

CITY OF AKRON

2023 Community Development Block Grant Program CDBG-CV Policies and Procedures



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INTRODUCTION

The City of Akron's Department of Planning and Urban Development (the City) annually receives federal funds from the U.S. Department of Housing and Urban Development (HUD) with the primary goal of providing assistance to low to moderate income households and/or low to moderate income areas within the City of Akron, Ohio.

The housing and community development needs are documented in the 2020-2024 Consolidated Plan for Housing and Community Development Programs.

To aid the City in meeting national objectives, the City receives funding from the Department of Housing and Urban Development through the Community Development Block Grant (CDBG) Program. The funds assist the city of Akron in meeting the housing and public services needs of the community's very low, low and moderate-income residents. Additionally, CDBG funds assist the City in addressing economic/community development needs in low- and moderate-income areas. The flexibility of the CDBG program allows the City to make funding recommendations on the use of funds. This allows Akron to target community specific needs related to:

- housing rehabilitation
- demolition,
- public services
- public infrastructure
- spot slum/blight
- economic development.

The funds may also be used by community agencies to leverage additional federal and non-federal funds for public and private sources.

FUNDING AVAILABILITY

Each year the U. S. Department of Housing and Urban Development (HUD) advises the city of Akron on the amount of Community Development Block Grant (CDBG) funds it will receive for the upcoming fiscal year. Additionally, the City annually receives Program Income that is programmed in the forthcoming budget. The annual HUD allocation and program income provide the total amount of funds available for the city to disburse on projects/programs identified within the Consolidated Plan.

FIVE-YEAR COMPREHENSIVE CONSOLIDATED PLAN

In accordance with the Housing and Community Development Act of 1974, every five years the city of Akron prepares a new Five-Year Comprehensive Consolidated Plan. The 5-Year Consolidated Plan for the City of Akron, Ohio

outlines the process and planning for the allocation of future formula program funding through the Community Development Block Grant (CDBG) Program. The goal of the Consolidated Strategy and Plan is to provide a single three-to-five-year strategic plan to serve as a working guide for the application of resources to address local housing, quality of living environment and economic needs. The statutes for the housing and community development grant programs set forth basic goals that relate to the major commitments and priorities of the U.S. Department of Housing and Urban Development (HUD). Each of these goals must primarily benefit low and very-low-income persons.

ANNUAL ACTION PLAN

In addition to the Five-Year Comprehensive Plan, the city is required to prepare an Annual Action Plan that prioritizes a budget for the expenditure of the Community Development Block Grant program funds. The goals of the programs are to assist primarily low and moderate income persons, to improve existing housing, develop affordable housing, expand economic opportunity and aid the homeless.

CITIZEN PARTICIPATION PLAN

The city of Akron adopted its “Citizen Participation Plan” on September 23, 2020, through Ordinance 259-2020. Akron’s Citizen Participation Plan outlines the incorporation of public input and involvement into the development of the city’s Five-Year Comprehensive Consolidated Plan and its Annual Action Plan, and Substantial Amendments which constitute the city’s formal application for CDBG funds.

NATIONAL OBJECTIVES

All projects funded through CDBG funds must meet 1 of 3 national objectives:

- Benefiting low- and moderate income persons (persons making less than 80% of the area median income)
- Preventing or eliminating slums or blight
- Meeting an urgent need

National Objective Codes - -Defined

L/M Income Area Benefit (LMA)

- An activity which is available to benefit all the residents in a particular area where at least 51 percent of the residents are low- and moderate-income persons.
- Examples: Street improvements, water and sewer line improvements

L/M Income Housing (LMH)

- Activity which assists the acquisition, construction, or improvement of permanent residential structures
- An activity which benefits a particular L/M household upon completion
- Examples: Rehabilitation of permanent housing, homeownership activities

L/M Limited Clientele (LMC)

- An activity which benefits a specific group of persons where at least 51 percent of the beneficiaries must be low- or moderate-income persons.
- Examples: Public services

