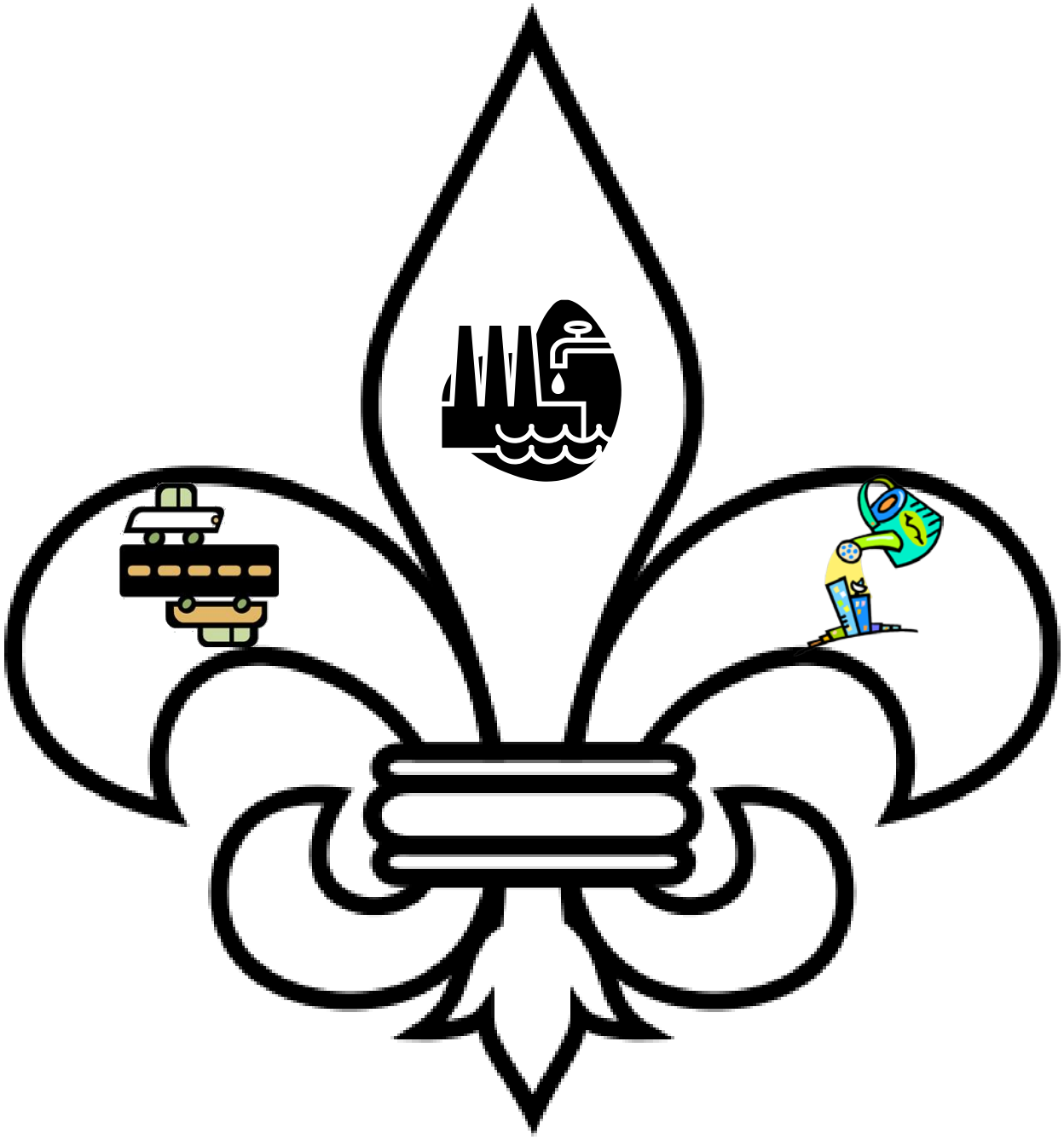
# LOUISIANA CDBG



# 2013 GRANTEE HANDBOOK

**Carol M. Newton, Director**

This public document is published at a total cost of $3,122.58. 90 copies of this public document were published in this first printing at a cost of $3,122.58. The total cost of all printings of this document including reprints is $3,122.58. This document was published by the Office of Community Development, Division of Administration to provide technical assistance in grants management under special exception by the Division of Administration. This material was printed in accordance with standards for printing by State Agencies established pursuant to R.S. 43:31. Printing of this material was purchased in accordance with the provisions of Title 43 of the Louisiana Revised Statutes.

