation: This indicator shows the total number of homeownership units constructed, acquired, and/or acquired with rehabilitation per activity. This includes total number of affordable units, number of years of affordability, Energy Star qualified units, section 504 accessible units, and number of households previously living in subsidized housing. In addition, data will be collected on the number of units occupied by the elderly, number of units designated for persons with HIV/AIDS, and number of units for the chronically homeless.

Owner occupied units rehabilitated: This indicator shows the total number of owner occupied units rehabilitated, including the number of these units occupied by the elderly, number of units designated for persons with HIV/AIDS, and number of units for the chronically homeless.

Direct financial assistance to homebuyers: This indicator shows the number of homebuyers receiving direct financial assistance, housing counseling, and down payment assistance/closing costs.

Tenant Based Rental Assistance (TBRA): This indicator shows the total number of households receiving TBRA as well as the number with short-term rental assistance (less than 12 months) and the number of homeless and chronically homeless households assisted.

Homeless shelters: This indicator shows the number of homeless persons given overnight shelter.

Emergency housing: This indicator shows the number of beds created in an overnight shelter or other emergency housing.

Homeless prevention: This indicator shows the number of households that received emergency financial assistance to prevent homelessness and emergency legal assistance to prevent homelessness.

Jobs created: Of the total number of jobs created, this indicator shows the number of jobs that have employee-sponsored health care, the types of jobs created (using Economic Development Administration (EDA) classifications) and the number of persons unemployed before taking the job.

Jobs retained: Of the total number of jobs retained, this indicator shows the number of jobs retained, the number of jobs with employer-sponsored health care benefits, and the types of jobs retained (using EDA classifications)

Business assistance: This indicator shows the total number of businesses assisted. Specifically, it shows the number of new businesses, existing businesses, and the DUNS number of each business so that HUD can track the number of new businesses that remain operational for three years after assistance.

Businesses providing goods or services: This indicator shows whether an assisted business provides goods or services to meet the needs of the service area, neighborhood, or community, as determined by the grantee.

3) Provide data on Common Indicators *(Items 3a, b &c)*
   1. Number of persons or households assisted
   2. The income levels of the persons or households *assisted*
   3. Race, ethnicity, disability, and head-of-family data of the persons or households assisted. *Please note that if you are reporting on persons then you are not required to report on the number of female-headed households.*

LIVERMORE
CALIFORNIA

FY2012-2013 H&HS Grant Application Evaluation Criteria – Scoring Sheet

Applicant Name _____ **Project** _____

Overall Strengths:
Overall Weaknesses/Concerns:

Reviewers Scoring Summary	Score
Demonstration of Need *(15 points possible)*	
Project Description and Approach *(30 points possible)*	
Outcomes *(15 points possible)*	
Funding Request and Project Budget *(15 points possible)*	
TOTAL APPLICANT SCORE (Maximum of 75 points)	

Funding Recommendation
☐ Yes
☐ Maybe
☐ No

1. Demonstration of Need	15 points possible
• Application clearly describes the need and area(s) in which service(s) will be provided. • Application documents severity of the problem. The information must be supported by the appropriate demographic/statistical data for Livermore. • Application describes how the identified need relates to an appropriate target group (e.g. low income persons, disabled, senior, youth, etc.).	**SCORE**
Strengths:	
Weaknesses:	

Scoring Criteria – Demonstration of Need		
0-4 Points	**5-10 Points**	**11-15 Points**
• Fails to describe specific need in Livermore. • Proposed services are not linked to a defined need • No target group identified	• Need is described, but there is no evidence or very little evidence offered to support the need in Livermore or a target group. Agency only uses past program data to support the need for program	• Clearly described a need and target population for the proposed service that is specific to Livermore • Multiple sources of statistical or other types of evidence are used to prove this need in the community

2. Project Description and Approach	30 points possible
• Application describes project activities that will address the identified need. • Application describes how the project relates to a City of Livermore Consolidated Plan Goal. • Application describes a reasonable work plan for how the program will be implemented, operated, and administered. Application clarifies how City HHS grant funds will be spent. • Application describes how project is culturally appropriate (project approach/activities must be specifically tailored to the population served) • Application describes the outreach and marketing initiatives that will be implemented to inform the community and potential beneficiaries of the services that will be provided. Application clearly describes how the program will outreach to limited English speaking and other hard to reach populations. • Application provides strategies for collaborative approaches with community organizations, volunteers, or other entities.	**SCORE**
Strengths:	
Weaknesses:	

Scoring Criteria – Project Description and Approach		
0-9 Points	**10-21 Points**	**22-30 Points**
• Does not clearly define how the HHS grant funds will be used • Does not describe how recipients will benefit from this program • Does not align with City's Consolidated Plan Goals, poorly defined outcomes	• Organization has experience that suggests they can implement grant • Discusses how program will be implemented • Discusses program marketing to diverse population	• Clear link between need and activity • Understand how a client will access services • Clearly describes how HHS grant funds will be spent • Clear work and implementation plan • Strong collaborative relationships • Marketing to diverse population in various languages

3. Outcomes	15 points possible
• Application clearly identifies and describes measurable project outcomes that are consistent with approach and identified need, goal, or objective. • Application indicates how outcome(s) will impact the community. • Application describes strategies or objectives that will be used to track progress of meeting project outcomes.	
Strengths:	
Weaknesses:	

Scoring Criteria – Outcomes		
0-4 Points	**5-10 Points**	**11-15 Points**
• Does not describe outcomes • Does not explain the goal of the program • Does not describe how the goal of the program will enhance or improve the life of the program's participants	• Discusses program outcomes • Discusses goal of program, does not clearly link to need • Although described, still unclear how this will enhance life of client.	• Clearly describes measurable program outcomes that are directly linked with program and objective. • Clearly describes how the program will make measurable impact in community • Agency has ability and resources to clearly track the progress of a client

4. Funding Request and Project Budget	15 points possible
• Application demonstrates the project is cost effective and the proposed budget is realistic. • Application includes details of additional resources that will significantly leverage funding for the project. • Application narrative describes a strong case to support why HHS grant funds are required.	**SCORE**
Strengths:	
Weaknesses:	

Scoring Criteria – Funding Request and Project Budget		
0-4 Points	**5-10 Points**	**11-15 Points**
• Budget does not comply with application guidelines • Budget is not accurate • There is no justification why our funds are required • Budget does not describe any other funding source other than HHS Grant	• Budget complies with application guidelines • Budget is accurate, but does not clearly explain why we should fund the project • Costs are not completely justified • Has only one or two additional funding sources	• Budget is completed according to application guidelines • Funding request seems reasonable given the number of clients and intensity of services. • All line items are justified and it is clear that our funds are needed in this project • Project has several additional funding sources

Appendix C
Sample Forms

Subrecipient Monitoring Risk Analysis	
Fiscal Year being monitored:	
Staff:	
Date Risk Analysis Conducted:	
Agency/ Program:	
	SCORE
Length of Time as Subrecipient	
New to Housing and Human Service Grant program.	AUTOMATIC
Funded for less than 3 years.	1
Funded for 3 or more years.	0
Total for this category	
Last Monitoring	
2 or more years ago.	AUTOMATIC
Within last 2 years.	0
Total for this category	
Program Complexity	
Larger/more complex (i.e. total program budget, intensive case management, etc.)	1
Smaller/less complex (i.e. total program budget, Public Service Info, etc)	0
Total for this category	
Level of Funding	
High *($10,000 or more)*	1
Low *(less than $10,000)*	0
Total for this category	
Program Performance	
Not meeting goal by more than 10%.	2
Not meeting goal within 10%.	1
Meeting or exceeding goals.	0
Fail to submit timely quarterly reports, audits and other applicable reports	1
Fail to submit accurate quarterly reports, audits and other applicable reports	1
Total for this category	
Agency Capacity	
Recent turnover of Executive or Financial Director, new personnel are unknown or less skilled.	2
Recent turnover of Executive or Financial Director, and new personnel are experienced.	1
Recent turnover of program manager or director.	AUTOMATIC
Stable staff with considerable expertise.	0
Total for this category	
Audit findings	
Serious outstanding findings or concerns, or citizen complaints	AUTOMATIC
Some outstanding findings or concerns	1
Few concerns or complaints.	0
Total for this category	
Total for All Categories	
To be monitored (Yes or No) ***Score of 6+ or any "AUTOMATIC" requires monitoring.***	
NOTES: [Include general notes on monitoring risk analysis; explanation of scoring assignment]	

Subrecipient Monitoring Instructions and Questions

Community Development Block Grant (CDBG) entitlement program regulations require the City to conduct a program and fiscal monitoring in order to ensure that each Sub-recipient complies with applicable HUD regulations.

Please have the following items prepared for City Staff and Human Services Commissioners to review.

Financial

- ❑ Annual Report
- ❑ Project budget
- ❑ Financial documents (including general ledger) that show how the agency accounts for CDBG funds

Project File

The files should include but not be limited to the following items,

- ❑ All executed contracts utilizing CDBG funding.
- ❑ Project Reports
- ❑ Documentation that verifies how the project met the CDBG national objectives and performance measures outlined in the contract.

If your award was for a Capital Project, please include,

- ❑ Davis-Bacon documentation (if applicable)
- ❑ Selection of Contractor
- ❑ Contract and scope of work

If your award was for a Public Service Project, please include,

- ❑ Client selection
- ❑ Income determination
- ❑ Livermore residential status

Questionnaire

Please answer the following questions on this form and have ready to present at monitoring. Answer each question with a maximum of 3-5 sentences.

1. Describe the relationship of HHSG funded activities to overall agency goals and objectives?
2. Did the activity funded with HHSG grant dollars complete the stated objectives?
3. If not, describe what has occurred.
4. How do you measure program success?

Records Management

1. How do you verify client income and residency?
2. Briefly describe your procedures for keeping records for a minimum of 5 years.

CITY OF LIVERMORE
HOUSING AND HUMAN SERVICE GRANT (HHS)
On-site Subrecipient Monitoring Form

Application No.: **Date of Visit:**

Project / Agency:

Funding Sources:

Executive Director:

Persons at Monitoring:

Pre-Visit:

- Review file for any outstanding issues
- Review for any gaps in the file, e.g., audit, invoices, quarterly reports, etc.

Introduction:

1) Purpose of monitoring (program performance, records, fiscal systems)

2) Agency to review monitoring report, comment and respond to findings

3) Project goals and objectives as established in application

4) Review pre-monitoring form completed by subrecipient; attach to this document and file.

Performance Monitoring:

1) Do the reports present all the needed information in an effective and concise manner? Do the quarterly reports contain the necessary information on service goals and outcomes?

2) If applicable, review year-end Performance Report and check against records.

A) Is there sufficient documentation for the following:	Yes	No	N/A
1) Ethnic / racial makeup of clients	☐	☐	☐
2) Age of clients	☐	☐	☐
3) Economic / income level of clients	☐	☐	☐

	Yes	No	N/A
B) Can completed portions of contract be verified? *(Check documentation and conduct visual inspection)*	☐	☐	☐
C) Have all Affirmative Action and Prevailing Wage requirements been met?	☐	☐	☐
D) Are special records or conditions, as called for in contract agreement, sufficiently detailed and carried out?	☐	☐	☐
E) Are screening and/or interviewing processes sufficient? (Check documentation and talk to all persons involved if necessary)	☐	☐	☐
F) Accurate number of recorded funded positions? (Check all records and documentation to verify)	☐	☐	☐
G) Does the project administrator/manager make regular site visits/checks? (Ask to verify through documentation)	☐	☐	☐

4) Summary of activities going on during visit. Include any clients on site.

5) Is project site different than site of monitoring interview?	☐	☐	☐

6) Ask questions concerning pertinent past issues. (Specific program questions)

7) Does the evaluation system determine the effectiveness and efficiency of the program in terms of cost/time expended in relation to objectives/benefits achieved?

Records:	Yes	No	N/A
1) Are record keeping procedures written?	☐	☐	☐
2) Are records current, legible, and complete?	☐	☐	☐
3) Do program records include all required data reporting elements?	☐	☐	☐
4) Do program records provide for data collection and reporting that allows measurement of program objectives?	☐	☐	☐
5) Is grantee aware of Federal contract requirements? Check for conflict of interest.	☐	☐	☐

6) What is the agency's record retention schedule? *(Describe time frame and where records are maintained)*

a) Is the agency able to provide a sample of previous program year's files? Yes ☐ No ☐

If no, explain why

Fiscal Monitoring:

1) What internal controls are observed?

2) Review total agency budget and final balances for last completed fiscal year. Does budget list all income by source and amount, and list all expenses by program component or type of service?

3) How are funds obtained from fundraising activities expended?

	Yes	No	N/A
4) Does this program generate program income?	☐	☐	☐

5) If the answer to #4 is YES, identify specific program income type (e.g., principal / interest on loans, fees, etc).

6) Are there written procedures that address the following areas: purchasing authority, accounts receivable, cash, billings, or cost allocation?	☐	☐	☐
7) Accounting procedures:			
A) Separate accounts maintained for each funding source?	☐	☐	☐
B) Is one person assigned to maintain fiscal records?	☐	☐	☐
C) Review general ledgers. Are they current?	☐	☐	☐
D) Who authorizes expenditures?	☐	☐	☐

E) Complete an audit trail, as follows:

1) *Randomly select six (6) paid invoices submitted for reimbursement.*
2) *Confirm that the original invoice shows the date paid, source of funds used to pay bill, check number, and amount of check.*

3) *Check general ledger for entry of each item*.

4) *Review the canceled check for each item. Is amount and date correct? Do they have the signatures of authorized personnel?*

8) Are the decision makers in the agency provided with up-to-date financial information? ☐ ☐ ☐

9) Is there a regular procedure for generating all required internal and external reports, including tax reports, income statements, balance sheets, fund balance reports, bills paid listing, and budget reports? ☐ ☐ ☐

10) Discuss any fiscal changes or budget revisions planned or recently implemented.

Exit Interview (with Director):

1) Explain preliminary findings.

2) Explain remaining process (written preliminary report within two weeks, final report after client evaluations are received). Discuss content of Grantee Performance Report to be prepared at the end of the program year.

3) Answer questions.

4) Discuss progress / changes since last monitoring visit.

5) Additional comments observation. Include impact of outside agencies or events (attach additional sheets if necessary).

6) Recommendations for future action, including corrective measures if applicable:

Additional Comments:

Appendix D
Standard Contract Terms and Conditions

Each subrecipient awarded funds by the City from its Community Development Block Grant, HOME Investment Partnerships, Human Service Facility Fee, and Social Opportunity Endowment Programs shall execute an agreement with the City. The agreement must identify the amount of the funds awarded, the approved project, the activities to be completed, and the program providing the funds, and define the terms “Project”, “Activities”, and “Program”.

The standard contract terms and conditions in D.1 are incorporated into all agreements. The additional terms and conditions in D.2 are only incorporated into the agreements for capital projects.

D1. - Standard Contract Terms and Conditions All Agreements

I. GENERAL CONDITIONS

A. General Compliance

The Funds available under this Agreement must not supplant but may supplement funds otherwise available for the Project or the Activities. Subrecipient shall comply with the requirements of Federal, State and local laws and implementing regulations governing the Funds available under this Agreement. Subrecipient shall comply with the uniform administrative rules in 24 C.F.R. Part 85. For agreements awarding CDBG funds, Subrecipient shall also comply with 24 C.F.R. Part 570 and all relevant subparts. For agreements awarding HOME Funds, Subrecipient shall also comply with 24 C.F.R. Part 92 and all relevant subparts.

However:

1. Subrecipient does not assume City's environmental responsibilities described in 24 C.F.R § 570.604 and 24 C.F.R. § 92.352; and
2. Subrecipient does not assume City's responsibility for initiating the review process under the provision of 24 C.F.R. § 570.900 and 24 C.F.R. § 92.550.

B. City Recognition

Subrecipient shall recognize City, and any other source of the Funds identified by City, when performing the Activities under this Agreement. Any materials produced, disseminated, or made available to the public in the performance of the Activities under this Agreement shall be prominently labeled as to funding source and identify City.