Job creation retention activities

- An activity designed to create or retain permanent jobs where at least 51 percent of the jobs, computed on a full time equivalent basis, involve the employment of low- and moderate-income persons.
- Example: Loans to start up businesses in L/M areas or L/M clientele

Slum / blight on an area basis (SBA)

- There is a substantial number of deteriorated or deteriorating buildings or the public improvements are in a general state of deterioration
- Documentation is maintained regarding boundaries of the area and the condition which qualified the area at the time of its designation
- Example: Acquisition and clearance of blighted properties in a specified area

Slum / blight on a spot basis (SBS)

- Eliminate specific conditions of blight or physical decay on a spot basis not located in a slum or blighted area.
- Rehabilitation is limited to the extent necessary to eliminate specific conditions detrimental to public health and safety.
- Example: Acquisition, clearance, relocation, and rehabilitation activities of a specific property

ELIGIBLE ACTIVITIES

There are several project types that are eligible for CDBG funding (24 CFR Part 570.201):

- Acquisition of real property
- Disposition
- Public Facilities and Improvements
- Clearance
- Public Services
- Loss of Rental Income
- Privately-Owned Utilities
- Rehabilitation
- Construction of Housing (CDBO ONLY)
- Code Enforcement
- Special Economic Development Activities
- Microenterprise Assistance
- Planning and Capacity Building
- Program Administration Costs
- Miscellaneous Other Activities

The “**Guide to National Objectives and Eligible Activities for Entitlement Communities**” provides further eligibility criteria as established by HUD 24 CFR Part 50.

INELIGIBLE ACTIVITIES

There are several project types ineligible for CDBG funding (24 CFR 570.207):

- Buildings or portions of buildings used for the general conduct of government
- General government expenses
- Political activities
- Purchase of equipment to include construction, fire protection, furnishings, personal property
- Operating and maintenance expenses
- New housing construction
- Income payments

UN-PROGRAMMED FUNDS

If a sub-grantee does not spend all of their awarded funds within the specified deadline, the City will coordinate with the sub-grantee to make program adjustment/contract adjustment to ensure that awarded funds are expended. Should the sub-grantee indicate that the program has been completed, excess

contract funds will be liquidated. Once the funds are liquidated, they will be transferred into the general CDBG fund to be re-programmed.

GRANT APPLICATION PROCESS

The City of Akron will release a Request for Proposal (RFP) for project/programs identified in the Annual Action Plan. The RFP will be published. The RFP will also be posted on the city of Akron website. Additionally, the City will send the RFP to past applicants who have applied within the last 5 years. RFP's will also be released throughout the Fiscal year.

ELIGIBLE APPLICANTS

Any non-profit organization registered in the State of Ohio with a 501(C) 3 determination from the Internal Revenue Service, government agencies or entities, school districts or universities may apply for funding. Applications from individuals will not be accepted.

GENERAL INSTRUCTIONS

In order for an application to be considered, the following conditions must exist:

- Project must be located within the corporate city limits of Akron or demonstrate that a majority of the clients served reside within the city of Akron.
- Must meet at least one of the following National Objectives:
 - Benefit low- and moderate-income persons,
 - Prevent or eliminate slum or blight, or
 - Meets other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available to meet such needs.

Any application not meeting a National Objective will be deemed ineligible and will not be considered for funding.

Applications determined to be incomplete or inaccurate may be disqualified. Only complete grant applications will be considered for funding. Applications with errors and omissions may lose points in the scoring process resulting in elimination from funding consideration. Faxed applications and attachments will **NOT** be accepted.

PUBLIC-SERVICES ACTIVITIES

In accordance with the Code of Federal Regulations (24 CFR 570.201 and 24 CFR 570.206), up to fifteen percent (15%) of the total amount of the new allocation and the past year's program income may be set aside to assist with Public Services related activities.

GENERAL ADMINISTRATION ACTIVITIES

Up to twenty percent (20%) of the funds may also be set aside to offset program administration costs.