# CONTACT INFORMATION

**Mailing Address:**
Division of Administration
Office of Community Development
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

**Physical Address:**
Division of Administration
Office of Community Development
Claiborne Building., Suite. 7-720
1201 North 3rd St.
Baton Rouge, Louisiana 70802

**TELEPHONE:** (225)342-7412

**FAX:** (225)342-1947

**WEBSITE:** **http://www.doa.louisiana.gov/cdbg/cdbgHome.htm**

**Louisiana Relay Service is available for hearing impaired persons:**

**TDD USERS:** 1-800-846-5277

**VOICE USERS**: 1-800-847-5277

## LCDBG Staff and Contact Information

| Managers | Area of Responsibility |
|---|---|
| **Patrick Forbes** (patrick.forbes@la.gov) | Ex. Director, Office of Community Development |
| **Carol Newton** (carol.newton@la.gov) | Director, LCDBG Program |
| **Traci Watts** (traci.watts@la.gov) | Asst. Director, LCDBG Programs |
| **Rebecca Tedford** (rebecca.tedford@la.gov) | Policy and Programs Coordinator |
| **Jeff Tessier, P.E.** (jefferson.tessier@la.gov) | Community Development Engineer |
| **Jeff Pennington** (jeff.pennington@la.gov) | Financial Management, Economic Development |
| **Wayne Dale** (leslie.dale@la.gov) | General Program, Labor Standards, Census Data |

| Program Staff | Area of Responsibility |
|---|---|
| **Cynthia Granville** (cynthia.granville@la.gov) | Environmental, Streets, LA eGrants |
| **Lucy Hubenak** (lucy.hubenak@la.gov) | Civil Rights, Environmental |
| **Joseph Hughes** (joseph.hughes@la.gov) | Environmental, Streets, Archive |
| **Richard Krimmel** (richard.krimmel@la.gov) | ED, Financial Management, O&M Review, Audits |
| **Heather Paul** (heather.paul@la.gov) | Environmental |
| **Jimmy Martin** (james.martin@la.gov) | Labor Standards |
| **Nia Mason** (nia.mason@la.gov) | Environmental, Streets, Workshops |
| **Cory Williams** (cory.williams@la.gov) | Acquisition, Streets Specialist |

| Administrative Staff | Area of Responsibility |
|---|---|
| **Valerie Christophe** (valerie.christophe@la.gov) | Administrative Manager |
| **Toni Williams** (toni.williams@la.gov) | Payroll Coordinator |
| **Kimberly Fox** (kimberly.fox@la.gov) | Receptionist |

# A. PROGRAM ADMINISTRATION

## INTRODUCTION

Presented in this section are the administrative requirements of the Louisiana Community Development Block Grant Program (LCDBG). It describes each task that requires completion from the grant award date to project close out. Careful attention to these administrative tasks will assist grantees in avoiding or minimizing many of the problems experienced during implementation and audit. The text describes the steps required to complete each task and references required forms and examples contained in the exhibits.

## CITIZEN PARTICIPATION

Each applicant/grantee shall provide citizens with adequate opportunity to participate in the planning, implementation, and assessment of the LCDBG program. The applicant/grantee shall provide adequate information to citizens, hold a public hearing at the initial stage of the planning process to obtain views and proposals of citizens, and provide opportunity to comment on the applicant's/grantee's community development performance.

### DEVELOPING CITIZEN PARTICIPATION PLAN REQUIREMENTS

All applicants and grantees must have developed and adopted a Citizen Participation Plan prior to application preparation in order to comply with Section 508 of the Housing and Community Development Act of 1974, as amended. The Plan at a minimum should:

- provide for and encourage citizen participation, with particular emphasis on participation by persons of low and moderate income who are residents of slum and blighted areas and of areas in which funds are proposed to be used;
- provide citizens with reasonable and timely access to local meetings, information, and records relating to the unit of local government proposed method of distribution and relating to the actual use of funds under Title I of the Housing and Community Development Act of 1974, as amended;
- provide for technical assistance to groups representative of persons of low and moderate income that request such assistance in developing proposals with the level and type of assistance to be determined by the grantee;
- provide for public hearings to obtain citizen views and to respond to proposals and questions at all stages of the community development program, including at least the development of needs, the review of proposed activities, and review of program performance; which hearings shall be held after adequate notice, at times and locations convenient to potential or actual beneficiaries, and with accommodations for the handicapped;
- provide for a formal written procedure which will accommodate a timely written response to written complaints and grievances, within 15 days where practicable; and

- identify how the needs of non-English speaking residents will be met in the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate.