C. Suspension, Termination, Return of Funds

1. Termination for Cause.

   In accordance with 24 C.F.R. § 85.43, City may suspend or terminate this Agreement if Subrecipient materially fails to comply with any term or condition of this Agreement, including but not limited to, the following:

   a. Failure to comply with any of the rules, regulations or provision referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;
   b. Failure, for any reason, of Subrecipient to fulfill in a timely and proper manner its obligation under this Agreement;
   c. Ineffective or improper use of the Funds provided; or
   d. Submission by Subrecipient to City reports that are incorrect or incomplete in any material respect.

   City shall give Subrecipient written notice of any failure to comply with the Agreement. If Subrecipient does not remedy the non-compliance within 15 days of its receipt of the notice, City may exercise any of the remedies available under law and equity including those set forth in 24 C.F.R. § 85.43(a), as well as the termination of this Agreement.

   Pending correction of the non-compliance, City shall withhold funds requested for any payment identified in the notice of non-compliance, plus 15% of any other outstanding request for payment from the funds, until such time as Subrecipient corrects the non-compliance or is otherwise found to be in compliance by City.

2. Termination for Convenience

In accordance with 24 C.F.R. § 85.44, this Agreement may also be terminated for convenience by either City or Subrecipient, in whole or in part, by giving notice of such termination, the effective date of the termination, and in the case of partial termination, the portion to be terminated. However, in the case of a partial termination, if City determines that the remaining portion of the funds or activities will not accomplish the purpose for which the award was made, City may terminate the entire Agreement.

Written notice of termination must be provided at least 30 days before the effective date of such termination.

3. Effect of Termination
In the event of termination, all finished or unfinished documents, data, studies, photographs, reports, or other materials prepared by Subrecipient under this Agreement shall, at City's option, become the property of City, and Subrecipient shall only be entitled to receive just and equitable compensation for any satisfactory work completed on such documents or materials prior to the termination. Any remaining funds shall be returned to the program for reallocation.

Termination for failure to comply with any term or condition of this Agreement may result in Subrecipient becoming ineligible to participate in City programs. Termination for any reason shall immediately suspend the funds available under this Agreement, terminate any claim Subrecipient has to such funds and result in Funds being returned for use and allocation by City consistent with the Program.

II. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards - Subrecipient shall comply with 24 C.F.R. §§ 84.21 through 84.28 and OMB Circular A-110, including its attachments, and adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost Principles - Subrecipient shall administer its program in conformance with OMB Circular A-122, "Cost Principles for Nonprofit Organizations," (and if Subrecipient is a governmental or quasi-governmental agency, the applicable sections of 24 C.F.R. Part 85, *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*) for all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Recordkeeping

1. Records to be Maintained - Subrecipient shall maintain all records pertinent to the Activities required by the Federal regulations specified in 24 C.F.R. § 570.506 for agreements awarding CDBG Funds, and 24 C.F.R. § 92.508 for agreements awarding HOME Funds. Such records shall include, but not be limited to:

   a. Records providing a full description of each activity undertaken;

b. Records demonstrating that each Activity undertaken meets the Program's objectives, including:
   i. For agreements awarding CDBG funds, that the activities meet the National Objectives of the Community Development Block Grant Program under 24 C.F.R. Part 570 subpart C; and,
   ii. For agreements awarding HOME funds, that the persons assisted, and the Activities undertaken, are eligible under 24 C.F.R. Part 92 subparts E and F for Home Funds.
c. Records required to determine the eligibility of Activities;
d. Records required to document the acquisition, improvement, use, or disposition of real property acquired or improved with the Program Funds;
e. Records documenting compliance with the Program's fair housing and equal opportunity components;
f. Financial records required by the Program fund, OMB Circular A-87, OMB Circular A-110, and as follows:
   i. For agreements awarding CDBG funds, 24 C.F.R. § 570.502; and,
   ii. For agreements awarding HOME funds, 24 C.F.R. § 92.508.
g. Other records necessary to document compliance with Subpart K of 24 C.F.R. Part 570 for agreements awarding CDBG funds, and 24 C.F.R. § 92.340 for agreements awarding HOME funds.

2. Retention - Subrecipient shall retain all records pertinent to expenditures incurred in the performance of the Activities under this Agreement, including records for non-expendable property acquired with funds and records for any displaced person, for a period of 5 years after the termination of all Activities funded under this Agreement, or after the resolution of all Federal audit findings, whichever occurs later.

3. Client Data - Subrecipient shall maintain client data demonstrating client eligibility for the Activities provided under this Agreement. The data shall include, but not be limited to, client name, address, income level, or other basis utilized to determine eligibility for the Activities, and description of service provided. The information shall be made available to City monitors or their designees for review upon request.

4. Disclosure - Subrecipient understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of City's or Subrecipient's responsibilities with respect to services provided under this Agreement, is prohibited unless written consent is obtained from the person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. National Objectives - Subrecipient shall maintain documentation that demonstrates that the Activities meet one or more of the Community Development Block Grant Program's National Objectives as defined in 24 C.F.R. Part 570 subpart C for Agreements awarding CDBG funds, or the program and project requirements in 24 C.F.R. Part 92 subparts E and F.

6. Close Outs - Subrecipient's obligation to City shall not end until all close out requirements are completed. Activities during this close out period shall include, but are not limited to: making final payments; disposing of property and program assets (including the return of all unused materials, equipment, unspent cash advances, and receivable accounts to City); and determining the custodianship of records. The close-out requirements also apply to program income balances for capital projects.

7. Audits and Inspections - All Subrecipient records with respect to any matters covered by this Agreement shall be made available to City, grantor agency, their designees, or the Federal government, at any time during normal business hours, as often as City or grantor agency deems necessary, to audit, examine, and make excerpts or transcripts of all relevant data.

   Any deficiencies noted in audit reports must be corrected by Subrecipient within 30 days after receipt of notice of deficiency by Subrecipient. Failure of Subrecipient to comply with the above audit requirements will constitute a violation of this Agreement and constitute cause for termination pursuant to Subsection C.1 *Termination for Cause* of Section I *General Conditions.*

   Subrecipient is required to have an annual agency audit performed by an independent auditor and in accordance with OMB Circular A-133 for any fiscal year during which the amount of the Community Development Block Grant received is $25,000 or more. A copy of this audit, with the accounting for the funds detailed specifically, is to be given City.

C. Reporting and Payment Procedures

1. Budgets - Subrecipient shall submit a detailed budget in the form and with the content prescribed by City for approval by City before the initial invoice is submitted. City and Subrecipient may agree to revise the budget from time to time in accordance with existing City policies.

2. Indirect Costs - If indirect costs are charged, Subrecipient shall develop an indirect cost allocation plan for determining the appropriate City share of administrative costs and shall submit such plan to City for approval.

3. Payment Procedures - City will pay to Subrecipient funds available under this Agreement based upon information submitted by Subrecipient, and consistent with any approved budget and City policy concerning payments. Payments will be made for eligible expenses actually incurred by Subrecipient. In addition, City reserves the right to liquidate funds available under this Agreement for costs incurred by City on behalf of Subrecipient.

4. Progress Reports - Subrecipient shall submit Quarterly Progress Reports to City in the form and with the content required by City at least 15 business days from the end of the quarter (September 30, December 31, March 31, June 30).

D. Procurement

1. Compliance - Subrecipient shall comply with current City policy concerning the purchase of equipment, and shall maintain an inventory of all non-expendable personal property procured with the funds.

2. OMB Standards – Unless specified otherwise in this Agreement, Subrecipient shall procure all materials, property or services in accordance with the requirements of 24 C.F.R. §§ 84.40 through 84.48.

3. Travel - Subrecipient shall obtain written approval from City for any travel outside the San Francisco Bay Area to be paid from the funds.

III. PERSONNEL AND PARTICIPATION REQUIREMENTS

A. Civil Rights

1. Compliance - Subrecipient shall comply with all Federal, State and local laws regarding civil rights, and with Titles VI and VII of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, Section 109 of Title I of the Housing and Community Development Act of 1974, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975 as amended, Executive Order 11063, and with Executive Order 11246 as amended by Executive Orders 11375 and 12086.

2. Nondiscrimination - Subrecipient will not discriminate against any employee or applicant for employment because of race, color, creed, religion, ancestry, national origin, sex, disability, age, marital status, or status with regard to public assistance. Subrecipient will take affirmative action to ensure that all employment practices are free from such discrimination.

   Such employment practices include, but are not limited to, the following: hiring, upgrading or promotion, demotion, transfer, recruitment or recruitment advertising, layoff, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. Subrecipient shall post in conspicuous places, available to employees and applicants for employment, notice to be provided by the contracting agency setting forth the provisions of this nondiscrimination clause.

3. Section 504 - Subrecipient shall comply with 24 C.F.R. Part 8 and any Federal regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) which prohibit discrimination against the handicapped in any Federally-assisted program. City shall provide Subrecipient with any guidelines necessary for compliance with that portion of the regulations in force during the term of this Agreement.

B. Affirmative Action

1. Approved Plan - Subrecipient agrees that it shall be committed to carry out, pursuant to City's specifications, an affirmative action program in keeping with the

principles as provided in Executive Order 11246 as amended by Executive Orders 11375 and 12086.

City shall provide affirmative action guidelines to Subrecipient to assist in the formulation of such program. Subrecipient shall submit a plan for an affirmative action program to City for approval prior to the release of any funds to Subrecipient.

2. Minority and Women Owned Business - Subrecipient will use its best efforts to afford minority- and women-owned business enterprises the maximum practicable opportunity to participate in the work to provide the services for the Activities described in this Agreement. As used in this Agreement, the terms “small business” means a business that meets the criteria set forth in Section 3(a) of the Small Business Act, as amended (15 U.S.C. § 632) and "minority and female business enterprise" means a business at least 51% owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are African-Americans, Spanish speaking, Spanish surnamed, or Spanish heritage Americans, Asian Americans, and American Indians. Subrecipient may rely on written representation by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

   Subrecipient may rely on written representations by its sub-subrecipients regarding their status as minority and female business enterprises in lieu of an independent investigation.

3. Access to Records - Subrecipient shall furnish and cause each of its subcontractors to furnish all information and reports required hereunder, and will permit access to its books, records, and accounts by City, HUD or its agent, or other authorized Federal officials for purposes of investigation to ascertain compliance with the rules, regulations, and provisions stated herein.

4. Notifications - Subrecipient shall send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or worker's representative of Subrecipient's commitments hereunder, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

5. Employment Solicitations - Subrecipient shall, in all solicitations or advertisements for employees placed by or on behalf of Subrecipient, state that it is an equal opportunity or affirmative action employer.

C. Subcontracts

1. Approvals - Subrecipient shall not enter into any subcontracts with an agency or individual in the performance of this Agreement without City's prior written consent.

2. Monitoring - Subrecipient will monitor all subcontracted services to assure Agreement compliance. Results of monitoring efforts shall be summarized in written reports, and supported with documented evidence, of follow-up actions taken to correct areas of noncompliance.

3. Content - Subrecipient shall cause all of the provisions of this Agreement in its entirety to be included in, and made a part of, any subcontract executed in the performance of this Agreement.

4. Selection Process - Subrecipient shall undertake to ensure that all subcontracts let in the performance of this Agreement shall be awarded on a fair and open competition basis. Executed copies of all subcontracts shall be forwarded to City along with documentation concerning the selection process.

5. Subcontract Provisions - Subrecipient shall include the provisions of Subsection A *Civil Rights,* Subsection B *Affirmative Action,* and the certification in Subsection D.4.c of Section III *Personnel and Participant Requirements* in every subcontract or purchase order, specifically or by reference, so that such provisions will be binding upon each sub-subrecipient or vendor.

D. Conduct

1. Assignability - Subrecipient shall not assign or transfer any interest in this Agreement without City's prior written consent. However, claims for money due or to become due to Subrecipient from City under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval, provided the requested funds are not being withheld due to a notice of non-compliance. Notice of any such assignment or transfer shall be furnished promptly to City.

2. Political Activities - Subrecipient agrees that no funds provided, nor personnel employed under this Agreement, shall be in any way, or to any extent, engaged in the conduct of political activities in violation of Chapter 15 of Title V United States Code (Hatch Act) or 24 C.F.R. § 570.207(a)(3).

3. Conflict of Interest - Subrecipient shall comply with 24 C.F.R. § 84.42 with respect to conflicts of interest, and covenants that it presently has no financial interest, and shall not acquire any financial interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this Agreement. For agreements awarding CDBG funds, Subrecipient shall also comply with 24 C.F.R. § 570.611. For agreements awarding HOME funds, Subrecipient shall also comply with 24 C.F.R. 92.356.

   Subrecipient shall maintain a written code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by the funds.

Subrecipient further covenants that in the performance of this Agreement, no persons who exercise or have exercised any functions or responsibilities with respect to the Activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such Activities, or have a financial interest in any contract, subcontract or agreement with respect to the Activities or with respect to the proceeds from the Activities, either for themselves or those with whom they have a business or immediate family ties, during their tenure or for a period of 1 year thereafter. These conflict of interest provisions apply to any person who is an employee, agent, Subrecipient, officer, or elected or appointed official of City, or of any designated public agencies or sub-subrecipients, which are receiving funds under the Program.

4. Lobbying - Subrecipient hereby certifies that:

   a. No Federally-appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer employee of any agency, a Member of Congress, an officer or an employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal amendment or modification of any Federal contract, grant, loan or cooperative agreement;

   b. If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or an employee of Congress, or an employee of a Member of Congress in connection with this Agreement, Subrecipient shall complete and submit Standard Form-LLL "Disclosure Form to Report Lobbying," in accordance with its instructions; and

   c. It will require the following language be included in the award documents for all sub-awards at all tiers including subcontracts, subgrants and contracts under grants, loans and cooperative agreements and that all sub-subrecipients shall certify and disclose accordingly;

      "Lobbying Certification – This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352 Title 31, U.S.C. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure."

5. Religious Organization - Subrecipient agrees that funds provided under this Agreement shall not be utilized for religious activities, to promote religious interests, or for the benefit of a religious organization in accordance with the Federal regulations specified in 24 C.F.R. § 570.200(j), and for agreements

awarding CDBG funds or 24 C.F.R. § 92.257 for agreements awarding HOME funds.

E. Employment Restrictions

1. Prohibited Activity - Subrecipient is prohibited from using the funds, or personnel employed in the administration of the Activities, for political activities, sectarian or religious activities, lobbying, political patronage, or similar activities. Likewise, Subrecipient is prohibited from engaging in nepotism.

1. Occupational Safety and Health Act (OSHA) - Where employees are engaged in activities not covered under the Occupational Safety and Health Act of 1970, they shall not be required or permitted to work, be trained, or receive services in buildings or surroundings, or under working conditions which are unsanitary, hazardous, or dangerous to the participants' health or safety.

D2 - Standard Contract Terms and Conditions Additional Requirements for Capital Projects

I. The following terms and conditions are added to Section C *Reporting and Payment Procedures* in Section II *Administrative Requirements* of Appendix D.1 for agreements awarding funds for capital projects:

5. Property Records - Subrecipient shall maintain property inventory records which clearly identify properties purchased, improved, or sold with the funds. Properties to be acquired shall satisfy the eligibility criteria, and shall conform with the "changes in use" restrictions, specified in 24 C.F.R. § 84.24, and either 24 C.F.R. § 570.506 for agreements awarding CDBG funds, or 24 C.F.R. § 92.508 for agreements awarding HOME funds

6. Program Income –Subrecipient shall report quarterly all program income (as defined at 24 C.F.R. § 570.500(a) for agreements awarding CDBG funds, and 24 C.F.R. § 92.2 for agreements awarding HOME funds) generated by the Activities carried out with the funds. The use of program income shall comply with the requirement set forth in 24 C.F.R. § 84.24, and either 24 C.F.R. § 570.504 for agreements awarding CDBG funds, or 24 C.F.R. § 92.503 for Agreements awarding HOME funds. With City's prior written approval, Subrecipient may use such income during the term of this Agreement for Activities permitted under this Agreement and shall reduce the amount of funds yet to be paid hereunder by the amount of income earned. All unexpended program income shall be returned to City at the end of the time of performance or when the Agreement is terminated, whichever is earlier.