Project eligibility criteria are established by HUD in Federal regulation 24 CFR Part 570 and HUD's publication "**Guide to National Objectives and Eligible Activities for Entitlement Communities.**"

CONTRACT DEVELOPMENT AND MANAGEMENT

Contract Development

Contracts: Projects may begin only upon the execution of a contract. Project contracts will include provisions for reporting and monitoring requirements, insurance obligations and other required conditions. Contracts will not be backdated to allow early start-up.

Insurance: Subrecipients shall obtain and maintain the minimum insurance coverage outlined in Exhibit A "Insurance Requirements"

All entities must be registered and in current standing with the Ohio Secretary of State. Please include State of Ohio certification with submitted applications as an additional attachment. The Secretary of State search engine can be found at <https://www5.sos.state.oh.us/ords/f?p=100:1>

Applicable Federal and City Regulations: Projects under contract with the City of Akron will be conducted in accordance with all applicable Federal, and City regulations. Applicable regulations will vary, depending on the project and funding source. Some regulatory requirements must be completed before executing a contract for the project.

Project Management

Billing Procedures: Funds will be distributed on a reimbursement basis for allowable costs as approved by the City of Akron and must be directly related to the CDBG program and identified in the contract budget. Reimbursements must be submitted on a monthly basis. Please use the CDBG Reimbursement Request Cover Sheet and CDBG Monthly Activity Report forms (Exhibit A)

provided by City of Akron. When reimbursement requests are submitted they must include copies of receipts, check registers, payroll reports, paid invoices, accounts payable, general ledger and/or category printout. The City of Akron will only reimburse the subrecipient for expenditures actually incurred. expenses incurred in accordance with the contract's goals and objectives. NO advances will be given.

Eligible reimbursements are based on items in your approved budget and contract.

Any costs incurred before the effective date of the contract or after the termination date of the contract will not be covered by the grant.

PAYMENTS - Submit Payments for Contractor Invoices

Invoice received as an attachment in an email

1. Print the email in B&W. (If the email is several pages, print at least the first page and any additional pages that have invoice-related material).
2. Print one copy of the invoice page in color (if the signature is in color) for the file.
3. Print the supporting documentation in B&W for the file. If there is a large number of pages, the supporting documentation may be printed double-sided. Do not print the Invoice page double-sided.
4. Enter the invoice information in the appropriate spreadsheet. Review the invoice and the supporting documentation to ensure the expenses are eligible and within the contract's budget. Always enter the billing information in the spreadsheet prior to submitting the payment.
5. Put the invoice page on top followed by all supporting documentation and then the email. Staple together (or if too large use a binder clip) and file.
6. Print the invoice page in B&W.
7. Print one page of the contract's DOF page. If there is an amendment(s) use the most recent amendment's DOF Page. If there are multiple DOF pages due to there being multiple PO's then use the appropriate DOF page for the PO being used to pay the invoice.
8. Use the DOF to submit the Invoice Payment. DOF Page is the first page of the Invoice Payment to be submitted.

The minimum information to include on the DOF page is:

Invoice Number

Invoiced Time Period (If the invoiced period is an entire month, then use the full month and year)

- Date payment is being submitted
Amount to be paid
Signature (first initial and last name of person submitting the payment
If there are multiple PO choices, either circle the PO number to be used for the payment in red or highlight
9. Attach the B&W copy of the invoice as second page
 10. Third page
 - ESG & ESG-CV invoices - attach HMIS Certification page
 - Rehab Projects Payment - attach Architect's Letter certifying percentage of completion
 - Rehab Projects Final Payment - attach copy of the Inspection Report, Architect's Letter certifying percentage of completion and Certification of Completion
 - New Construction Projects Payments - attach Architect's Letter certifying percentage of completion
 - New Construction Projects Final Payments - attach an Inspection Report, Architect's Letter certifying percentage of completion and Certificate of Occupancy
 11. Attach an appropriate Environmental Review as the last page.
 12. Submit to the appropriate person for approval.
 13. Payments will be reviewed and stamped for approval, then will be submitted to the secretary (Executive Assistant or Administrative Assistant) to be entered as a Receipt in WorkDay (The City of Akron financial management system).
 14. The secretary will enter the Receipt number, including uploading a copy of all of the Invoice Payments pages to WorkDay (WD), and enter Receipt number on DOF page, then monitor WorkDay for the Supplier Invoice number to be assigned and the Supplier Invoice (Payment) to be completed and a check issued. Once the payment is complete, the secretary will enter SI number and date, and the SR Number and date on the DOF page, make one copy of the DOF page, and return all of the documents to the appropriate person to be filed and used for Draws.