If a grantee did not prepare, adopt and follow a Plan in the beginning of the planning stage of the application, a sample plan is included as **Exhibit A-1**. For future grant applications, the plan must be made available to the public at the beginning of the planning stage, i.e., the first public hearing. The plan must include procedures that meet the following requirements:

## SCHEDULING AND PROVIDING NOTICES OF PUBLIC HEARINGS

Adequate notice must be given of the public hearing. A minimum of five-calendar days notice shall be given. Public hearings must be scheduled early in the planning process to ensure adequate public participation and still have time to develop an application. In addition, the applicant/grantee must provide citizens with reasonable and timely access to the hearings. The location and times of these hearings must be scheduled in such a manner as to be convenient to potential or actual beneficiaries with accommodations for the handicapped and non-English speaking persons.

Citizens, with particular emphasis on persons of low and moderate income who are residents of slum and blighted areas, must be encouraged to submit their views and proposals regarding community development and housing needs. Citizens must be made aware of where they may submit their views and proposals should they be unable to attend the public hearing. Where a significant number of non-English speaking residents can be reasonably expected to participate in a public hearing, an interpreter must be present to accommodate the needs of the non-English speaking residents. Citizens must be provided with the following information at the public hearing prior to application submittal to the state. The following items must be included in the <u>first</u> public notice:

1. the amount of funds available for proposed community development.
2. the range of activities that may be undertaken, including the estimated amount proposed to be used for activities that will benefit persons of low and moderate income.
3. the plans of the applicant for minimizing displacement of persons as a result of activities assisted with such funds and the benefits to be provided by persons actually displaced as a result of such activities.
4. if applicable, the applicant must provide citizens with information regarding the applicant's performance in prior LCDBG programs funded by the State.

Written minutes of hearings and an attendance roster must be kept for review by State officials. Nothing in these requirements shall be construed to restrict the responsibility and authority of the applicant for the development of the application.

A second public notice must be published <u>after</u> the first public hearing has been held and prior to the application being submitted. This notice must be published a minimum of seven calendar days prior to application submittal. The second notice must inform citizens of the proposed objectives, proposed activities, the location of the proposed activities, and the amounts to be used for each activity. Citizens must be given the opportunity to review the application and comment on the proposed application. The

notice must state the proposed submittal date of the application and must further provide the location at which, and hours when, the application is available for review. The application must be available for review when the notice is published in the newspaper.

In addition to the information required to be included in each public notice, in order to satisfy all the requirements of Citizen Participation, there is additional information that must be provided citizens and the most logical source for this provision is public notices. The sample Citizen Participation Plan, **Exhibit A-1**, incorporates all of the required elements.

Applicants must submit a notarized proof of publication of each public notice with the application.

## TECHNICAL ASSISTANCE

The applicant must provide technical assistance to facilitate citizen participation where requested, particularly to groups representative of persons of low to moderate income. The level and type of technical assistance shall be determined by the applicant/grantee based upon the specific needs of the community's residents.

## AMENDMENTS

The grantee must involve citizens in program amendments to the Community Development program. This shall be done by means of a public hearing prior to the submittal of the request for a program amendment to the State. Minutes of the hearing and a roster of those in attendance must be included with the program amendment request. Exception: a public hearing is not required if the activity of acquisition will be eliminated from the program. *See Program Administration: Changes in the Grant; Preparing Budget Reconciliations, Budget Revisions, Program Amendments and Program Changes.*

## COMPLAINT PROCEDURES

Each applicant/grantee must have written citizen and administrative complaint procedures which provides the address, phone number and times for submitting complaints and provides for a maximum of fifteen (15) working days, where practicable, for a written response. The written Citizen Participation Plan must provide citizens with information relative to these procedures or, at a minimum, provide citizens with the information relative to the location and hours at which times they may obtain a copy of these written procedures. In **Exhibit A-1**, the complaint procedure has been included in the Citizen Participation Plan.