II. The following terms and conditions are added to Section D *Procurement* in Section II *Administrative Requirements* of AppendixD.1 for agreements awarding funds for capital projects:

4. Reversion of Assets – The use and disposition of real property and equipment under this Agreement shall be in compliance with the requirements of 24 C.F.R. Part 84. For agreements awarding CDBG funds, Subrecipient shall also comply with 24 C.F.R. Part 570 subpart J. For agreements awarding HOME funds, Subrecipient shall also comply with 24 C.F.R. Part 92 subpart K. At a minimum,

   a. Subrecipient shall transfer to City any funds on hand and any account receivable attributable to the use of the funds at the time of expiration, cancellation, or termination of this Agreement;

   b. Real property under Subrecipient's control that was acquired or improved in whole or in part with the funds in excess of $10,000 shall be used to meet one of the CDBG National Objectives pursuant to 24 C.F.R. Part 57 subpart C for agreements awarding CDBG funds, and the HOME Program objectives pursuant to 24 C.F.R. Part 92 subparts E and F for agreements awarding HOME funds, until 15 years after the expiration of this Agreement. If Subrecipient fails to use the real property in a manner that meets the objectives for the prescribed period of time, Subrecipient shall pay City an amount equal to the current fair market value of the property less any portion of the values attributable to the expenditure of non-Program funds for the acquisition of, or improvement to, the property. This provision shall continue at the termination and/or end of the time for performance of services under this Agreement. Such payment shall constitute program income to City; and,

   c. In all cases in which equipment acquired, in whole or in part, with the funds is later sold, the proceeds shall be program income (prorated to reflect the amount of funds that were used to acquire the equipment). Equipment not required by Subrecipient for Activities under this Agreement shall be (1) transferred to City or (2) retained after compensating City in an amount equal to the current fair market value of the equipment less the percentage of non-Program funds used to acquire the equipment.

III. The following terms and conditions are added to Section E *Employment Restrictions* in Section III *Personnel and Participation Requirements* of Appendix D.1 for agreements awarding funds for capital projects:

3. Labor Standards – Subrecipient shall comply with the requirement of the Secretary of Labor in accordance with the Davis-Bacon Act (40 U.S.C. § 341 and 40 U.S.C. § 3701-3708, as amended, and its implementing regulation at 29 C.F.R. Part 5), the provision of Contract Work Hour and Safety Standards Act (40 U.S.C. §§ 327-333), and all other applicable Federal, State and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this Agreement. Subrecipient shall comply with the Copeland Anti-KickBack Act (18 U.S.C. § 874 and 40 U.S.C. § 3145 and its implementing regulation at 29 CFR Part 3). Subrecipient shall maintain documentation that demonstrates compliance with hour

and wage requirements of this part. Such documentation shall be made available to City for review upon request.

Except with respect to the rehabilitation or construction of residential property containing less than 8 units when using CDBG funds (or less than 12 units when using HOME funds), Subrecipient shall ensure all contractors engaged under contract in excess of $2,000.00 for construction, renovation or repair work financed in whole or in part with the funds, shall comply with Federal requirements adopted by City pertaining to such contract and with the applicable requirements of the regulation of the Department of Labor, under 29 C.F.R. Parts 1, 3, 5 and 7 governing the payment of wages and ration of apprentices and trainees to journey workers; provided that, if wage rates higher than those required under the regulation are imposed by State or local law, nothing hereunder is intended to relieve Subrecipient of its obligation, if any, to require payment of the higher wage. Subrecipient shall cause or require to be inserted in full, in all such contracts subject of such regulations, provisions meeting the requirements of this subsection.

4. Section 3 Clause

a. Compliance - Compliance with the provisions of Section 3 of the HUD Act of 1968 (12 U.S.C. § 1701u) (section 3), the regulations set forth in 24 C.F.R. Part 135, and all applicable rules and orders issued hereunder prior to the execution of this Agreement, shall be a condition of the Federal financial assistance provided under this Agreement and binding upon City, Subrecipient, and sub-subrecipient and subcontractors.

Failure to fulfill these requirements shall subject City, Subrecipient, and any sub-subrecipients, their successors and assigns, to those sanctions specified by the Agreement through which Federal assistance is provided. Subrecipient certifies and agrees that no contractual or other disability exists which would prevent compliance with these requirements.

Subrecipient further shall comply with these "Section 3" requirements and to include the following language in all subcontracts executed under this Agreement:

> "The work to be performed under this contract is a project assisted under a program providing direct Federal financial assistance from HUD, and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701. Section 3 requires that to the greatest extent feasible, opportunities for training and employment be given to lower income residents of the project area, and contract for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part, by persons residing in the areas of the project."

Subrecipient further shall ensure that opportunities for training and employment arising in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing

construction, or other public construction are given to low and very low-income persons residing within the metropolitan area in which the Project is located; where feasible, priority should be given to low and very low-income persons within the service area of the project or the neighborhood in which the project is located, and to low- and very low- income participants in other HUD programs; and award contract for work undertaken in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction or other public construction project to business concerns that provide economic opportunities for low and very low-income persons residing within the metropolitan area in which the Project is located; where feasible, priority should be given to business concerns that provide economic opportunities to low and very low-income residents within the service area or the neighborhood in which the project is located, and to low and very low-income participants in other HUD programs.
Subrecipient certifies and agrees that no contractual or other disability exists which would prevent compliance with the requirements.

b. Notifications - Subrecipient shall send to each labor organization, or representative of workers, with which it has a collective bargaining agreement or other contract or understanding, if any, a notice advising the labor organization or workers' representative of its commitments under this Section 3 Clause, and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

c. Subcontracts - Subrecipient will include this Section 3 Clause in every subcontract, and will take appropriate action pursuant to the subcontract upon a finding that the sub-subrecipient is in violation of the Agreement or regulations issued by City.

Subrecipient will not subcontract with any sub-subrecipient where it has notice or knowledge that the latter has been found in violation of regulations under 24 C.F.R. Part 135, and will not let any subcontract unless the sub-subrecipient has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

5. Use of Debarred, Suspended, or Ineligible Contractors or Subrecipients - funds shall not be used directly or indirectly to employ, award contracts to, or otherwise engage the services of, or fund any contractor or sub-subrecipient, during any period of debarment, suspension, or placement in ineligibility status under the provisions of 24 C.F.R. Part 24.

SAMPLE INCOME LIMITS

Current year can be found at:

http://www.cityoflivermore.net/citygov/cd/hhs/cdbg/income.asp

Income Limits by Household Size

Family Size	Extremely Low 30% of Median	Very Low 50% of Media	Low 80% of Median	Median Income	Moderate Income
1 Person	$18,100	$30,150	$46,350	$60,300	$72,300
2 Persons	$20,700	$34,450	$53,000	$68,900	$82,600
3 Persons	$23,250	$38,750	$59,600	$77,500	$93,000
4 Persons	$25,850	$43,050	$66,250	$86,100	$103,300
5 Persons	$27,900	$46,500	$71,550	$93,000	$111,600
6 Persons	$30,000	$49,950	$76,850	$99,900	$119,800
7 Persons	$32,050	$53,400	$82,150	$106,800	$128,100
8 Persons	$34,100	$56,850	$87,450	$113,700	$136,400

Source: U.S. Department of Housing and Urban Development, (HUD) Data for Oakland SMS

HUD updates this income chart each year.

City staff will provide all Subrecipients with the most current data when it becomes available.

Housing and Human Services (HHS) Grant Program

Consolidated Annual Performance Evaluation Report (CAPER)

By no later than July 15, your agency is required to submit the Consolidated Annual Performance Evaluation Report ("CAPER") through the ZoomGrants on-line system. The CAPER includes several questions to which you are required to submit narrative responses. In addition, ZoomGrants automatically generates cumulative fiscal year data based upon your data entry to each of the quarterly reports due during the fiscal year (October 15, January 15, April 15, and July 15). Agencies' individual CAPERs are integral to the City's preparation of the complete CAPER which is submitted to HUD as a requirement for funding. Agencies' year-end data and CAPERs are used to generate information for the Human Services Commission's public hearing on the CAPER, held at the Commission's August meeting.

Your agency must complete a separate CAPER for each program receiving HHS Grant funding from the City. Incomplete or late submissions will result in delay of payment for your current year grant award.

An example of the ZoomGrants CAPER is included on the following pages for reference. Please call City Staff if you have any questions about the submittal of the CAPER.

Existing ZoomGrants™ Users
Email
Password
Stay logged in?
Forgot password? Login

RESOURCES HELP A▲▼

Available Programs You must be logged in to apply.

New ZoomGrants™ Account

City of Livermore, California

FY2012-2013 Livermore Housing and Human Services Grant Program

CLOSED
Deadline 4/30/2012

Description Restrictions Contact Admin

Applicant View

Application Status: **Not Submitted**

You must be logged in to begin.

Summary Questions Budget Documents Activity Log

Invoices & Payments Report 1: 10/15/2012 Report 2: 1/15/2013 Report 3: 4/15/2013 Report 4: 7/15/2013

Reporting Questions

(answers are saved automatically when you move to another field)

Your Application must be officially Approved before you can answer these questions.
City of Livermore HHSG grant recipients must submit four (4) quarterly reports during the course of the fiscal year. The reports are due the following dates: October 15, 2012, January 15, 2013, April 15, 2013, and July 15, 2013.

The information provided in each quarterly report will be provided to the Human Services Commission at its following meeting. The information provided in each report will be combined as part of the City's annual CAPER (Consolidated Annual Planning and Evaluation Report) that will be submitted to U.S. Dept of HUD in September.

Questions 21 through 27 at the end of the report pertain specifically to the year-end CAPER (Consolidated Annual Performance Evaluation Report). You are ONLY required to answer these questions in conjunction with the LAST (i.e., July 14) report of the year.

Please use this form to submit your quarterly reports electronically by the applicable deadline. If you have questions, please contact City of Livermore HHSG staff. Thank you!

Report 4

This report is due **7/15/2013**

Submit Report

1 Name of Person Completing Report:

2 Title:

3 Telephone:

4 E-Mail:

5 Describe the current status of your project (e.g., planning, pre-development, activity underway, service marketing, etc.) and the current focus of any activity.

Maximum characters: 2000. You have 2000 characters left.

6 Describe any significant actions taken during the reporting period.

Maximum characters: 2000. You have 2000 characters left.

7 If applicable, describe any modifications to the project goals, timelines, etc., and reason(s) for change. If you have not submitted invoices due to project delays, please provide details here.

Maximum characters: 2000. You have 2000 characters left.

8 Were any costs incurred for this project (from any source) during this reporting period?

- Yes
- No

9 Were any Livermore grant funds expended for this project during this reporting period?

- Yes (already submitted invoice/s)
- Yes (but invoice/s not yet submitted)
- No (no expenditures this period)
- Other:

10 Please indicate how client data are reported for this project (please keep consistent for questions 11 through 13 and with your original application):

- Persons
- Households

11 Please complete the following table regarding the NUMBER OF UNDUPLICATED CLIENTS SERVED during this reporting period using the indicator chosen above (persons OR households):

A) Numeric GOAL stated in your HHSG contract for the number of Livermore clients to be served THIS FISCAL YEAR (unduplicated)

B) Number of NEW LIVERMORE CLIENTS served by this project during THIS REPORTING PERIOD (unduplicated) [NOTES: In the 1st quarter, all unduplicated clients are considered to be new. In the 2nd quarter, include only new unduplicated clients who were not included in the previous report, etc.]

C) Number of NEW CLIENTS AGENCY-WIDE served by this project during THIS REPORTING PERIOD (unduplicated; if project serves only Livermore clients, enter a zero. Do NOT include Livermore Clients in this answer.)

12 Please indicate the number of new, unduplicated Livermore clients served during this reporting period, as reported in 11B above, who met the following special categories (note that some clients may meet multiple categories and some not any):

- [ ] Low Income (50% to 80% Median)
- [ ] Very Low Income (30% to 50% Median)
- [ ] Extremely Low Income (<30% Median)
- [ ] Seniors (62 and older)
- [ ] Disabled
- [ ] Female-Headed Households

13 List the number of new, unduplicated Livermore clients your agency served during this reporting period in the following race/ethnicity categories. [Notes: Total must equal 11B. HUD considers "Hispanic" as an ethnicity and not a separate race.]

- [ ] White
- [ ] White + HISPANIC
- [ ] Black/African American
- [ ] Black/African American + HISPANIC
- [ ] Asian
- [ ] Asian + HISPANIC
- [ ] American Indian/Alaskan Native
- [ ] American Indian/Alaskan Native + HISPANIC
- [ ] Native Hawaiian/Other Pacific Islander
- [ ] Native Hawaiian/Other Pacific Islander + HISPANIC
- [ ] American Indian/ Alaskan Native and White
- [ ] American Indian/ Alaskan Native and White + HISPANIC
- [ ] Asian and White
- [ ] Asian and White + HISPANIC
- [ ] Black/African American and White
- [ ] Black/African American and White + HISPANIC
- [ ] American Indian/Alaskan Native and Black/African American
- [ ] American Indian/Alaskan Native and Black/African American + HISPANIC
- [ ] Other/Multi Racial
- [ ] Other/Multi Racial + HISPANIC

14 Please define the primary UNIT OF SERVICE you use when tracking this project, submitting invoices, etc. (e.g., hours of counseling, medical visits, meals served, miles driven, etc.; should match the unit of service stated in your HHSG contract):

15 Please complete the following table regarding the UNIT OF SERVICE listed above:

- [ ] A) Numeric GOAL stated in your HHSG contract for the units of service to be provided to Livermore clients THIS FISCAL YEAR
- [ ] B) Number of units of service provided to Livermore clients during THIS REPORTING PERIOD

C) Number of units of service provided AGENCY-WIDE for this project during THIS REPORTING PERIOD (enter a zero if not applicable or if project serves only Livermore clients. Do NOT include Livermore units in this answer.)

16 If you had TWO unit of service types, please define the second UNIT OF SERVICE here (if you did not have a second unit of service, enter "N/A"):

17 Please complete the following table regarding the second UNIT OF SERVICE listed above:

A) Numeric GOAL stated in your HHSG contract for the units of service to be provided to Livermore clients THIS FISCAL YEAR (if none, enter a zero)

B) Number of units of service provided to Livermore clients during THIS REPORTING PERIOD (if none, enter a zero)

C) Number of units of service provided AGENCY-WIDE for this project during THIS REPORTING PERIOD (enter a zero if not applicable or if project serves only Livermore clients. Do NOT include Livermore units in this answer.)

18 If you had THREE unit of service types, please define the third UNIT OF SERVICE here (if you did not have a third unit of service, enter "N/A"):

19 Please complete the following table regarding the third UNIT OF SERVICE listed above:

A) Numeric GOAL stated in your HHSG contract for the units of service to be provided to Livermore clients THIS FISCAL YEAR (if none, enter a zero)

B) Number of units of service provided to Livermore clients during THIS REPORTING PERIOD (if none, enter a zero)

C) Number of units of service provided AGENCY-WIDE for this project during THIS REPORTING PERIOD (enter a zero if not applicable or if project serves only Livermore clients. Do NOT include Livermore units in this answer.)

20 Please include any additional comments or clarifications here:

Maximum characters: 2000. You have 2000 characters left.

21 For CAPER [DO NOT ANSWER UNTIL FINAL REPORT]: Name and title of person who will attend Human Services Commission CAPER meeting (August or September):

22 For CAPER: Describe the original purpose for which the City granted the HHSG funds. If applicable, explain why your agency did not spend the entire grant.

Maximum characters: 2000. You have 2000 characters left.

23 For CAPER: Describe the accomplishments of the program funded through HHSG funds. Provide detail on how the program responded to needs within the community. Describe any new and creative methods the agency implemented to meet community needs.

Maximum characters: 2000. You have 2000 characters left.

24 For CAPER: Does the agency feel this program was a success? How do you measure the success of the program? Did it meet or exceed the goals and outcomes described in the performance measures in the original application? If not, why?

Maximum characters: 2000. You have 2000 characters left.

25 For CAPER: Describe any problems or delays encountered with the project. How were they handled? What effects, if any, were there on project cost? Describe any changes that made the project successful or will make it successful in future years.

Maximum characters: 2000. You have 2000 characters left.

26 For CAPER: List agencies you collaborated with on this project. Describe the nature of the collaboration.

Maximum characters: 2000. You have 2000 characters left.

27 For CAPER: Did you obtain other funding sources? If so, list sources and amounts.

Maximum characters: 2000. You have 2000 characters left.

Previous

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Year-end Equipment Report

As a recipient of CDBG (Community Development Block Grant) funds to purchase equipment, your agency is required to answer the following questions regarding the status of each piece equipment each year to fulfill the requirements of OMB Circular A-110, subpart C, Section 34.