Invoice received as a hardcopy either in person or via mail

1. Make one copy of the invoice page to be used for the payment
2. Note in color on the bottom right of the first page (cover letter or invoice page) the date received, and first initial and last name.
3. Follow all other procedures as outlined above.
4. If there is a cover letter, put the invoice page on top followed by all supporting documentation and then the cover letter in the back.

Additional emails containing supporting documentation should be handled similarly

HMIS Certifications – Print two (2) copies of the HMIS Certificate and one copy of the email. Attach one copy of the HMIS Cert for the payment. Print the email and staple the email to the back of the second copy for the file and file with the corresponding ESG invoice, preferably paper-clipped to the back of the ESG invoice.

Inspection Reports

If received as a hardcopy, complete the bottom “received information” in color and make a copy of the Inspection Report to attach to the Payment and paperclip the original to the back of the original invoice to be filed.

If received as an email attachment, print one copy of the Inspection Report, complete the bottom “received information” in color and make a copy of the Inspection Report to attach to the Payment. Print the email and staple email to the back of the originally printed Inspection Report and paperclip to the back of the original invoice to be filed.

All Rehab and New Construction Projects require additional supporting documents including Architect’s Letter certifying percentage of completion, Certification of Completion, Certificate of Occupancy, Finalized Building Permits, Lead Clearance certificates, and other rehab and construction-related documents – print one copy for the payment (if necessary and applicable). Print one copy for the file, print the email, and staple the email to the back of the file copy. Paperclip to the corresponding invoice to be filed.

Personally Identifiable Information (PII) Handling

The City of Akron will be taking the following steps to help ensure compliance to the Privacy Act and other privacy related laws. The related HUD policy can be found at - https://www.hud.gov/sites/documents/OHC_PII042815.PDF

1. Limit collection of Personally Identifiable Information (PII)
2. Manage access to sensitive Personally Identifiable Information
3. Protect hard copy and electronic files containing sensitive Personally Identifiable Information
4. Protect electronic transmissions of sensitive PII via fax, email, etc.
5. Protect hard copy files containing sensitive PII
6. Have record management, retention, and disposition according to laws and policies
7. Have incident response for if a data breach occurs.

As of September 30, 2023, Long Range Planning and Rehabilitation Divisions will no longer be accepting the following items from grantees who provide public services, in accordance with the PII Handling policy:

1. Documentation containing any client social security numbers. If these numbers are present on any of the client documentation needed to verify CDBG eligibility, the SSN should be redacted before submitting the paperwork to Community Development for reimbursement
2. Copies of client identification (i.e. ID's, DL's, passports, SS cards, birth certificates, green cards, etc)

Monitoring and Recordkeeping

All applicants who receive CDBG funds from the City are responsible for complying with the CDBG regulations and other federal requirements as they pertain to the monitoring of projects and the project records to be maintained. CDBG funds will not be awarded unless there is evidence that the successful applicant has the capacity to administer the monitoring and recordkeeping requirements of the CDBG program. The City will work to ensure that the successful applicant understands its annual and long-term monitoring and recordkeeping duties prior to execution of an agreement.

Community Development Block Grant (CDBG) subrecipients must adhere to all HUD's recordkeeping requirements as contained in 24 CFR Part 570 Subpart J. Subrecipients must retain ALL HUD funded records for five years after the completion of the program in order to allow access for audit and public examination. Should audit findings exist and are not closed by the City of Akron or HUD, the records shall be retained beyond five years. The record retention period begins when the final expenditure report has been submitted to the City of Akron.