All written citizen complaints that identify deficiencies relative to the applicant/recipient's community development program merit full and prompt consideration and must be handled according to the grantee's written complaints procedure. Good faith attempts must be made to satisfactorily resolve the complaint at the local level. Complaints must be filed with the Chief Elected Official or his/her designee, who will investigate and review the complaint. A written response from the Chief Elected Official to the complainant must be made within fifteen working days, where practicable. A copy must be forwarded to the Office of Community Development, Division of Administration. The complainant must be made aware that if he/she is not satisfied with the response, a written complaint may be filed with the Office of Community Development, Division of Administration.

All citizen complaints relative to Fair Housing/Equal Opportunity violations involving discrimination must be forwarded to the Louisiana Department of Justice (DOJ), Public Protection Division, Post Office Box 94095, Baton Rouge, Louisiana 70804-9095, for disposition. The complainant must be notified in writing within 10 days that, due to the nature of the complaint, it has been forwarded to Louisiana Department of Justice. Citizens must be made aware that they can forward a complaint alleging discrimination directly to the Department of Justice or may contact the Department of Justice by telephone 1-800-273-5718 or TDD 1-225-342-7900.

Persons wishing to object to approval of an application by the State may make such objection known to the Office of Community Development, Division of Administration. The State will consider objections made only on the following grounds:

1. the applicant's description of needs and objectives is plainly inconsistent with available facts and data;
2. the activities to be undertaken are plainly inappropriate to meeting the needs and objectives identified by the applicant; or
3. the application does not comply with the requirements set forth in the Final Statement or other applicable laws.

Such objections should include both an identification of the requirements not met and, in the case of objections relative to (a) above, must include the data upon which the objection is based.

### PERFORMANCE HEARINGS

Prior to close-out of the Community Development Program, the recipient must conduct a public hearing to obtain citizen views and to respond to questions relative to the recipient's performance. This hearing must be conducted after the construction has been completed. It may be conducted during or after the lien period. A copy of the public notice and minutes of the hearing must be submitted with the close-out documents.

Documentation must be kept at the local level to support compliance with the aforementioned requirements.

## THE PERFORMANCE SCHEDULE

A project performance schedule, developed as part of the application, shows each activity's major milestones and estimated expenditures. The LCDBG contract references the performance schedule and OCD uses it to monitor the program's progress. Grantees must adhere to this schedule. The schedule shows twelve quarters, as the contract allows thirty-six months for contract completion.

If OCD approves a program amendment or if project implementation changes significantly, a revised schedule must be prepared and submitted to the Office of Community Development’s (OCD) Local Government Representative (LGR) assigned to the grant. A significant change is one that delays milestone accomplishments by more than one quarter (three months). Grantees should report changes so OCD remains aware of the program’s progress and can monitor performance against realistic goals. If the project is behind schedule, the OCD will request a revised schedule.

## EXECUTING THE LCDBG CONTRACT

The grantee will receive an unsigned LCDBG contract that identifies activities funded, budgeted cost, general terms and conditions, and identification of any activities with conditional approval and conditions that must be met before the State will release funds for those activities. After carefully reviewing and signing the contract, return it to the Office of Community Development. When all contract conditions are met and the State executes the contract, a copy of the executed contract is sent to the grantee for its records. The contract is fully executed only after all signatures have been obtained.

## REMOVING CONTRACT CONDITIONS/RELEASE OF FUNDS

The LCDBG contract and the letter of authorization to incur costs state that clearance of all contract conditions must occur within six months of the letter of authorization to incur costs.