Non-submission of this document may result in delayed payment of invoices or denial of additional CDBG funding from the City of Livermore.

Agency: _____

Address: _____

Description and condition of Equipment: _____

Location of Equipment: _____

Manufacture of the equipment. Include model number, stock or identification numbers _____

Does the agency own the equipment? If not, name the owner. _____

Is this equipment still in use by your agency? If not, how did you dispose of the item? _____

Date equipment was acquired _____

Final cost of the equipment _____

List all other funding sources for the equipment. _____

CDBG participation in cost of equipment *(Divide CDBG award amount by the total cost of the item.)* _____

OMB CIRCULAR A-110
REVISED 11/19/93
As Further Amended 9/30/99

SUBPART C - Post-Award Requirements

Financial and Program Management

___.20 Purpose of financial and program management. Sections ___.21 through ___.28 prescribe standards for financial management systems, methods for making payments and rules for: satisfying cost sharing and matching requirements, accounting for program income, budget revision approvals, making audits, determining allowability of cost, and establishing fund availability.

___.21 Standards for financial management systems.

(a) Federal awarding agencies shall require recipients to relate financial data to performance data and develop unit cost information whenever practical.

(b) Recipients' financial management systems shall provide for the following.

(1) Accurate, current and complete disclosure of the financial results of each federally-sponsored project or program in accordance with the reporting requirements set forth in Section ___.52. If a Federal awarding agency requires reporting on an accrual basis from a recipient that maintains its records on other than an accrual basis, the recipient shall not be required to establish an accrual accounting system. These recipients may develop such accrual data for its reports on the basis of an analysis of the documentation on hand.

(2) Records that identify adequately the source and application of funds for federally-sponsored activities. These records shall contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, outlays, income and finterest.

(3) Effective control over and accountability for all funds, property and other assets. Recipients shall adequately safeguard all such assets and assure they are used solely for authorized purposes.

(4) Comparison of outlays with budget amounts for each award. Whenever appropriate, financial information should be related to performance and unit cost data.

(5) Written procedures to minimize the time elapsing between the transfer of funds to the recipient from the U.S. Treasury and the issuance or redemption of checks, warrants or payments by other means for program purposes by the recipient. To the extent that the provisions of the Cash Management Improvement Act (CMIA) (Pub. L. 101-453) govern,

payment methods of State agencies, instrumentalities, and fiscal agents shall be consistent with CMIA Treasury-State Agreements or the CMIA default procedures codified at 31 CFR part 205, "Withdrawal of Cash from the Treasury for Advances under Federal Grant and Other Programs."

(6) Written procedures for determining the reasonableness, allocability and allowability of costs in accordance with the provisions of the applicable Federal cost principles and the terms and conditions of the award.

(7) Accounting records including cost accounting records that are supported by source documentation.

(c) Where the Federal Government guarantees or insures the repayment of money borrowed by the recipient, the Federal awarding agency, at its discretion, may require adequate bonding and insurance if the bonding and insurance requirements of the recipient are not deemed adequate to protect the interest of the Federal Government.

(d) The Federal awarding agency may require adequate fidelity bond coverage where the recipient lacks sufficient coverage to protect the Federal Government's interest.

(e) Where bonds are required in the situations described above, the bonds shall be obtained from companies holding certificates of authority as acceptable sureties, as prescribed in 31 CFR part 223, "Surety Companies Doing Business with the United States."

___.22 Payment.

(a) Payment methods shall minimize the time elapsing between the transfer of funds from the United States Treasury and the issuance or redemption of checks, warrants, or payment by other means by the recipients. Payment methods of State agencies or instrumentalities shall be consistent with Treasury-State CMIA agreements or default procedures codified at 31 CFR part 205.

(b) Recipients are to be paid in advance, provided they maintain or demonstrate the willingness to maintain: (1) written procedures that minimize the time elapsing between the transfer of funds and disbursement by the recipient, and (2) financial management systems that meet the standards for fund control and accountability as established in Section ___.21. Cash advances to a recipient organization shall be limited to the minimum amounts needed and be timed to be in accordance with the actual, immediate cash requirements of the recipient organization in carrying out the purpose of the approved program or project. The timing and amount of cash advances shall be as close as is administratively feasible to the actual disbursements by the recipient organization for direct program or project costs and the proportionate share of any allowable indirect costs.

(c) Whenever possible, advances shall be consolidated to cover anticipated cash needs for all awards made by the Federal awarding agency to the recipient.

(1) Advance payment mechanisms include, but are not limited to, Treasury check and electronic funds transfer.

(2) Advance payment mechanisms are subject to 31 CFR part 205.

(3) Recipients shall be authorized to submit requests for advances and reimbursements at least monthly when electronic fund transfers are not used.

(d) Requests for Treasury check advance payment shall be submitted on SF-270, "Request for Advance or Reimbursement," or other forms as may be authorized by OMB. This form is not to be used when Treasury check advance payments are made to the recipient automatically through the use of a predetermined payment schedule or if precluded by special Federal awarding agency instructions for electronic funds transfer.

(e) Reimbursement is the preferred method when the requirements in paragraph (b) cannot be met. Federal awarding agencies may also use this method on any construction agreement, or if the major portion of the construction project is accomplished through private market financing or Federal loans, and the Federal assistance constitutes a minor portion of the project.

(1) When the reimbursement method is used, the Federal awarding agency shall make payment within 30 days after receipt of the billing, unless the billing is improper.

(2) Recipients shall be authorized to submit request for reimbursement at least monthly when electronic funds transfers are not used.

(f) If a recipient cannot meet the criteria for advance payments and the Federal awarding agency has determined that reimbursement is not feasible because the recipient lacks sufficient working capital, the Federal awarding agency may provide cash on a working capital advance basis. Under this procedure, the Federal awarding agency shall advance cash to the recipient to cover its estimated disbursement needs for an initial period generally geared to the awardee's disbursing cycle. Thereafter, the Federal awarding agency shall reimburse the recipient for its actual cash disbursements. The working capital advance method of payment shall not be used for recipients unwilling or unable to provide timely advances to their subrecipient to meet the subrecipient's actual cash disbursements.

(g) To the extent available, recipients shall disburse funds available from repayments to and interest earned on a revolving fund, program income, rebates, refunds, contract settlements, audit recoveries and interest earned on such funds before requesting additional cash payments.

(h) Unless otherwise required by statute, Federal awarding agencies shall not withhold payments for proper charges made by recipients at any time during the project period unless (1) or (2) apply.

(1) A recipient has failed to comply with the project objectives, the terms and conditions of the award, or Federal reporting requirements.

(2) The recipient or subrecipient is delinquent in a debt to the United States as defined in OMB Circular A-129, "Managing Federal Credit Programs." Under such conditions, the Federal awarding agency may, upon reasonable notice, inform the recipient that payments shall not be made for obligations incurred after a specified date until the conditions are corrected or the indebtedness to the Federal Government is liquidated.

(i) Standards governing the use of banks and other institutions as depositories of funds advanced under awards are as follows.

(1) Except for situations described in paragraph (i)(2), Federal awarding agencies shall not require separate depository accounts for funds provided to a recipient or establish any eligibility requirements for depositories for funds provided to a recipient. However, recipients must be able to account for the receipt, obligation and expenditure of funds.

(2) Advances of Federal funds shall be deposited and maintained in insured accounts whenever possible.

(j) Consistent with the national goal of expanding the opportunities for women-owned and minority-owned business enterprises, recipients shall be encouraged to use women- owned and minority-owned banks (a bank which is owned at least 50 percent by women or minority group members).

(k) Recipients shall maintain advances of Federal funds in interest bearing accounts, unless (1), (2) or (3) apply.

(1) The recipient receives less than $120,000 in Federal awards per year.

(2) The best reasonably available interest bearing account would not be expected to earn interest in excess of $250 per year on Federal cash balances.

(3) The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources.

(l) For those entities where CMIA and its implementing regulations do not apply, interest earned on Federal advances deposited in interest bearing accounts shall be remitted annually to Department of Health and Human Services, Payment Management System, Rockville, MD 20852. Interest amounts up to $250 per year may be retained by the recipient for administrative expense. State universities and hospitals shall comply with CMIA, as it pertains to interest. If an entity subject to CMIA uses its own funds to pay pre-award costs for discretionary awards without prior written approval from the Federal awarding agency, it waives its right to recover the interest under CMIA.

(m) Except as noted elsewhere in this Circular, only the following forms shall be authorized for the recipients in requesting advances and reimbursements. Federal agencies shall not require more than an original and two copies of these forms.

(1) SF-270, Request for Advance or Reimbursement. Each Federal awarding agency shall adopt the SF-270 as a standard form for all nonconstruction programs when electronic funds transfer or predetermined advance methods are not used. Federal awarding agencies, however, have the option of using this form for construction programs in lieu of the SF-271, "Outlay Report and Request for Reimbursement for Construction Programs."

(2) SF-271, Outlay Report and Request for Reimbursement for Construction Programs. Each Federal awarding agency shall adopt the SF-271 as the standard form to be used for requesting reimbursement for construction programs. However, a Federal awarding agency may substitute the SF-270 when the Federal awarding agency determines that it provides adequate information to meet Federal needs.

___.23 Cost sharing or matching.

(a) All contributions, including cash and third party in-kind, shall be accepted as part of the recipient's cost sharing or matching when such contributions meet all of the following criteria.

(1) Are verifiable from the recipient's records.

(2) Are not included as contributions for any other federally-assisted project or program.

(3) Are necessary and reasonable for proper and efficient accomplishment of project or program objectives.

(4) Are allowable under the applicable cost principles.

(5) Are not paid by the Federal Government under another award, except where authorized by Federal statute to be used for cost sharing or matching.

(6) Are provided for in the approved budget when required by the Federal awarding agency.

(7) Conform to other provisions of this Circular, as applicable.

(b) Unrecovered indirect costs may be included as part of cost sharing or matching only with the prior approval of the Federal awarding agency.

(c) Values for recipient contributions of services and property shall be established in accordance with the applicable cost principles. If a Federal awarding agency authorizes recipients to donate buildings or land for construction/facilities acquisition projects or long-term use, the value of the donated property for cost sharing or matching shall be the lesser of (1) or (2).

(1) The certified value of the remaining life of the property recorded in the recipient's accounting records at the time of donation.

(2) The current fair market value. However, when there is sufficient justification, the Federal awarding agency may approve the use of the current fair market value of the donated property, even if it exceeds the certified value at the time of donation to the project.

(d) Volunteer services furnished by professional and technical personnel, consultants, and other skilled and unskilled labor may be counted as cost sharing or matching if the service is an integral and necessary part of an approved project or program. Rates for volunteer services shall be consistent with those paid for similar work in the recipient's organization. In those instances in which the required skills are not found in the recipient organization, rates shall be consistent with those paid for similar work in the labor market in which the recipient competes for the kind of services involved. In either case, paid fringe benefits that are reasonable, allowable, and allocable may be included in the valuation.

(e) When an employer other than the recipient furnishes the services of an employee, these services shall be valued at the employee's regular rate of pay (plus an amount of fringe benefits that are reasonable, allowable, and allocable, but exclusive of overhead costs), provided these services are in the same skill for which the employee is normally paid.

(f) Donated supplies may include such items as expendable equipment, office supplies, laboratory supplies or workshop and classroom supplies. Value assessed to donated supplies included in the cost sharing or matching share shall be reasonable and shall not exceed the fair market value of the property at the time of the donation.

(g) The method used for determining cost sharing or matching for donated equipment, buildings and land for which title passes to the recipient may differ according to the purpose of the award, if (1) or (2) apply.

(1) If the purpose of the award is to assist the recipient in the acquisition of equipment, buildings or land, the total value of the donated property may be claimed as cost sharing or matching.

(2) If the purpose of the award is to support activities that require the use of equipment, buildings or land, normally only depreciation or use charges for equipment and buildings may be made. However, the full value of equipment or other capital assets and fair rental charges for land may be allowed, provided that the Federal awarding agency has approved the charges.

(h) The value of donated property shall be determined in accordance with the usual accounting policies of the recipient, with the following qualifications.

(1) The value of donated land and buildings shall not exceed its fair market value at the time of donation to the recipient as established by an independent appraiser (e.g., certified real property appraiser or General Services Administration representative) and certified by a responsible official of the recipient.

(2) The value of donated equipment shall not exceed the fair market value of equipment of the same age and condition at the time of donation.

(3) The value of donated space shall not exceed the fair rental value of comparable space as established by an independent appraisal of comparable space and facilities in a privately-owned building in the same locality.

(4) The value of loaned equipment shall not exceed its fair rental value.

(5) The following requirements pertain to the recipient's supporting records for in-kind contributions from third parties.

(i) Volunteer services shall be documented and, to the extent feasible, supported by the same methods used by the recipient for its own employees.

(ii) The basis for determining the valuation for personal service, material, equipment, buildings and land shall be documented.

___.24 Program income.

(a) Federal awarding agencies shall apply the standards set forth in this section in requiring recipient organizations to account for program income related to projects financed in whole or in part with Federal funds.

(b) Except as provided in paragraph (h) below, program income earned during the project period shall be retained by the recipient and, in accordance with Federal awarding agency regulations or the terms and conditions of the award, shall be used in one or more of the ways listed in the following.

(1) Added to funds committed to the project by the Federal awarding agency and recipient and used to further eligible project or program objectives.

(2) Used to finance the non-Federal share of the project or program.

(3) Deducted from the total project or program allowable cost in determining the net allowable costs on which the Federal share of costs is based.

(c) When an agency authorizes the disposition of program income as described in paragraphs (b)(1) or (b)(2), program income in excess of any limits stipulated shall be used in accordance with paragraph (b)(3).

(d) In the event that the Federal awarding agency does not specify in its regulations or the terms and conditions of the award how program income is to be used, paragraph (b)(3) shall apply automatically to all projects or programs except research. For awards that support research, paragraph (b)(1) shall apply automatically unless the awarding agency indicates in the terms and conditions another alternative on the award or the recipient is subject to special award conditions, as indicated in Section ___.14.

(e) Unless Federal awarding agency regulations or the terms and conditions of the award provide otherwise, recipients shall have no obligation to the Federal Government regarding program income earned after the end of the project period.

(f) If authorized by Federal awarding agency regulations or the terms and conditions of the award, costs incident to the generation of program income may be deducted from gross income to determine program income, provided these costs have not been charged to the award.

(g) Proceeds from the sale of property shall be handled in accordance with the requirements of the Property Standards (See Sections ___.30 through ___.37).

(h) Unless Federal awarding agency regulations or the terms and condition of the award provide otherwise, recipients shall have no obligation to the Federal Government with respect to program income earned from license fees and royalties for copyrighted material, patents, patent applications, trademarks, and inventions produced under an award. However, Patent and Trademark Amendments (35 U.S.C. 18) apply to inventions made under an experimental, developmental, or research award.

___.25 Revision of budget and program plans.

(a) The budget plan is the financial expression of the project or program as approved during the award process. It may include either the Federal and non-Federal share, or only the Federal share, depending upon Federal awarding agency requirements. It shall be related to performance for program evaluation purposes whenever appropriate.

(b) Recipients are required to report deviations from budget and program plans, and request prior approvals for budget and program plan revisions, in accordance with this section.

(c) For nonconstruction awards, recipients shall request prior approvals from Federal awarding agencies for one or more of the following program or budget related reasons.

(1) Change in the scope or the objective of the project or program (even if there is no associated budget revision requiring prior written approval).

(2) Change in a key person specified in the application or award document.

(3) The absence for more than three months, or a 25 percent reduction in time devoted to the project, by the approved project director or principal investigator.

(4) The need for additional Federal funding.

(5) The transfer of amounts budgeted for indirect costs to absorb increases in direct costs, or vice versa, if approval is required by the Federal awarding agency.

(6) The inclusion, unless waived by the Federal awarding agency, of costs that require prior approval in accordance with OMB Circular A-21, "Cost Principles for Educational Institutions," OMB Circular A-122, "Cost Principles for Non-Profit Organizations," or 45

CFR part 74 Appendix E, "Principles for Determining Costs Applicable to Research and Development under Grants and Contracts with Hospitals," or 48 CFR part 31, "Contract Cost Principles and Procedures," as applicable.

(7) The transfer of funds allotted for training allowances (direct payment to trainees) to other categories of expense.