Monitoring Reviews

The City of Akron will monitor subrecipients to determine compliance with any and all HUD CDBG regulations. This includes but is not limited to grant administration, financial record keeping and programmatic implementation accordance with 2 CFR 200.331. This includes assuring that performance goals are achieved within the scheduled time frame, budget and when necessary taking appropriate actions when performance problems arise. Monitoring is not a "one-time-event", but rather will occur through visits, review of quarterly reports, and ongoing contract supervision.

Monitoring Visits

The onsite monitoring visit will consist of:

- Notification of upcoming monitoring – This notice will explain the purpose of the visit, confirm date, identify HUD exhibits that will be reviewed, provide the scope of monitoring and outline the information that will be needed to conduct the review.
- Entrance Conference - Introduce monitoring visit purpose, scope and schedule.
- Documentation and Data Gathering - The City will review and collect data and document conversations held with staff, which will serve as the basis for conclusions drawn from the visit. This includes reviewing client files, financial records, and agency procedures.
- Exit Conference - At the end of the visit the City will meet again with the key agency representatives to present preliminary results, provide an opportunity for the agency to correct misconceptions and report any corrective actions already in the works.
- Follow-Up Letter - The City will forward a formal written notification of the results of the monitoring visit pointing out problem areas and recognizing successes. The agency will be required to respond in writing to any problems or concerns noted.

Monthly progress reports and a short final report evaluating the success of the project are required as a condition of receiving reimbursement under the contract. Monthly reports must be submitted in order to be reimbursed for project expenses.

Environmental Review

Projects funded with CDBG funds must be reviewed to determine the environmental impacts of each activity as required by the National Environmental Policy Act of 1969 (NEPA) and other environmental requirements as published in other federal regulations.

Procurement

Not for Profits that receive federal funds must follow policies that dictate how goods and services are purchased with these funds. The federal regulations published at 24 CFR Part 84 establish the procedures that a Not-for-Profit organization must follow. One of the most important aspects of the federal procurement regulations is that a Not for Profit must have written procedures in place prior to beginning procurement with federal funds. How to develop these policies is described in sections 82.40 through 84.48. The City is available to

assist Not for Profits with the development of procurement policies and standards prior to their purchasing goods with federal funds.

Labor Standards

For all construction projects that meet established threshold requirements and use federal funds for construction or rehabilitation of units, the project contractor must pay prevailing wages for the geographic area to the trade employees working on the project

Lead Based Paint

Housing that is purchased, rehabilitated or assisted in some way with CDBG is subject to the Lead-based Paint Poisoning Prevention Act, the Residential Lead-based Paint Hazard Reduction Act and the implementing regulations for these Acts. HUD maintains a website for the Office of Healthy Homes and Lead Hazard Control where lead-based paint requirements are described as they apply to HUD programs. The website is located on the HUD site at www.hud.gov/offices/lead/index.cfm.

When acquiring units constructed prior to 1978, applicants should discuss the acquisition with the City prior to purchase. Lead paint was used in most residential paints prior to 1978. Testing for lead, an assessment of its presence, and a plan for stabilization or removal will be required if CDBG funds are used to acquire pre-1978 units.

Conflict of Interest

Conflict of interest provisions related to the CDBG program are primarily described at 24 CFR 570.611. These provisions are intended to prevent employees or other representatives of sub-recipients from obtaining a financial interest or benefit from or occupying units that result from CDBG assisted activities.

Section 3

Federal regulations require that to the greatest extent possible the benefits of federal financial assistance will be directed to very low- and low-income persons, particularly those who are recipients of government assistances for housing and to business concerns which provide economic opportunities to very low- and low-income persons. However, Section 3 only applies to new employees hired as a result of the federal assistance. If a contractor or subcontractor performs the work with existing employees, Section 3 requirements do not apply to the contract. Contracts and subcontracts funded in whole or in part by HUD resources where the individual contract or subcontract exceeds \$100,000 and the amount of the HUD assistance for the project exceeds \$200,000 are subject

to Section 3 requirements. Both dollar thresholds must be present to trigger Section 3. Contracts exclusively for supplies or materials are excluded unless the contract includes installation of the materials.