The LCDBG contract will contain contract conditions that must be met prior to the release of grant funds. Failure to meet the deadline for submitting the additional information required will result in a delay in removal of contract conditions and release of funds along with the application of penalties as outlined in this handbook. The state may grant an extension to this deadline where the reasons for not meeting the required timeframe were clearly beyond the control of the grantee. If there are extenuating circumstances, the grantee must advise the OCD of such prior to the submission deadline date and request an extension of time. These contract conditions include:

1. Completion of an environmental review record.
2. Preparation of a three-year Community Development Plan.
3. Section 504 Assurance.
4. Residential Antidisplacement and Relocation Plan and Certification.
5. Submittal of application revisions, if requested.
6. Project Plans and Specifications, and Final Cost Estimate.*
7. Previous audits and financial questionnaire, if requested.
8. Certification from engineer that plans and specifications are complete and if applicable, submitted to DHH.
9. Firm commitments from other project funds, if applicable.
10. Any other documentation, if requested.

*Prior to receiving an executed contract and a release of the FY 2012 LCDBG funds, the Office of Community Development must receive a signed certification from the project engineer stating that the plans and specifications for the public facilities project have been completed and submitted to DHH for approval, (if applicable). **A copy of those plans and specifications plus a final cost estimate must also be submitted to this office for review. If at the end of the six-month calendar period the plans and specifications have not been submitted to both DHH, (if applicable), and this office, $250 per working day will be deducted from the construction line item budget and disallowed.** The monies will be deducted from the amount of LCDBG funds allowed to pay an engineer for basic services. If the grantee is not using LCDBG funds to pay an engineer, the penalty will be assessed

against the construction budget and disallowed. The state reserves the right to grant an extension where the reasons for not meeting the required time frame were clearly beyond the control of the engineer.

Design Restrictions on Fire Protection Projects Involving Fire Stations/Garages: The use of LCDBG funds for garages to house fire trucks is allowed with the following stipulations. The size of the garage will be based upon the number of operational fire trucks available to be housed upon completion of the garage; LCDBG funds will not pay for vacant garage space which will be used for future truck storage. The maximum size allowed for each bay is 20' x 50'. If there is a valid reason that this size is not sufficient, written approval from the Office of Community Development must be obtained. LCDBG funds will not pay for kitchens, training rooms, etc. in garages for fire departments. LCDBG funds can be used to install a bathroom in the garage, such monies will pay for a lavatory, toilet\ and bathing facilities, such as baths and showers. LCDBG funds can be used to install a heating system in the garage but cannot be used to install a cooling system.

If there are any questions regarding the design of the garage, please contact the Office of Community Development.

**If at the end of the six-month calendar period not all administrative conditions of the contract are cleared, $250 per working day will be deducted from the administrative line item budget and disallowed.** The monies shall be deducted from the amount of LCDBG administrative funds allowed to pay an administrative consultant. If the grantee has chosen to administer the grant using its own staff, the penalty will be assessed against the LCDBG administrative funds, and disallowed. If the grantee is not using LCDBG administrative funds, the penalty will be assessed against awarded construction funds and disallowed. The State reserves the right to grant an extension where the reasons for not meeting the required timeframe were clearly beyond the control of the grantee. If an extension is needed due to the Environmental Review Record (ERR) process, part of this determination will be based on how quickly the grantee began the process after receiving the authorization to incur costs. **All grantees should begin the ERR process (including mailing letters to appropriate agencies requesting determinations) within four weeks of the authorization to incur costs date.**

**Please note, if the grantee fails to complete any required processes or procedures during the completion of the ERR, then the Notice of Intent to Request Release of Funds or the Combined Notice must be republished after the required process or procedure is complete. This may result in the grantee not meeting the required timeframe for clearance of all contract conditions. This situation will <u>not</u> warrant an extension to the deadline as discussed in the previous paragraph. If the grantee is not sure about which processes and procedures should be completed during the ERR process, please contact OCD for assistance.**

Until a release of funds from the State is approved , funds cannot be obligated or expended except those items identified in the "authorization to incur costs" letter from the State. At the completion of the environmental process, the grantee's chief elected official will sign the "Request for Release of Funds and Certification" form (**Exhibit A-2**). Item 1 on the form requires the OMB Catalog Number, 14.228. Item 2 requests the HUD/State Identification Number, which is B-13-DC-22-0001. At this time,

the grantee should review the contract conditions set forth in the contract and determine that they are complete. The State will review the "Request for Release of Funds and Certification" and send a letter informing the grantee whether grant conditions have been met and funds are being released, or specifying additional steps to be taken. The grantee may obligate and expend construction funds and request project funds on the LCDBG account **only** after the letter removing contract conditions for the project and the executed contract with the State are received. It is possible that at the time funds are released, the review of the plans and specifications will not be complete. In that case, the Office of Community Development's letter releasing grant funds will state that the grantee is not authorized to advertise for bids for the project. When the review of the plans and specifications is complete, the grantee will be notified to advertise for bids.