(8) Unless described in the application and funded in the approved awards, the subaward, transfer or contracting out of any work under an award. This provision does not apply to the purchase of supplies, material, equipment or general support services.

(d) No other prior approval requirements for specific items may be imposed unless a deviation has been approved by OMB.

(e) Except for requirements listed in paragraphs (c)(1) and (c)(4) of this section, Federal awarding agencies are authorized, at their option, to waive cost-related and administrative prior written approvals required by this Circular and OMB Circulars A-21 and A-122. Such waivers may include authorizing recipients to do any one or more of the following.

(1) Incur pre-award costs 90 calendar days prior to award or more than 90 calendar days with the prior approval of the Federal awarding agency. All pre-award costs are incurred at the recipient's risk (i.e., the Federal awarding agency is under no obligation to reimburse such costs if for any reason the recipient does not receive an award or if the award is less than anticipated and inadequate to cover such costs).

(2) Initiate a one-time extension of the expiration date of the award of up to 12 months unless one or more of the following conditions apply. For one-time extensions, the recipient must notify the Federal awarding agency in writing with the supporting reasons and revised expiration date at least 10 days before the expiration date specified in the award. This one-time extension may not be exercised merely for the purpose of using unobligated balances.

(i) The terms and conditions of award prohibit the extension.

(ii) The extension requires additional Federal funds.

(iii) The extension involves any change in the approved objectives or scope of the project.

(3) Carry forward unobligated balances to subsequent funding periods.

(4) For awards that support research, unless the Federal awarding agency provides otherwise in the award or in the agency's regulations, the prior approval requirements described in paragraph (e) are automatically waived (i.e., recipients need not obtain such prior approvals) unless one of the conditions included in paragraph (e)(2) applies.

(f) The Federal awarding agency may, at its option, restrict the transfer of funds among direct cost categories or programs, functions and activities for awards in which the Federal share of the project exceeds $100,000 and the cumulative amount of such transfers exceeds or is expected to exceed 10 percent of the total budget as last approved by the Federal awarding agency. No Federal awarding agency shall permit a transfer that would cause any Federal appropriation or part thereof to be used for purposes other than those consistent with the original intent of the appropriation.

(g) All other changes to nonconstruction budgets, except for the changes described in paragraph (j), do not require prior approval.

(h) For construction awards, recipients shall request prior written approval promptly from Federal awarding agencies for budget revisions whenever (1), (2) or (3) apply.

> (1) The revision results from changes in the scope or the objective of the project or program.
>
> (2) The need arises for additional Federal funds to complete the project.
>
> (3) A revision is desired which involves specific costs for which prior written approval requirements may be imposed consistent with applicable OMB cost principles listed in Section ___.27.

(i) No other prior approval requirements for specific items may be imposed unless a deviation has been approved by OMB.

(j) When a Federal awarding agency makes an award that provides support for both construction and nonconstruction work, the Federal awarding agency may require the recipient to request prior approval from the Federal awarding agency before making any fund or budget transfers between the two types of work supported.

(k) For both construction and nonconstruction awards, Federal awarding agencies shall require recipients to notify the Federal awarding agency in writing promptly whenever the amount of Federal authorized funds is expected to exceed the needs of the recipient for the project period by more than $5000 or five percent of the Federal award, whichever is greater. This notification shall not be required if an application for additional funding is submitted for a continuation award.

(l) When requesting approval for budget revisions, recipients shall use the budget forms that were used in the application unless the Federal awarding agency indicates a letter of request suffices.

(m) Within 30 calendar days from the date of receipt of the request for budget revisions, Federal awarding agencies shall review the request and notify the recipient whether the budget revisions have been approved. If the revision is still under consideration at the end of 30 calendar days, the Federal awarding agency shall inform the recipient in writing of the date when the recipient may expect the decision.

___.26 Non-Federal audits.

(a) Recipients and subrecipients that are institutions of higher education or other non-profit organizations (including hospitals) shall be subject to the audit requirements contained in the Single Audit Act Amendments of 1996 (31 USC 7501-7507) and revised OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

(b) State and local governments shall be subject to the audit requirements contained in the Single Audit Act Amendments of 1996 (31 USC 7501-7507) and revised OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

(c) For-profit hospitals not covered by the audit provisions of revised OMB Circular A-133 shall be subject to the audit requirements of the Federal awarding agencies.

(d) Commercial organizations shall be subject to the audit requirements of the Federal awarding agency or the prime recipient as incorporated into the award document.

___.27 Allowable costs.

For each kind of recipient, there is a set of Federal principles for determining allowable costs. Allowability of costs shall be determined in accordance with the cost principles applicable to the entity incurring the costs. Thus, allowability of costs incurred by State, local or federally-recognized Indian tribal governments is determined in accordance with the provisions of OMB Circular A-87, "Cost Principles for State, Local, and Indian Tribal Governments." The allowability of costs incurred by non-profit organizations is determined in accordance with the provisions of OMB Circular A-122, "Cost Principles for Non-Profit Organizations." The allowability of costs incurred by institutions of higher education is determined in accordance with the provisions of OMB Circular A-21, "Cost Principles for Educational Institutions." The allowability of costs incurred by hospitals is determined in accordance with the provisions of Appendix E of 45 CFR part 74, "Principles for Determining Costs Applicable to Research and Development Under Grants and Contracts with Hospitals." The allowability of costs incurred by commercial organizations and those non-profit organizations listed in Attachment C to Circular A-122 is determined in accordance with the provisions of the Federal Acquisition Regulation (FAR) at 48 CFR part 31.

___.28 Period of availability of funds. Where a funding period is specified, a recipient may charge to the grant only allowable costs resulting from obligations incurred during the funding period and any pre-award costs authorized by the Federal awarding agency.

___.29 Conditional exemptions.

(a) OMB authorizes conditional exemption from OMB administrative requirements and cost principles circulars for certain Federal programs with statutorily-authorized consolidated planning and consolidated administrative funding, that are identified by a Federal agency and approved by the head of the Executive department or establishment. A Federal agency shall consult with OMB during its consideration of whether to grant such an exemption.

(b) To promote efficiency in State and local program administration, when Federal non-entitlement programs with common purposes have specific statutorily-authorized consolidated planning and consolidated administrative funding and where most of the State agency's resources come from non-Federal sources, Federal agencies may exempt these covered State-administered, non-entitlement grant programs from certain OMB grants management requirements. The exemptions would be from all but the allocability of costs provisions of OMB Circulars A-87 (Attachment A, subsection C.3), "Cost Principles for State, Local, and Indian Tribal Governments," A-21 (Section C, subpart 4), "Cost Principles for Educational Institutions," and A-122 (Attachment A, subsection A.4), "Cost Principles for Non-Profit Organizations," and from all of the administrative requirements provisions of OMB Circular A-110, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations," and the agencies' grants management common rule.

(c) When a Federal agency provides this flexibility, as a prerequisite to a State's exercising this option, a State must adopt its own written fiscal and administrative requirements for expending and accounting for all funds, which are consistent with the provisions of OMB Circular A-87, and extend such policies to all subrecipients. These fiscal and administrative requirements must be sufficiently specific to ensure that: funds are used in compliance with all applicable Federal statutory and regulatory provisions, costs are reasonable and necessary for operating these programs, and funds are not be used for general expenses required to carry out other responsibilities of a State or its subrecipients.

Property Standards

___.30 Purpose of property standards. Sections ___.31 through ___.37 set forth uniform standards governing management and disposition of property furnished by the Federal Government whose cost was charged to a project supported by a Federal award. Federal awarding agencies shall require recipients to observe these standards under awards and shall not impose additional requirements, unless specifically required by Federal statute. The recipient may use its own property management standards and procedures provided it observes the provisions of Sections ___.31 through ___.37.

___.31 Insurance coverage. Recipients shall, at a minimum, provide the equivalent insurance coverage for real property and equipment acquired with Federal funds as provided to property owned by the recipient. Federally-owned property need not be insured unless required by the terms and conditions of the award.

___.32 Real property. Each Federal awarding agency shall prescribe requirements for recipients concerning the use and disposition of real property acquired in whole or in part under awards. Unless otherwise provided by statute, such requirements, at a minimum, shall contain the following.

(a) Title to real property shall vest in the recipient subject to the condition that the recipient shall use the real property for the authorized purpose of the project as long as it is needed and shall not encumber the property without approval of the Federal awarding agency.

(b) The recipient shall obtain written approval by the Federal awarding agency for the use of real property in other federally-sponsored projects when the recipient determines that the property is no longer needed for the purpose of the original project. Use in other projects shall be limited to those under federally-sponsored projects (i.e., awards) or programs that have purposes consistent with those authorized for support by the Federal awarding agency.

(c) When the real property is no longer needed as provided in paragraphs (a) and (b), the recipient shall request disposition instructions from the Federal awarding agency or its successor Federal awarding agency. The Federal awarding agency shall observe one or more of the following disposition instructions.

(1) The recipient may be permitted to retain title without further obligation to the Federal Government after it compensates the Federal Government for that percentage of the current fair market value of the property attributable to the Federal participation in the project.

(2) The recipient may be directed to sell the property under guidelines provided by the Federal awarding agency and pay the Federal Government for that percentage of the current fair market value of the property attributable to the Federal participation in the project (after deducting actual and reasonable selling and fix-up expenses, if any, from the sales proceeds). When the recipient is authorized or required to sell the property, proper sales procedures shall be established that provide for competition to the extent practicable and result in the highest possible return.

(3) The recipient may be directed to transfer title to the property to the Federal Government or to an eligible third party provided that, in such cases, the recipient shall be entitled to compensation for its attributable percentage of the current fair market value of the property.

___.33 Federally-owned and exempt property.

(a) Federally-owned property.

(1) Title to federally-owned property remains vested in the Federal Government. Recipients shall submit annually an inventory listing of federally-owned property in their custody to the Federal awarding agency. Upon completion of the award or when the property is no longer needed, the recipient shall report the property to the Federal awarding agency for further Federal agency utilization.

(2) If the Federal awarding agency has no further need for the property, it shall be declared excess and reported to the General Services Administration, unless the Federal awarding agency has statutory authority to dispose of the property by alternative methods (e.g., the authority provided by the Federal Technology Transfer Act (15 U.S.C. 3710 (I))

to donate research equipment to educational and non-profit organizations in accordance with E.O. 12821, "Improving Mathematics and Science Education in Support of the National Education Goals.") Appropriate instructions shall be issued to the recipient by the Federal awarding agency.

(b) Exempt property. When statutory authority exists, the Federal awarding agency has the option to vest title to property acquired with Federal funds in the recipient without further obligation to the Federal Government and under conditions the Federal awarding agency considers appropriate. Such property is "exempt property." Should a Federal awarding agency not establish conditions, title to exempt property upon acquisition shall vest in the recipient without further obligation to the Federal Government.

___.34 Equipment.

(a) Title to equipment acquired by a recipient with Federal funds shall vest in the recipient, subject to conditions of this section.

(b) The recipient shall not use equipment acquired with Federal funds to provide services to non-Federal outside organizations for a fee that is less than private companies charge for equivalent services, unless specifically authorized by Federal statute, for as long as the Federal Government retains an interest in the equipment.

(c) The recipient shall use the equipment in the project or program for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds and shall not encumber the property without approval of the Federal awarding agency. When no longer needed for the original project or program, the recipient shall use the equipment in connection with its other federally-sponsored activities, in the following order of priority: (i) Activities sponsored by the Federal awarding agency which funded the original project, then (ii) activities sponsored by other Federal awarding agencies.

(d) During the time that equipment is used on the project or program for which it was acquired, the recipient shall make it available for use on other projects or programs if such other use will not interfere with the work on the project or program for which the equipment was originally acquired. First preference for such other use shall be given to other projects or programs sponsored by the Federal awarding agency that financed the equipment; second preference shall be given to projects or programs sponsored by other Federal awarding agencies. If the equipment is owned by the Federal Government, use on other activities not sponsored by the Federal Government shall be permissible if authorized by the Federal awarding agency. User charges shall be treated as program income.

(e) When acquiring replacement equipment, the recipient may use the equipment to be replaced as trade-in or sell the equipment and use the proceeds to offset the costs of the replacement equipment subject to the approval of the Federal awarding agency.

(f) The recipient's property management standards for equipment acquired with Federal funds and federally-owned equipment shall include all of the following.

(1) Equipment records shall be maintained accurately and shall include the following information.

(i) A description of the equipment.

(ii) Manufacturer's serial number, model number, Federal stock number, national stock number, or other identification number.

(iii) Source of the equipment, including the award number.

(iv) Whether title vests in the recipient or the Federal Government.

(v) Acquisition date (or date received, if the equipment was furnished by the Federal Government) and cost.

(vi) Information from which one can calculate the percentage of Federal participation in the cost of the equipment (not applicable to equipment furnished by the Federal Government).

(vii) Location and condition of the equipment and the date the information was reported.

(viii) Unit acquisition cost.

(ix) Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where a recipient compensates the Federal awarding agency for its share.

(2) Equipment owned by the Federal Government shall be identified to indicate Federal ownership.

(3) A physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference. The recipient shall, in connection with the inventory, verify the existence, current utilization, and continued need for the equipment.

(4) A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft of equipment shall be investigated and fully documented; if the equipment was owned by the Federal Government, the recipient shall promptly notify the Federal awarding agency.

(5) Adequate maintenance procedures shall be implemented to keep the equipment in good condition.

(6) Where the recipient is authorized or required to sell the equipment, proper sales procedures shall be established which provide for competition to the extent practicable and result in the highest possible return.

(g) When the recipient no longer needs the equipment, the equipment may be used for other activities in accordance with the following standards. For equipment with a current per unit fair market value of $5000 or more, the recipient may retain the equipment for other uses provided that compensation is made to the original Federal awarding agency or its successor. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original project or program to the current fair market value of the equipment. If the recipient has no need for the equipment, the recipient shall request disposition instructions from the Federal awarding agency. The Federal awarding agency shall determine whether the equipment can be used to meet the agency's requirements. If no requirement exists within that agency, the availability of the equipment shall be reported to the General Services Administration by the Federal awarding agency to determine whether a requirement for the equipment exists in other Federal agencies. The Federal awarding agency shall issue instructions to the recipient no later than 120 calendar days after the recipient's request and the following procedures shall govern.

(1) If so instructed or if disposition instructions are not issued within 120 calendar days after the recipient's request, the recipient shall sell the equipment and reimburse the Federal awarding agency an amount computed by applying to the sales proceeds the percentage of Federal participation in the cost of the original project or program. However, the recipient shall be permitted to deduct and retain from the Federal share $500 or ten percent of the proceeds, whichever is less, for the recipient's selling and handling expenses.

(2) If the recipient is instructed to ship the equipment elsewhere, the recipient shall be reimbursed by the Federal Government by an amount which is computed by applying the percentage of the recipient's participation in the cost of the original project or program to the current fair market value of the equipment, plus any reasonable shipping or interim storage costs incurred.

(3) If the recipient is instructed to otherwise dispose of the equipment, the recipient shall be reimbursed by the Federal awarding agency for such costs incurred in its disposition.

(4) The Federal awarding agency may reserve the right to transfer the title to the Federal Government or to a third party named by the Federal Government when such third party is otherwise eligible under existing statutes. Such transfer shall be subject to the following standards.

(i) The equipment shall be appropriately identified in the award or otherwise made known to the recipient in writing.

(ii) The Federal awarding agency shall issue disposition instructions within 120 calendar days after receipt of a final inventory. The final inventory shall list all equipment acquired with grant funds and federally-owned equipment. If the

Federal awarding agency fails to issue disposition instructions within the 120 calendar day period, the recipient shall apply the standards of this section, as appropriate.

(iii) When the Federal awarding agency exercises its right to take title, the equipment shall be subject to the provisions for federally-owned equipment.

___.35 Supplies and other expendable property.

(a) Title to supplies and other expendable property shall vest in the recipient upon acquisition. If there is a residual inventory of unused supplies exceeding $5000 in total aggregate value upon termination or completion of the project or program and the supplies are not needed for any other federally-sponsored project or program, the recipient shall retain the supplies for use on non-Federal sponsored activities or sell them, but shall, in either case, compensate the Federal Government for its share. The amount of compensation shall be computed in the same manner as for equipment.