Section 3 activities include:

- Housing rehabilitation, including reduction and abatement of lead-base paint projects;
- Housing construction; and
- Other public construction assisted with housing or community development funds.

Other Federal Requirements

Those who receive funds are also subject to the requirements listed in the federal regulations that are published at 24 CFR Part 5.105, which pertain to nondiscrimination and equal opportunity; using debarred, suspended, or ineligible contractors; and maintaining a drug-free workplace.

Uniform Administrative Requirements

Not for Profit agencies that receive CDBG funds are subject to 2 CFR Part 200, which guides the determination of cost reasonableness, allocation of costs to grant funds, direct vs. indirect costs, allowable costs, etc. Not for Profit agencies must follow 2 CFR Part 200 when making decisions about eligible and ineligible costs that can be assigned to grant awards.

Audits

Not for Profit agencies that receive federal funds are subject to the audit requirements imposed by 2 CFR Part 200 for Not-for-Profit Organizations. However, a Not for Profit must exceed \$750,000 or more in federal funds before 2 CFR Part 200 requirements apply.

2 CFR Part 200 are available on the Whitehouse website at <https://www.hud.gov/sites/documents/CFR200.PDF>

Duplication of Benefits

Community Development Block Grant AND The Coronavirus Aid, Relief and Economic Security Act (CARES Act) signed into Public Law (116-13) on March 27, 2020, included a \$4,614,658 allocation to the City of Akron. All grant applications related to this funding will be reviewed to meet the regulatory requirements detailed in 24 CFR Part 570 and 24 CFR Part 92 or additional guidance as developed by HUD. Long Range Planning staff will strive to ensure that community agencies providing CDBG-CV assistance avoid duplication of services by requiring subgrantees give full disclosure of all Federal grant awards and applications. Any person and/or entity found to be knowingly withholding

notification of an award or application will be barred from the Community Development Block Grant program for no less than one program year. Any person and/or entity receiving CDBG-CV assistance that Community Services staff determines to be duplicative will be required to repay the full amount of CDBG-CV assistance dispersed and will be permanently ineligible to apply for CDBG assistance.

Amendments/Revisions

The Policies and Procedures Manual is reviewed and updated annually (December of every year) and program guidelines and forms will be revised as deemed necessary by Program staff or HUD. The City reserves the right to change, modify or amend the policies and procedures at any time to facilitate the administration of the City's CDBG program and to implement HUD notices and monitoring findings.

Program Administration

The City's Department of Planning and Urban Development manages the CDBG programs. Staff of the department will oversee all RFP processes described in these policies and procedures, as well as the ongoing oversight and monitoring of the program as CDBG funded projects are executed. For questions regarding the policies and procedures guide, or the CDBG program in general, contact Helen Tomic, Long Range Planning Manager at (330) 375-2090 or email at: HTomic@akronohio.gov.

EXHIBIT A

Insurance Requirements

- A. The PROVIDER shall purchase and maintain at its own expense, or cause to be purchased and maintained, through the term of this AGREEMENT at least the following minimum amounts of insurance with the CITY identified as an additional insured on the policy or policies and said policy or policies shall provide for the insurer's notification to the CITY at least thirty (30) days in advance of any policy cancellation:

Commercial General Liability insurance in a combined single limit amount of not less than \$1,000,000 (per occurrence) / \$1,000,000 (annual aggregate). That insurance shall include, without limitation, bodily injury, personal injury and advertising injury, property damage, broad form property, and broad-form contractual liability arising from or relating to this AGREEMENT.

- B. PROVIDER shall furnish to the CITY certificates showing that the insurance described above is in full force and effect prior to the commencement of work under this AGREEMENT. PROVIDER shall further require the same amounts of insurance evidenced by certificates to the CITY from all subcontractors utilized under this AGREEMENT.
- C. The PROVIDER shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum shall purchase a blanket fidelity bond covering all employees in an amount equal to cash reimbursements from the CITY.
- D. The PROVIDER shall ensure that all of PROVIDER's contractors performing services under this AGREEMENT shall carry auto insurance in at least the minimum amounts required by Ohio law.