## FINANCIAL MANAGEMENT

This section presents an overview of the accounting procedures that must be followed in order to comply with State and federal requirements under the LCDBG program. All funds must be documented appropriately to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes (24 CFR 85.20 (a)).

### ESTABLISHING THE LCDBG ACCOUNT

The following forms will be provided to the grantee along with the unsigned contract. The forms must be completed as per the instructions and returned to the Office of Community Development in order for the State to establish the grantee's LCDBG account in the State's accounting system. No funds can be drawn until this account is established.

1. Authorized Signature Card — One Authorized Signature Card (**Exhibit A-3**) with original signatures must be completed carefully with no erasures or corrections. Signatures must match the typed or printed names. The certifying officer must apply a date to the card by his/her signature. The card designates authorized persons to sign the community's Requests for Payment. Detailed line-by-line instructions are included on the back of the card. If persons authorized to sign Requests for Payment should change at any time during the project, a new Authorized Signature Card must be submitted to the State. (See section on Signatures on Checks and Signatures on Request for Payment (RFP) Form.)
2. Designation of Depositary Card — Two Designation of Depositary Cards with original signatures (**Exhibit A-4**) must be prepared and submitted. The cards identify the federally insured financial institution into which the requested funds are deposited.
3. Electronic Funds Transfer Enrollment Form — An Electronic Funds Transfer (EFT) Enrollment Form is located at **http://www.doa.louisiana.gov/osrap/EFTforWebSite.pdf** (**Exhibit A-5**). This form designates where the LCDBG funds will be deposited. This form should be sent directly to the Office of Statewide Reporting and Accounting Policy (OSRAP).
   These forms can be revised at any time during the project. When a revision is necessary, the Grantee must provide the State with two revised depositary cards with original signatures and a revised Electronic Funds Transfer Enrollment Form. It takes approximately fourteen days to process a revision. The revision process must be complete prior to the next Request for

Payment's approval. Additional cards are available from the Office of Community Development upon request.

4. Request for Vendor Information
5. W-9 Request for Taxpayer Identification Number and Certification

## FINANCIAL RECORDKEEPING

### *Bank Account Rules*

1. Non-Interest Bearing Account—Funds are to be deposited into a separate non-interest bearing account that is to be balanced on a monthly basis. Pre-printed, pre-numbered checks, not counter checks must be utilized. After the grant is closed, the same account can be used for subsequent grants by voiding three to four checks. If the grantee uses computer generated checks, appropriate safeguards must be in place.
2. Central Bank Account or Clearing Account —Prior written approval from this office must be obtained in order for a grantee to use its general bank account. Separate financial statements for the LCDBG grant must be produced. If utilizing this procedure, all invoices for which payment is requested must be paid in advance, and the checks must be cleared prior to reimbursement by this office. Please contact Jeff Pennington at (225) 342-7412 regarding approval to use this type of account. If interest is accrued on LCDBG funds, the State must collect it from the grantee.
3. Signatures on Checks—Checks must be signed by two authorized persons. The use of a signature stamp for one of the names is allowed as long as the other signature is original. This signature must be someone who is not in control of the signature stamp. If the checks are computer generated, there must be adequate controls.

### *System of Internal Controls*

Effective control and accountability must be maintained for all grant cash, real and personal property, and other assets. The concept of internal control refers to those policies and procedures of the jurisdiction designed primarily to adequately safeguard all such property (24 CFR 85.20 (b)(3)). The State requires that each LCDBG recipient establish a system of internal controls that meet the following six minimum requirements:

1. No individual shall have complete control over all phases of any significant transaction. For example, the same person cannot authorize payment, record transactions, and sign checks.
2. Recordkeeping must be separate from operations and the handling and custody of assets.
3. Monthly reconciliation and verifications of cash balances with bank statements shall be made by employees who do not handle or record cash, or sign checks.
4. Actual lines of responsibility shall be clearly established and then adhered to as closely as possible.
5. The person who prepares payrolls should not handle the related paychecks.
6. **All persons who sign checks for LCDBG shall have a current bond or fidelity policy.**

Those communities whose limited personnel preclude them from complying with steps 2 through 5 should contact the state for further guidance. An adequate system of internal controls combined

with specific program and financial management responsibilities will permit jurisdictions to maintain appropriate financial records and will facilitate compliance with State and federal requirements.