(b) The recipient shall not use supplies acquired with Federal funds to provide services to non-Federal outside organizations for a fee that is less than private companies charge for equivalent services, unless specifically authorized by Federal statute as long as the Federal Government retains an interest in the supplies.

___.36 Intangible property.

(a) The recipient may copyright any work that is subject to copyright and was developed, or for which ownership was purchased, under an award. The Federal awarding agency(ies) reserve a royalty-free, nonexclusive and irrevocable right to reproduce, publish, or otherwise use the work for Federal purposes, and to authorize others to do so.

(b) Recipients are subject to applicable regulations governing patents and inventions, including government-wide regulations issued by the Department of Commerce at 37 CFR part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements."

(c) The Federal Government has the right to:

(1) obtain, reproduce, publish or otherwise use the data first produced under an award; and

(2) authorize others to receive, reproduce, publish, or otherwise use such data for Federal purposes.

(d) (1) In addition, in response to a Freedom of Information Act (FOIA) request for research data relating to published research findings produced under an award that were used by the Federal Government in developing an agency action that has the force and effect of law, the Federal awarding agency shall request, and the recipient shall provide, within a reasonable time, the research data so that they can be made available to the public through the procedures

established under the FOIA. If the Federal awarding agency obtains the research data solely in response to a FOIA request, the agency may charge the requester a reasonable fee equaling the full incremental cost of obtaining the research data. This fee should reflect costs incurred by the agency, the recipient, and applicable subrecipients. This fee is in addition to any fees the agency may assess under the FOIA (5 U.S.C. 552(a)(4)(A)).

(2) The following definitions apply for purposes of paragraph (d) of this section:

(i) *Research data* is defined as the recorded factual material commonly accepted in the scientific community as necessary to validate research findings, but not any of the following: preliminary analyses, drafts of scientific papers, plans for future research, peer reviews, or communications with colleagues. This "recorded" material excludes physical objects (e.g., laboratory samples). Research data also do not include:

(A) Trade secrets, commercial information, materials necessary to be held confidential by a researcher until they are published, or similar information which is protected under law; and

(B) Personnel and medical information and similar information the disclosure of which would constitute a clearly unwarranted invasion of personal privacy, such as information that could be used to identify a particular person in a research study.

(ii) *Published* is defined as either when:

(A) Research findings are published in a peer-reviewed scientific or technical journal; or

(B) A Federal agency publicly and officially cites the research findings in support of an agency action that has the force and effect of law.

(iii) *Used by the Federal Government in developing an agency action that has the force and effect of law* is defined as when an agency publicly and officially cites the research findings in support of an agency action that has the force and effect of law.

(e) Title to intangible property and debt instruments acquired under an award or subaward vests upon acquisition in the recipient. The recipient shall use that property for the originally-authorized purpose, and the recipient shall not encumber the property without approval of the Federal awarding agency. When no longer needed for the originally authorized purpose, disposition of the intangible property shall occur in accordance with the provisions of paragraph ___.34(g).

___.37 Property trust relationship. Real property, equipment, intangible property and debt instruments that are acquired or improved with Federal funds shall be held in trust by the recipient as trustee for the beneficiaries of the project or program under which the property was acquired or improved. Agencies may require recipients to record liens or other appropriate

notices of record to indicate that personal or real property has been acquired or improved with Federal funds and that use and disposition conditions apply to the property.

Procurement Standards

___.40 Purpose of procurement standards. Sections ___.41 through ___.48 set forth standards for use by recipients in establishing procedures for the procurement of supplies and other expendable property, equipment, real property and other services with Federal funds. These standards are furnished to ensure that such materials and services are obtained in an effective manner and in compliance with the provisions of applicable Federal statutes and executive orders. No additional procurement standards or requirements shall be imposed by the Federal awarding agencies upon recipients, unless specifically required by Federal statute or executive order or approved by OMB.

___.41 Recipient responsibilities. The standards contained in this section do not relieve the recipient of the contractual responsibilities arising under its contract(s). The recipient is the responsible authority, without recourse to the Federal awarding agency, regarding the settlement and satisfaction of all contractual and administrative issues arising out of procurements entered into in support of an award or other agreement. This includes disputes, claims, protests of award, source evaluation or other matters of a contractual nature. Matters concerning violation of statute are to be referred to such Federal, State or local authority as may have proper jurisdiction.

___.42 Codes of conduct. The recipient shall maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts. No employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by Federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees, and agents of the recipient shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or parties to subagreements. However, recipients may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the recipient.

___.43 Competition. All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. The recipient shall be alert to organizational conflicts of interest as well as noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, invitations for bids and/or requests for proposals shall be excluded from competing for such procurements. Awards shall be made to the bidder or offeror whose bid or offer is responsive to the solicitation and is most advantageous to the recipient, price, quality and other factors considered. Solicitations shall clearly set forth all requirements that the bidder or offeror shall fulfill in order for the bid or offer to

be evaluated by the recipient. Any and all bids or offers may be rejected when it is in the recipient's interest to do so.

___.44 Procurement procedures.

(a) All recipients shall establish written procurement procedures. These procedures shall provide for, at a minimum, that (1), (2) and (3) apply.

(1) Recipients avoid purchasing unnecessary items.

(2) Where appropriate, an analysis is made of lease and purchase alternatives to determine which would be the most economical and practical procurement for the Federal Government.

(3) Solicitations for goods and services provide for all of the following.

(i) A clear and accurate description of the technical requirements for the material, product or service to be procured. In competitive procurements, such a description shall not contain features which unduly restrict competition.

(ii) Requirements which the bidder/offeror must fulfill and all other factors to be used in evaluating bids or proposals.

(iii) A description, whenever practicable, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards.

(iv) The specific features of "brand name or equal" descriptions that bidders are required to meet when such items are included in the solicitation.

(v) The acceptance, to the extent practicable and economically feasible, of products and services dimensioned in the metric system of measurement.

(vi) Preference, to the extent practicable and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient.

(b) Positive efforts shall be made by recipients to utilize small businesses, minority-owned firms, and women's business enterprises, whenever possible. Recipients of Federal awards shall take all of the following steps to further this goal.

(1) Ensure that small businesses, minority-owned firms, and women's business enterprises are used to the fullest extent practicable.

(2) Make information on forthcoming opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small businesses, minority-owned firms, and women's business enterprises.

(3) Consider in the contract process whether firms competing for larger contracts intend to subcontract with small businesses, minority-owned firms, and women's business enterprises.

(4) Encourage contracting with consortiums of small businesses, minority-owned firms and women's business enterprises when a contract is too large for one of these firms to handle individually.

(5) Use the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Department of Commerce's Minority Business Development Agency in the solicitation and utilization of small businesses, minority-owned firms and women's business enterprises.

(c) The type of procuring instruments used (e.g., fixed price contracts, cost reimbursable contracts, purchase orders, and incentive contracts) shall be determined by the recipient but shall be appropriate for the particular procurement and for promoting the best interest of the program or project involved. The "cost-plus-a-percentage-of-cost" or "percentage of construction cost" methods of contracting shall not be used.

(d) Contracts shall be made only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of the proposed procurement. Consideration shall be given to such matters as contractor integrity, record of past performance, financial and technical resources or accessibility to other necessary resources. In certain circumstances, contracts with certain parties are restricted by agencies' implementation of E.O.s 12549 and 12689, "Debarment and Suspension."

(e) Recipients shall, on request, make available for the Federal awarding agency, pre-award review and procurement documents, such as request for proposals or invitations for bids, independent cost estimates, etc., when any of the following conditions apply.

(1) A recipient's procurement procedures or operation fails to comply with the procurement standards in the Federal awarding agency's implementation of this Circular.

(2) The procurement is expected to exceed the small purchase threshold fixed at 41 U.S.C. 403 (11) (currently $25,000) and is to be awarded without competition or only one bid or offer is received in response to a solicitation.

(3) The procurement, which is expected to exceed the small purchase threshold, specifies a "brand name" product.

(4) The proposed award over the small purchase threshold is to be awarded to other than the apparent low bidder under a sealed bid procurement.

(5) A proposed contract modification changes the scope of a contract or increases the contract amount by more than the amount of the small purchase threshold.

___.45 Cost and price analysis. Some form of cost or price analysis shall be made and documented in the procurement files in connection with every procurement action. Price analysis may be accomplished in various ways, including the comparison of price quotations submitted, market prices and similar indicia, together with discounts. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability and allowability.

___.46 Procurement records. Procurement records and files for purchases in excess of the small purchase threshold shall include the following at a minimum: (a) basis for contractor selection, (b) justification for lack of competition when competitive bids or offers are not obtained, and (c) basis for award cost or price.

___.47 Contract administration. A system for contract administration shall be maintained to ensure contractor conformance with the terms, conditions and specifications of the contract and to ensure adequate and timely follow up of all purchases. Recipients shall evaluate contractor performance and document, as appropriate, whether contractors have met the terms, conditions and specifications of the contract.

___.48 Contract provisions. The recipient shall include, in addition to provisions to define a sound and complete agreement, the following provisions in all contracts. The following provisions shall also be applied to subcontracts.

(a) Contracts in excess of the small purchase threshold shall contain contractual provisions or conditions that allow for administrative, contractual, or legal remedies in instances in which a contractor violates or breaches the contract terms, and provide for such remedial actions as may be appropriate.

(b) All contracts in excess of the small purchase threshold shall contain suitable provisions for termination by the recipient, including the manner by which termination shall be effected and the basis for settlement. In addition, such contracts shall describe conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.

(c) Except as otherwise required by statute, an award that requires the contracting (or subcontracting) for construction or facility improvements shall provide for the recipient to follow its own requirements relating to bid guarantees, performance bonds, and payment bonds unless the construction contract or subcontract exceeds $100,000. For those contracts or subcontracts exceeding $100,000, the Federal awarding agency may accept the bonding policy and requirements of the recipient, provided the Federal awarding agency has made a determination that the Federal Government's interest is adequately protected. If such a determination has not been made, the minimum requirements shall be as follows.

> (1) 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 shall, upon acceptance of his bid, execute such contractual documents as may be required within the time specified.

(2) A performance bond on the part of the contractor for 100 percent of the contract price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.

(3) A payment bond on the part of the contractor for 100 percent of the contract price. A "payment bond" is one executed in connection with a contract to assure payment as required by statute of all persons supplying labor and material in the execution of the work provided for in the contract.

(4) Where bonds are required in the situations described herein, the bonds shall be obtained from companies holding certificates of authority as acceptable sureties pursuant to 31 CFR part 223, "Surety Companies Doing Business with the United States."

(d) All negotiated contracts (except those for less than the small purchase threshold) awarded by recipients shall include a provision to the effect that the recipient, the Federal awarding agency, the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers and records of the contractor which are directly pertinent to a specific program for the purpose of making audits, examinations, excerpts and transcriptions.

(e) All contracts, including small purchases, awarded by recipients and their contractors shall contain the procurement provisions of Appendix A to this Circular, as applicable.

Reports and Records

___.50 Purpose of reports and records. Sections ___.51 through ___.53 set forth the procedures for monitoring and reporting on the recipient's financial and program performance and the necessary standard reporting forms. They also set forth record retention requirements.

___.51 Monitoring and reporting program performance.

(a) Recipients are responsible for managing and monitoring each project, program, subaward, function or activity supported by the award. Recipients shall monitor subawards to ensure subrecipients have met the audit requirements as delineated in Section ___.26.

(b) The Federal awarding agency shall prescribe the frequency with which the performance reports shall be submitted. Except as provided in paragraph ___.51(f), performance reports shall not be required more frequently than quarterly or, less frequently than annually. Annual reports shall be due 90 calendar days after the grant year; quarterly or semi-annual reports shall be due 30 days after the reporting period. The Federal awarding agency may require annual reports before the anniversary dates of multiple year awards in lieu of these requirements. The final performance reports are due 90 calendar days after the expiration or termination of the award.

(c) If inappropriate, a final technical or performance report shall not be required after completion of the project.

(d) When required, performance reports shall generally contain, for each award, brief information on each of the following.

(1) A comparison of actual accomplishments with the goals and objectives established for the period, the findings of the investigator, or both. Whenever appropriate and the output of programs or projects can be readily quantified, such quantitative data should be related to cost data for computation of unit costs.

(2) Reasons why established goals were not met, if appropriate.

(3) Other pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

(e) Recipients shall not be required to submit more than the original and two copies of performance reports.

(f) Recipients shall immediately notify the Federal awarding agency of developments that have a significant impact on the award-supported activities. Also, notification shall be given in the case of problems, delays, or adverse conditions which materially impair the ability to meet the objectives of the award. This notification shall include a statement of the action taken or contemplated, and any assistance needed to resolve the situation.

(g) Federal awarding agencies may make site visits, as needed.

(h) Federal awarding agencies shall comply with clearance requirements of 5 CFR part 1320 when requesting performance data from recipients.

___.52 Financial reporting.

(a) The following forms or such other forms as may be approved by OMB are authorized for obtaining financial information from recipients.

(1) SF-269 or SF-269A, Financial Status Report.

(i) Each Federal awarding agency shall require recipients to use the SF-269 or SF-269A to report the status of funds for all nonconstruction projects or programs. A Federal awarding agency may, however, have the option of not requiring the SF-269 or SF-269A when the SF-270, Request for Advance or Reimbursement, or SF-272, Report of Federal Cash Transactions, is determined to provide adequate information to meet its needs, except that a final SF-269 or SF-269A shall be required at the completion of the project when the SF-270 is used only for advances.

(ii) The Federal awarding agency shall prescribe whether the report shall be on a cash or accrual basis. If the Federal awarding agency requires accrual information and the recipient's accounting records are not normally kept on the accrual basis,

the recipient shall not be required to convert its accounting system, but shall develop such accrual information through best estimates based on an analysis of the documentation on hand.

(iii) The Federal awarding agency shall determine the frequency of the Financial Status Report for each project or program, considering the size and complexity of the particular project or program. However, the report shall not be required more frequently than quarterly or less frequently than annually. A final report shall be required at the completion of the agreement.

(iv) The Federal awarding agency shall require recipients to submit the SF-269 or SF-269A (an original and no more than two copies) no later than 30 days after the end of each specified reporting period for quarterly and semi-annual reports, and 90 calendar days for annual and final reports. Extensions of reporting due dates may be approved by the Federal awarding agency upon request of the recipient.

(2) SF-272, Report of Federal Cash Transactions.

(i) When funds are advanced to recipients the Federal awarding agency shall require each recipient to submit the SF-272 and, when necessary, its continuation sheet, SF-272a. The Federal awarding agency shall use this report to monitor cash advanced to recipients and to obtain disbursement information for each agreement with the recipients.

(ii) Federal awarding agencies may require forecasts of Federal cash requirements in the "Remarks" section of the report.

(iii) When practical and deemed necessary, Federal awarding agencies may require recipients to report in the "Remarks" section the amount of cash advances received in excess of three days. Recipients shall provide short narrative explanations of actions taken to reduce the excess balances.

(iv) Recipients shall be required to submit not more than the original and two copies of the SF-272 15 calendar days following the end of each quarter. The Federal awarding agencies may require a monthly report from those recipients receiving advances totaling $1 million or more per year.

(v) Federal awarding agencies may waive the requirement for submission of the SF-272 for any one of the following reasons: (1) When monthly advances do not exceed $25,000 per recipient, provided that such advances are monitored through other forms contained in this section; (2) If, in the Federal awarding agency's opinion, the recipient's accounting controls are adequate to minimize excessive Federal advances; or, (3) When the electronic payment mechanisms provide adequate data.

(b) When the Federal awarding agency needs additional information or more frequent reports, the following shall be observed.

(1) When additional information is needed to comply with legislative requirements, Federal awarding agencies shall issue instructions to require recipients to submit such information under the "Remarks" section of the reports.

(2) When a Federal awarding agency determines that a recipient's accounting system does not meet the standards in Section ___.21, additional pertinent information to further monitor awards may be obtained upon written notice to the recipient until such time as the system is brought up to standard. The Federal awarding agency, in obtaining this information, shall comply with report clearance requirements of 5 CFR part 1320.

(3) Federal awarding agencies are encouraged to shade out any line item on any report if not necessary.

(4) Federal awarding agencies may accept the identical information from the recipients in machine readable format or computer printouts or electronic outputs in lieu of prescribed formats.

(5) Federal awarding agencies may provide computer or electronic outputs to recipients when such expedites or contributes to the accuracy of reporting.