### *Financial Management System Adequacy*

The grantee is required to submit a Financial Management Questionnaire. The form is available at **http://www.doa.louisiana.gov/cdbg/appsandforms.htm**. Enter the names and the titles of the persons who will be performing each responsibility. If this information changes during the grant period, notify the grant representative in writing of the change.

Include a copy of the bond or fidelity policy for those persons who are signing checks.

The Financial Management Questionnaire and a copy of the bond or fidelity policy must be sent to the grant representative at the Office of Community Development along with other information to clear contract conditions.

This office will review the information to determine the adequacy of the grantee's financial management system subsequent to the grant award (24 CFR 85.20).

### *Accounting Records*

Accounting records must be maintained which adequately identify the source and application of funds provided for grant-assisted activities. These records must contain information pertaining to grant awards including assets, liabilities, expenditures, and revenue (24 CFR 85.20 (b)(2)). Accounting should be conducted on the double entry basis. Because this program operates on a cost reimbursement basis, expenditures and revenue can be measured before the receipt and disbursement of cash, and therefore are subjected to accrual. Accounting for a particular governmental activity on a cash or an accrual basis is dictated by generally accepted accounting principles as it applies to that particular activity. The accounting for the LCDBG program has to be on a modified accrual basis.

### *Support Documents*

Accounting records must be supported by such source documentation as cancelled checks, paid bills, invoices, purchase vouchers, payrolls, deposit slips, time and attendance records, contract and sub-grant award documents, etc. (24 CFR 85.20 (b)(6)). Never make payment without invoices and vouchers physically in hand. All vouchers/invoices should be on vendors' letterhead.

### *Books of Entry*

24 CFR 85.20 (b)(2), and OMB Circular A-87 (Cost Principles for State and Local Government (Revised 5/10/2004)) require that the grantee establishes certain accounting records for documenting LCDBG related transactions. These books of original and final entry are an integral part of the required system. Books of original entry are the Cash Receipts Journal and the Cash Disbursements Journal. Books of final entry are the General Ledger and the Property Register. Each is briefly described below.

1. Cash Receipts Journal—All receipts of cash deposited into the LCDBG fund are recorded in this journal. Receipts may include contract payments from the State, receipts from the disposition of land, etc. The general procedure for using this journal is to record every LCDBG receipt in the

date order that it was received, entering from whom the money was received, the account, the receipt number, and the date. A suggested format for this journal is presented in **Exhibit A-6.**

2. Cash Disbursements Journal—All expenditures are entered into this journal. A suggested format for this journal is shown in **Exhibit A-7**.
3. LCDBG Property Register—This is a listing of all fixed assets acquired using LCDBG funds. Examples of fixed assets that would be recorded using this subsidiary ledger are machinery and equipment. See **Exhibit A-8**.
4. General Ledger—This is a book of final entry that summarizes the status of each account in the LCDBG accounting system. The General Ledger may be maintained for the LCDBG program as for other municipal funds; however, the Chart of Accounts (**Exhibit A-9**) must be utilized. Supporting documentation should be maintained to summarize expenditures and revenues by the following categories:
    a. Expenditure Accounts—These accounts should correspond to those activities identified in the Cost Summary in the grant application. At a minimum, the grantee should utilize the following Expenditure Accounts: Administration, Acquisition, Engineering, and Construction. All administrative costs must be assigned to the administrative account and not to other accounts such as rehabilitation, sewer, etc. Every invoice should be recorded as an expenditure the day it is received or on the day it is approved for payment.
    b. Revenue Accounts—These accounts should be used to identify all revenues earned by the LCDBG program such as the LCDBG revenue, program income, and local contributions.