___.53 Retention and access requirements for records.

(a) This section sets forth requirements for record retention and access to records for awards to recipients. Federal awarding agencies shall not impose any other record retention or access requirements upon recipients.

(b) Financial records, supporting documents, statistical records, and all other records pertinent to an award shall be retained for a period of three years from the date of submission of the final expenditure report or, for awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, as authorized by the Federal awarding agency. The only exceptions are the following.

(1) If any litigation, claim, or audit is started before the expiration of the 3-year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved and final action taken.

(2) Records for real property and equipment acquired with Federal funds shall be retained for 3 years after final disposition.

(3) When records are transferred to or maintained by the Federal awarding agency, the 3-year retention requirement is not applicable to the recipient.

(4) Indirect cost rate proposals, cost allocations plans, etc. as specified in paragraph ___.53(g).

(c) Copies of original records may be substituted for the original records if authorized by the Federal awarding agency.

(d) The Federal awarding agency shall request transfer of certain records to its custody from recipients when it determines that the records possess long term retention value. However, in order to avoid duplicate recordkeeping, a Federal awarding agency may make arrangements for recipients to retain any records that are continuously needed for joint use.

(e) The Federal awarding agency, the Inspector General, Comptroller General of the United States, or any of their duly authorized representatives, have the right of timely and unrestricted access to any books, documents, papers, or other records of recipients that are pertinent to the awards, in order to make audits, examinations, excerpts, transcripts and copies of such documents. This right also includes timely and reasonable access to a recipient's personnel for the purpose of interview and discussion related to such documents. The rights of access in this paragraph are not limited to the required retention period, but shall last as long as records are retained.

(f) Unless required by statute, no Federal awarding agency shall place restrictions on recipients that limit public access to the records of recipients that are pertinent to an award, except when the Federal awarding agency can demonstrate that such records shall be kept confidential and would have been exempted from disclosure pursuant to the Freedom of Information Act (5 U.S.C. 552) if the records had belonged to the Federal awarding agency.

(g) Indirect cost rate proposals, cost allocations plans, etc. Paragraphs (g)(1) and (g)(2) apply to the following types of documents, and their supporting records: indirect cost rate computations or proposals, cost allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable (such as computer usage chargeback rates or composite fringe benefit rates).

> (1) If submitted for negotiation. If the recipient submits to the Federal awarding agency or the subrecipient submits to the recipient the proposal, plan, or other computation to form the basis for negotiation of the rate, then the 3-year retention period for its supporting records starts on the date of such submission.
>
> (2) If not submitted for negotiation. If the recipient is not required to submit to the Federal awarding agency or the subrecipient is not required to submit to the recipient the proposal, plan, or other computation for negotiation purposes, then the 3-year retention period for the proposal, plan, or other computation and its supporting records starts at the end of the fiscal year (or other accounting period) covered by the proposal, plan, or other computation.

Termination and Enforcement

___.60 Purpose of termination and enforcement. Sections ___.61 and ___.62 set forth uniform suspension, termination and enforcement procedures.

___.61 Termination.

(a) Awards may be terminated in whole or in part only if (1), (2) or (3) apply.

(1) By the Federal awarding agency, if a recipient materially fails to comply with the terms and conditions of an award.

(2) By the Federal awarding agency with the consent of the recipient, in which case the two parties shall agree upon the termination conditions, including the effective date and, in the case of partial termination, the portion to be terminated.

(3) By the recipient upon sending to the Federal awarding agency written notification setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if the Federal awarding agency determines in the case of partial termination that the reduced or modified portion of the grant will not accomplish the purposes for which the grant was made, it may terminate the grant in its entirety under either paragraphs (a)(1) or (2).

(b) If costs are allowed under an award, the responsibilities of the recipient referred to in paragraph ___.71(a), including those for property management as applicable, shall be considered in the termination of the award, and provision shall be made for continuing responsibilities of the recipient after termination, as appropriate.

___.62 Enforcement.

(a) Remedies for noncompliance. If a recipient materially fails to comply with the terms and conditions of an award, whether stated in a Federal statute, regulation, assurance, application, or notice of award, the Federal awarding agency may, in addition to imposing any of the special conditions outlined in Section ___.14, take one or more of the following actions, as appropriate in the circumstances.

(1) Temporarily withhold cash payments pending correction of the deficiency by the recipient or more severe enforcement action by the Federal awarding agency.

(2) Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance.

(3) Wholly or partly suspend or terminate the current award.

(4) Withhold further awards for the project or program.

(5) Take other remedies that may be legally available.

(b) Hearings and appeals. In taking an enforcement action, the awarding agency shall provide the recipient an opportunity for hearing, appeal, or other administrative proceeding to which the recipient is entitled under any statute or regulation applicable to the action involved.

(c) Effects of suspension and termination. Costs of a recipient resulting from obligations incurred by the recipient during a suspension or after termination of an award are not allowable unless the awarding agency expressly authorizes them in the notice of suspension or termination or

subsequently. Other recipient costs during suspension or after termination which are necessary and not reasonably avoidable are allowable if (1) and (2) apply.

(1) The costs result from obligations which were properly incurred by the recipient before the effective date of suspension or termination, are not in anticipation of it, and in the case of a termination, are noncancellable. <

(2) The costs would be allowable if the award were not suspended or expired normally at the end of the funding period in which the termination takes effect.

(d) Relationship to debarment and suspension. The enforcement remedies identified in this section, including suspension and termination, do not preclude a recipient from being subject to debarment and suspension under E.O.s 12549 and 12689 and the Federal awarding agency implementing regulations (see Section ___.13).

Appendix F
Federal Wage Standards Compliance Checklist (Davis-Bacon)

Federal Wage Standards Compliance Checklist (Davis-Bacon)

The following checklist **must** be completed by all subrecipients that are awarded funds through the City of Livermore Housing & Human Services Grants (HHSG) Program for capital projects that trigger application of Davis-Bacon Act federal prevailing wages.

This federal wage standard compliance checklist:

1. Provides a detailed list of items that are required by all agencies to be compliant with the Davis-Bacon Act.

2. Informs the agency when to submit appropriate documentation to the City in stages associated with the project's implementaiton.

It is the subrecipient's responsibility to ensure compliance with all federal and local requirements for capital projects, including Davis-Bacon. The City will not reimburse any submitted invoices if the subrecipient does not complete the items on this checklist or submit documents in the appropriate timeframe.

If your agency has questions about this checklist or any of the requirements, please contact the Housing and Human Services Division Program at (925) 960-4590. General information on Davis-Bacon may be found in **Attachments 1 and 2**.

Also refer to the Agreement entered into between the City and your agency ("subrecipient") for the HHSG funding. The Agreement includes standard contract terms requiring compliance with the City's Housing and Human Services Grant Policy and Procedures Manual and additional requirements for capital projects including Davis-Bacon (see Appendix D.2 of the Manual found at the City's website at www.cityoflivermore.net on the Housing and Human Services Grants page).

Section I
Process and Documentation Submittal Prior to Project Bid Opening

Required Documentation: Complete and submit Sections IA and IB along with your project's draft bid package documentation to the City's Housing & Human Services Division at least fifteen (15) business days prior to advertising your project. Your bid package will be reviewed within five (5) business days of receipt. A summary list of required documentation is at the end of this Section.

SECTION I.A. GENERAL PROJECT INFORMATION	
CDBG Program Fiscal Year: FY	**CDBG Grant Amount: $**
CDBG Subrecipient (HHSG Agency Name):	**Name, phone, email of Person completing this form:**
Project Name:	**Project Address:**

SECTION I.B. BID DOCUMENTATION	
Proposed Date of Bid Advertisement:	
Wage Decision included in Bid Package?	Y ☐ N ☐
Wage Decision Number and Date listed in Bid Package	
Do Bid Documents note that wage decision will be locked in 10 days prior to Bid Opening Date?	Y ☐ N ☐
Affirmative Action Plan Under Section 3 clauses included in bid package? **(Attachment 3)**	Y ☐ N ☐
HUD Form 4010 included in bid package? **(Attachment 4)**	Y ☐ N ☐
Is the City's standard clause on Federal Labor Standards included in bid package?	Y ☐ N ☐

Is your contract $10,000 or more? Must include Affirmative Action/Executive Order 11246 clause in bid package? **(Attachment 5)**	Y ☐ N ☐
Is this a Residential Rehabilitation Project? Lead Based Paint information included in bid package? **(Attachment 6)**	Y ☐ N ☐

Summary of Document Submittal to City:

- ❑ Copy of Bid Package (including all attachments/exhibits)
- ❑ Copy of proposed advertisement (if applicable)

Section II
Process and Documentation Submittal Prior to Start of Construction

Required Documentation: Complete Section II requirements and submit documentation to City prior to the start of project construction. Summary list of required documentation is at the end of this Section.

Project Name and Address:	**Name, phone, email of Person completing this form:**
Section II.A. BID OPENING AND FINAL WAGE DECISION LOCK-IN	
For a Competitively Bid Project	
Bid Opening Date:	
Re-Check Wage Decision 10 days prior to Bid Opening Is the Wage Decision that is in effect 10 days before the bid opening different from the one originally published? You must use the most recent Wage Descision.	Y ☐ N ☐ **If yes**, please note the new Wage Decision number and date:

Wage Decision used in construction:	**How was the lock-in date determined?**
All Wage Decisions must have a **"lock in"** date that is related to when the bid is awarded and construction begins. **Lock-in Date:** **Wage Decision Number and Date at Lock-In:**	❑ Bid Opening Date (If contract was awarded within 90 days of bid opening date) ❑ Contract Award Date (if contract is awarded 90 days after bid opening) ❑ Construction Start Date (use if there is no bid opening or for non-competitively bid projects)

Section II.B. CONTRACT AWARD PROCESS AND DOCUMENTATION	
Name and Address of Prime Contractor:	
Is the Prime Contractor?	Women-owned business? Y ☐ N ☐ Minority-owned business? Y ☐ N ☐

Check that Prime Contractor is not on the debarred, suspended or ineligible list . **Place verification print out in file.** See Excluded Parties List System www.epls.gov **(Attachment 7)**	Y ☐ N ☐ Date of Verification:
Amount of Prime Contract:	$
Executed contract with Prime Contractor includes • Federal Labor Standards Provisions **(HUD Form 4010)** • Applicable Federal Wage Decision **(Attachment 8)** • Affirmative Action/Section 3 clause **(Attachment 3)** • Affirmative Action/EO Clause **(contracts over $10K) (Attachment 5)** • Lead-Based Paint Clause **(if residential) (Attachment 6)**	Y ☐ N ☐
Issued contract award letter to Prime Contractor?	Y ☐ N ☐

Section II.C. PRE-CONSTRUCTION CONFERENCE	
Date of pre-construction conference:	
Pre construction conference has a sign in sheet and a written summary of the issues discussed during the meeting? **(Attachment 9)**	Y ☐ N ☐
Are all jobs in project listed on wage rate sheet (HUD Form 4720)? **(Attachment 10)**	Y ☐ N ☐
Has a request been made HUD for any additional classifications and name of classifications not listed on the wage decision?	❑ Date: ❑ Not applicable
Will any Subcontractors be hired by the Prime?	Y ☐ N ☐
Check that Sub Contractor(s) are not on the debarred, suspended or ineligible list. **Place verification print out in file.** See Excluded Parties List System www.epls.gov **(Attachment 7)**	Y ☐ N ☐ Date of Verification:

Summary of Document Submittal to City:

- ❑ Copies of Excluded Parties List System for Prime Contractor
- ❑ Copies of Excluded Parties List System for Subcontractor(s)
- ❑ Copy of fully executed Contract with Prime Contractor with all exhibits/attachments
- ❑ Copy of Sign-In Sheet and summary notes from Pre-Construction Conference
- ❑ Project Wage Rate Sheet

Section III
Start of Construction

Required Documentation: Complete Section III requirements and submit documentation to City within five (5) business days after the start of project construction. A summary list of required documentation is at the end of this Section.

Project Name and Address:	**Name, phone, email of Person completing this form:**
Section III.A. CONSTRUCTION START AND PROJECT SITE VERIFICATION *The verification of this information is to be conducted by the Subrecipient.*	
Have Prime Contractor signed the *"Certification of Understanding and Authorization"* prior to the start of construction? **(Attachment 11)**	Y ☐ N ☐
Has Subrecipient issued a Notice to Proceed to Prime Contractor?	Y ☐ N ☐
Has employee poster with wage decision number and contact person been posted at site? **(Attachment 12)** **Posters may be found at** www.dol.gov/whd/regs/compliance/posters/fedproic.pdf (English) and www.dol.gov/whd/regs/compliance/posters/davispan.pdf (Spanish)	Y ☐ N ☐
Has Wage Decision been posted at site?	Y ☐ N ☐
Send "Notice to Proceed" letter to City (City will send a Start of Construction Letter to HUD based upon this letter)	Y ☐ N ☐ Date:
Date of start of construction:	Date:

Summary of Document Submittal to City:
- ❑ Copy of signed Certification of Understanding and Authorization
- ❑ Copy of Contract Award Letter
- ❑ Copy of Notice to Proceed Letter

Section IV
Documentation Required Prior to First Invoice to City

Required Documentation: Complete Section IV requirements and submit documentation to City with your first invoice. A summary list of required documentation is at the end of this Section.

Project Name and Address:	**Name, phone, email of Person completing this form:**

Section IV.A. PROJECT JOB CLASSIFICATIONS

Enter in all job classifications associated with project in the table provided below. Use additional sheets if necessary.

Job Classification	***Wage rate ($)***	***Fringes included?***	***Total pay per hour ($)***
		Y ☐ N ☐	
		Y ☐ N ☐	
		Y ☐ N ☐	
		Y ☐ N ☐	
		Y ☐ N ☐	
		Y ☐ N ☐	
		Y ☐ N ☐	
		Y ☐ N ☐	
		Y ☐ N ☐	
		Y ☐ N ☐	
		Y ☐ N ☐	
		Y ☐ N ☐	
		Y ☐ N ☐	
		Y ☐ N ☐	
		Y ☐ N ☐	

Section IV.B. PROJECT SUBCONTRACTORS Enter subcontractor information in the table provided below. Use additional sheets if necessary.			
Name and address of Subcontractor	*Date begin work*	*Work completing*	*Amount of subcontract*

Section IV.C. INTERVIEWS **Subrecipient agency must complete <u>at least one on-site employee interview for each job classification</u> on the project and compare the hourly pay quoted against the wage decision rate, using HUD Form 11 (provided in English and Spanish) (Attachment 13).** The interview forms must be kept with the payrolls. Any discrepancies must be addressed and issues cleared and documented in file.			
Job classification	**Date Interviewed**	**Hourly pay in interview**	**Same pay as Wage Decision Rate or higher?**
			Y ☐ N ☐
			Y ☐ N ☐
			Y ☐ N ☐
			Y ☐ N ☐
			Y ☐ N ☐
			Y ☐ N ☐
			Y ☐ N ☐
			Y ☐ N ☐
			Y ☐ N ☐

Add additional sheets to list job classification interviews if necessary.

Section IV.D. PAYROLL DOCUMENTATION

***Prime contractor must submit weekly certified payrolls and the subcontractors' weekly certified payrolls for review to the Subrecipient Agency. Certified payroll form WH-347 is the recommended format* (Attachment 14).** Contractors *are not required* to use form WH-347 but alternative formats must include all the information that is required on WH-347. The initial payroll form must be marked "**Initial**" and include the contractors' federal IRS number. The final payroll form must be marked "**Final**". Subgrantee must tally and initial each certified payroll to show that all payrolls were reviewed. In the case of incorrect wages being paid, issues must be cleared and restitution payment made. Contractors must report all classifications of work performed. Note that Certified Payrolls must list 7 days and 7 dates, not just the pay period ending date. The reverse side of Form WH-347 contains specific language attesting to the employer's compliance with wage requirements and fringe benefit payments ("Statement of Compliance") and must be signed by the employer.

Date Payroll Received	***Time period of payroll***	***Are the correct wages being paid?***	***Any outstanding issues?***
		Y ☐ N ☐	Y ☐ N ☐
		Y ☐ N ☐	Y ☐ N ☐
		Y ☐ N ☐	Y ☐ N ☐
		Y ☐ N ☐	Y ☐ N ☐
		Y ☐ N ☐	Y ☐ N ☐
		Y ☐ N ☐	Y ☐ N ☐
		Y ☐ N ☐	Y ☐ N ☐
Did project have more than $1,000 paid in restitution to any employee? If yes, submit 5.7 Labor Standards Enforcement Report to City		Y ☐ N ☐	

Add additional sheets to list payroll documentation if necessary.

Summary of Document Submittal to City:

- ❑ Copy of at least one Employee Interview for each job classification *(HUD Form 11)*
- ❑ Copies of cancelled paycheck and paystub for employees who were interviewed
- ❑ For invoicing period to City: Copies of Certified Payrolls and signed statements of compliance (reverse side of WH-347) *(first payroll must be labeled "Initial Payroll")*
- ❑ For invoicing period to City: Copies of Cancelled Paychecks and Paystubs for one employee payment per month for each job classification
- ❑ Copies of Restitution Cancelled Paychecks and Paystubs *(if applicable)*

Section V
Project Close-Out

Required Documentation: Complete Section V requirements and submit documentation with your final invoice to the City. A summary list of required documentation is at the end of this Section.

Project Name and Address:	**Name, phone, email of Person completing this form:**

Section V.A. – PROJECT CLOSE OUT	
Have all issues with Prime Contractor been cleared before Final Payment made?	Y ☐ N ☐
Project Completion Date:	
Memo to file, discuss project and completion date	Y ☐ N ☐ Date:
Send closeout memo to City	Y ☐ N ☐ Date:

Summary of Document Submittal to City:

- ❑ Copies of all signed Certified Payrolls and signed statements of compliance through project completion
- ❑ Copies of Cancelled Paychecks and Paystubs for one employee payment per month *(Last payroll must be labeled "Final Payroll")*
- ❑ Copies of Restitution Cancelled Paychecks and Paystubs (if applicable)
- ❑ Close-Out Memo to City
- ❑ After-Photos with captions

Summary of Documents to be Submitted to the City

Submit 15 business days before project bid is advertised

- ❑ Copy of Bid Package (including all attachments/exhibits)
- ❑ Copy of proposed advertisement (if applicable)

Submit before start of construction

- ❑ Copies of Excluded Parties List System for Prime Contractor
- ❑ Copies of Excluded Parties List System for Subcontractor(s)
- ❑ Copy of fully executed Contract with Prime Contractor with all exhibits/attachments
- ❑ Copy of Sign-In Sheet and summary notes from Pre-Construction Conference
- ❑ Project Wage Rate Sheet

Submit 5 business days after start of construction

- ❑ Copy of signed Certification of Understanding and Authorization
- ❑ Copy of Contract Award Letter
- ❑ Copy of Notice to Proceed Letter

Submit with your first invoice

- ❑ Copy of at least one Employee Interview for each job classification
- ❑ Copies of cancelled paycheck and paystub for employees who were interviewed
- ❑ For invoicing period to City: Copies of Certified Payrolls and signed statements of compliance (reverse side of WH-347) *(first payroll must be labeled "Initial Payroll")*
- ❑ For invoicing period to City: Copies of Cancelled Paychecks and Paystubs for one employee payment per month for each job classification
- ❑ Copies of Restitution Cancelled Paychecks and Paystubs (if applicable)

Submit with your final invoice

- ❑ Copies of all signed Certified Payrolls and signed statements of compliance through project completion
- ❑ Copies of Cancelled Paychecks and Paystubs for one employee payment per month *(Last payroll must be labeled "Final Payroll")*
- ❑ Copies of Restitution Cancelled Paychecks and Paystubs (if applicable)
- ❑ Close-Out Memo to City
- ❑ After-Photos with captions

LIST OF ATTACHMENTS*

1) Davis Bacon Prevailing Wage Tip Sheet
2) "Davis Bacon Labor Standards – A Contractor's Guide to Prevailing Wage Requirements for Federally Assisted Construction Projects", published January 2012 by U.S. Department of Housing & Urban Development
3) Contract Exhibit - Affirmative Action/Section 3 Employment Plan
4) Form HUD-4010 (Federal Labor Standards Provisions)
5) Contract Exhibit - Affirmative Action Plan/E.O. 11246 Provisions (for contracts over $10,000)
6) Contract Exhibit - Lead-Based Paint Clause (for residential projects)
7) Example of EPLS Search Results
8) Example of Federal Wage Decision
9) Example of Preconstruction Conference Minutes and Sign-In Sheet
10) Example of Project Wage Rate Sheet (HUD Form 4720)
11) Certification of Understanding and Authorization
12) Example of Employee Rights Poster (English and Spanish)
13) Form HUD-11 (Record of Employee Interview) and Instructions (English and Spanish)
14) Instructions for Completion of Certified Payroll Form (WH-347); Form WH-347 (including Employer Certification)

***Note:** Attachments are not included in the *HHSG Program Policy and Procedure Manual* but are provided to subrecipients implementing Davis-Bacon projects with their grant contracts from the City.

Appendix G
Section 3 Overview for Recipients of HUD Housing and Community Development Funding

SECTION 3 OVERVIEW

FOR RECIPIENTS OF HUD HOUSING & COMMUNITY DEVELOPMENT FUNDING

Why HUD Enforces Section 3?

Each year the U.S. Department of Housing and Urban Development invests billions of federal dollars into distressed communities for projects that build and rehabilitate housing; improve roads and community centers; and help families achieve the American Dream.

The Section 3 regulation acknowledges that HUD funding typically results in projects/activities that generate new contracting, employment, and other economic opportunities that not only impact bricks and mortar, but also create a multiplier effect for local housing providers and businesses that provide goods and services.

Section 3 of the Housing and Urban Development Act of 1968 [12 U.S.C. 1701u and 24 CFR Part 135] 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 residents of the community where certain funds are spent (regardless of race or gender), and the businesses that substantially employ these persons.

Applicability of Section 3 to Housing and Community Development Assistance

The requirements of Section 3 apply to recipients of HUD Housing and Community Development funding exceeding **$200,000**.

Section 3 does not apply on a "per-project" basis, whenever any portion of HUD funding is invested into projects involving **housing construction, demolition, rehabilitation, or other public construction (i.e., roads, sewers, community centers, etc.)**, the requirements of Section 3 apply.

Further, contractors or subcontractors that receive contracts in excess of **$100,000** for Section 3 covered projects/activities are required to comply with the Section 3 regulations in the same manner as direct recipients.

If the recipient agency receives Section 3 covered projects/activities, but no individual contract exceeds $100,000, <u>the requirements of Section 3 only apply to the recipient</u>. Accordingly, the recipient must attempt to meet the Section 3 minimum numerical goals found at 24 CFR Part 135.30 by awarding 10 percent of the total dollar amount of all covered construction contracts to Section 3 businesses.

State and County agencies that distribute covered funds to units of local government, nonprofit organizations, or other subrecipients, must attempt to reach the minimum numerical goals set forth at 24 CFR Part 135.30, regardless of the number of subrecipients that receive covered funding. The state or county must inform its subrecipients about the requirements of Section 3; assist them and their contractors with achieving compliance; and monitor their performance with respect to the objectives and requirements of Section 3.

Some Types of Section 3 Covered Housing and Community Development Funding

- Community Development Block Grants (CDBG)
- Home Investment Partnership Assistance
- Housing Opportunities for Persons with Aids (HOPWA)
- Economic Development Initiative (EDI)
- Brownfield Economic Development Initiative (BEDI)
- Emergency Shelter Grants
- Homeless Assistance
- University Partnership Grants
- Neighborhood Stimulus Program (NSP)
- Certain Grants Awarded Under HUD Notices of Funding Availability (NOFAs)
- Section 202 Supportive Housing for the Elderly
- Section 811 Supportive Housing for the Disabled
- Project Based Section 8 Vouchers

*NOTE: The requirements of Section 3 only apply to the portion(s) of covered funding that were used for project/activities involving housing construction, rehabilitation, demolition, or other public construction.

Section 3 applies to the **entire** covered project or activity regardless of whether the activity was fully or partially funded with covered assistance.

Section 3 Covered Recipient Agencies

"Recipient" refers to any entity that receives Section 3 covered financial assistance directly from HUD or from another recipient and includes, but is not limited to any of the following:

- States; Units of Local Government; Native American Tribes; or other Public Bodies
- Public or Private Nonprofit Organizations
- Private Agencies or Institutions
- Mortgagors; Developers; Limited Dividend Sponsors; Builders; Property Owners; Community Housing Development Organizations
- Successors, assignees or transferees of any such entity listed above

- Recipients do **NOT** include any ultimate beneficiary under the HUD program that Section 3 applies (i.e., residents or laborers); and does **NOT** refer to contractors.

What Triggers the Requirements of Section 3?

Each recipient of $200,000 of covered HUD funding is required to comply with Section 3. Section 3 applies to all projects and activities involving housing construction, rehabilitation, or other public construction that is funded with covered HUD funding.

Section 3 is triggered when the normal completion of construction and rehabilitation projects creates the need for **new** employment, contracting, or training opportunities.

The Section 3 regulations should not be construed to mean that recipients are required to hire Section 3 residents or award contracts to Section 3 businesses other than what is needed to complete covered projects/activities.

If the expenditure of covered funding does not result in new employment, contracting, or training opportunities, the requirements have not been triggered.

Recipient Responsibilities Pursuant to Section 3

Each recipient (and their covered contractors, subcontractors, or subrecipients) are required to comply with the requirements of Section 3 for ***new*** employment, training, or contracting opportunities resulting from the expenditure of covered funding. This responsibility includes:

1. Implementing procedures to notify Section 3 residents and business concerns about training, employment, and contracting opportunities generated by Section 3 covered assistance;
2. Notifying potential contractors working on Section 3 covered projects of their responsibilities;
3. Incorporating the Section 3 Clause into all covered solicitations and contracts [see 24 CFR Part 135.38];
4. Facilitating the training and employment of Section 3 residents and the award of contracts to Section 3 business concerns;
5. Assisting and actively cooperating with the Department in making contractors and subcontractors comply;
6. Refraining from entering into contracts with contractors that are in violation of Section 3 regulations;
7. Documenting actions taken to comply with Section 3; and
8. Submitting Section 3 Annual Summary Reports (form HUD-60002) in accordance with 24 CFR Part 135.90.

Section 3 Residents and Business Concerns

Section 3 Residents Are:

1. Residents of Public and Indian Housing; or
2. Individuals that reside in the metropolitan area or nonmetropolitan county in which the Section 3 covered assistance is expended and whose income do not exceed the local income criteria of low- or very low-income.

Section 3 Business Concerns Are One of the Following:

1. Businesses that are 51 percent or more owned by Section 3 residents;
2. Businesses whose permanent, full-time employees include persons, at least 30 percent of whom are currently Section 3 residents, or within three years of the date of first employment with the firm were Section 3 residents; or
3. Businesses that provide evidence of a commitment to subcontract in excess of 25 percent of the dollar amount of all subcontracts to be awarded to businesses that meet the qualifications described above.

In accordance with the regulation, residents and businesses concerns seeking Section 3 preference shall certify, or submit evidence to the recipient, contractor, subcontractor or subrecipient (if requested) verifying that they meet the definitions provided above.

Recipients can use their discretion for determining the type of verification that is required by prospective Section 3 residents and business concerns. Some examples include: proof of residency in a public housing authority; proof of federal subsidies for housing, food stamps, or unemployment benefits; and payroll data or other relevant business information.

Section 3 Summary Reports (Form HUD-60002)

Annually, each direct recipient of Housing and Community Development funding is required to submit form HUD-60002 to HUD's Economic Opportunity Division in Washington, DC.

Where the program providing Section 3 covered funding requires the submission of an annual performance report (e.g., CAPERs reports, etc,), form HUD-60002 shall be submitted at the time that the annual report is due.

The Section 3 Summary Report shall follow the same program, fiscal, or calendar year as the annual performance report and should correspond to the covered projects and activities that were administered during the reporting period.

If the recipient is not required to submit an annual performance report, the Section 3 report is due when other reports are submitted to HUD or at the end of each program, fiscal, or calendar year.

NOTE: Section 3 reports must be submitted by all agencies that receive Housing and Community Development funding in excess of $200,000 whether new employment, training, or contracting opportunities were created or not.

Determining What Should Be Reported on Form HUD-60002

Section 3 Annual Summary Reports are intended to measure each recipient's efforts to comply with the statutory and regulatory requirements of Section 3 in its own operations **AND** those of covered contractors, subcontractors, and subrecipients. Each submission of form HUD-60002 should indicate the following:

- The total dollar amount of HUD funding that was [spent] by the recipient for covered projects/ activities during the specified reporting period.
- The total number of new employees that were hired by the recipient (or its covered contractors, subcontractors, and subrecipients) as a result of the completion of covered project/activities.
- The amount of new employees that were hired by the recipient (or its covered contractors, subcontractors, and subrecipients), as a result of the completion of covered projects/activities, that met the definition of a Section 3 resident.
- The total number of man hours worked on covered projects (optional).
- The aggregate number of hours worked by Section 3 residents on covered projects (optional).

- The total number of Section 3 residents that participated in training opportunities that were made available by the PHA, its contractors, subrecipients, or other local community resource agencies.
- The total dollar amount of construction and/or non-construction contracts (or subcontracts) that were awarded with covered funding.
- The dollar amount of the recipient's construction or non-construction contracts (or subcontracts) that were awarded to Section 3 business concerns.
- Detailed narrative descriptions of the specific actions that were taken by the recipient (or its covered contractors, subcontractors, subrecipients, or others) to comply with the requirements of Section 3 and/or meet the minimum numerical goals for employment and contracting opportunities.

Form HUD-60002 and Section 3 Compliance Determinations

Absent evidence to the contrary, the Department considers recipients of covered funding to be in compliance with Section 3 if they meet the minimum numerical goals set forth at 24 CFR Part 135.30[i]. Specifically:

a. 30 percent of the aggregate number of new hires shall be Section 3 residents;

b. 10 percent of the total dollar amount of all covered construction contracts shall be awarded to Section 3 business concerns; and

c. 3 percent of the total dollar amount of all covered non-construction contracts shall be awarded to Section 3 business concerns.

Recipients that fail to meet the minimum numerical goals above bear the burden of demonstrating why it was not possible to do so. Such justifications should describe the efforts that were taken, barriers encountered, and other relevant information that will enable the Department to make a compliance determination.

Recipients that submit Section 3 reports containing **all zeros**, without a sufficient explanation to justify their submission, are in **noncompliance** with the requirements of Section 3.

Failure to comply with the requirements of Section 3 may result in sanctions, including: debarment, suspension, or limited denial of participation in HUD programs pursuant to 24 CFR Part 24.

Recipients that are subject to annual A-133 Audits may also receive an audit finding for failure to submit form HUD-60002 to HUD.

Important Notes for Submitting Form HUD-60002

- Recipients must submit a separate form HUD-60002 for each type of covered funding (*e.g.,* separate reports must be submitted for CDBG and HOME funding).

- Use the online Section 3 Summary Reporting System at: www.hud.gov/section3 to ensure that form HUD- 60002 is received by the appropriate HUD office in a timely manner.

- If the recipient (or its covered contractors, subcontractors and subrecipients) did not hire any new employees during the reporting period, and/or if no covered construction or non-construction contracts were awarded, the recipient must indicate this in Part III of form HUD-60002 and certify that this information is true and accurate by penalty of law.

Additional Section 3 Guidance and Technical Assistance

The Economic Opportunity Division is committed to providing recipient's guidance and technical assistance for compliance with the requirements of Section 3.

For additional information, please visit the Section 3 website at: www.hud.gov/section3. This webpage provides the following tools and information:

- Section 3 Statute—12 U.S.C. 1701u
- Section 3 Regulation—24 CFR Part 135
- Frequently Asked Questions
- Section 3 Model Programs
- Guidance on Section 3 and Economic Stimulus Funding
- Guidance on Section 3 and the Neighborhood Stimulus Program (NSP)
- Sample Section 3 Certification Forms (residents and business concerns)
- Link to HUD's Local Income Eligibility Calculator
- Link to Section 3 Annual Reporting System(form HUD-60002)
- Downloadable Forms
- Contact Information for Economic Opportunity Division staff
- Email inquiries on Section 3 can be sent to section3@hud.gov

[i] See Safe Harbor language at 24 CFR Part 135.30(d)

The End

If you have any questions regarding the material in this book, please contact Staff at (925) 960-4590.