### *Monthly Financial Statements*

At month's end, the grantee should prepare financial statements that provide accurate, current, and complete disclosure of the financial results of financially assisted activities (24 CFR 85.20 (b)(1)). Additionally it is the responsibility of each grantee to prepare general purpose financial statements presented in conformity with generally accepted accounting principles at the conclusion of each fiscal year. Therefore, one month after the close of the grantee's fiscal year it must have the general purpose financial statements consisting of a STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE and a BALANCE SHEET prepared and ready for examination by the auditor. Examples of these general purpose financial statements are shown in **Exhibit A-10**. Costs incurred for the bookkeeping, accounting, and preparing of the general purpose financial statements related to the LCDBG program may be considered as administrative costs and should not be charged as part of the Audit expense.

### *Rules of Expenditure (Other Program-Related Expenditures)*

Office Equipment—Office equipment is considered a capital expenditure and is not allowed as direct charges except where approved in advance by LCDBG. When purchasing or leasing equipment, grantees must act in compliance with 24 CFR 85.36, "Procurement." In addition, any LCDBG funds expended to lease or purchase equipment will result in disallowed costs unless the grantee can establish - and has fully documented in the grant files - that the expenditure(s) was reasonable, necessary, and allowable for the grant, and was not a general expense required to carry out the overall responsibilities of local

government as required by OMB Circular A-87. Prior to lease or purchase of any equipment with LCDBG funds, grantees should carry out an analysis of lease versus purchase alternatives, and any other appropriate analysis to determine which approach would be the most economical. This analysis must be fully documented in the grant files.

Items in Excess of $1,000.00—If the expected total cost of any single leased or purchased item or the total cost of the aggregate of items exceeds one thousand dollars ($1,000.00) during the course of the grant, prior approval from the State is required.

Miscellaneous Items (LaSTEP)—During the construction of a LaSTEP project, there are times when it is necessary to purchase certain miscellaneous items in addition to those that were listed in the materials bid, such as gasoline, tools, etc. However, there must be a financial tracking system for the purchase of these items. Any individual item to be purchased which is valued at $150.00 or more must use the small purchase procedure as described in *Section A, Program Administration: Methods for Securing Materials, Supplies and Construction Services* of this LCDBG Grantee Handbook. The grantee must appoint two individuals who are each authorized to make these purchases. Each invoice must be signed by one of the appointed individuals, and indicate on the invoice that the item(s) purchased is for the LaSTEP project. As a final verification, the project engineer must sign the invoices when paid by the grantee to ensure that these are costs associated with the project. For smaller items valued less than $150.00 per item, the small purchase procedure is not necessary; however, the same documentation as described above shall be indicated on the invoices, along with the final approval by the engineer.

Employees Paid From LCDBG Funds—All employees paid in whole or in part from LCDBG funds should prepare a timesheet indicating the hours worked and detailed duties performed on LCDBG projects for each pay period. Account for the total of the employees' activities in accordance with OMG Circular A-87. A contemporaneous journal entry in the grantee's General (or appropriate) Fund should be made indicating "Due from LCDBG" for the amount allocated of the employee's payroll to be reimbursed from LCDBG. Each time the grantee submits a RFP all of the "Due from LCDBG" amounts accumulated to that point should be added to that RFP. The appropriate journal entry for the LCDBG Capital Projects Fund will be a debit to Administration expenditure and a credit to Due to General (or appropriate) fund. A sample Timesheet is shown in **Exhibit A-11**. The grantee may use its own timesheet if it contains the same information including the distribution of payroll costs and is signed by a knowledgeable supervisor.

Real Property vs. Rent—Real property or trailers cannot be purchased with LCDBG funds to accommodate administrative staff. Office space may be leased or rented if necessary. Rent paid shall not exceed average office rental costs in the community. Further, rental of administrative space for three years is substantially less expensive than purchase of property. It is more cost effective and insures that the maximum amount of LCDBG funds is spent for activities that benefit low-to-moderate income residents.

Indirect Costs—In order for indirect costs to be charged to the grant, a Cost Allocation Plan that has been approved by this office must be on file.

### *Program Income*

Program income (OMB Circular A-110, Subpart C.24) is defined as gross income generated from the use of CDBG funds that were received by the State, a unit of general local government or a subrecipient of a unit of general local government. Generally, program income is returned to the State and is re-awarded following guidelines established in the State's current Consolidated Annual Action Plan, which is available on the Office of Community Development's website. There may be some circumstances where the general local government would be allowed to retain the income. The OCD should be contacted for instructions.

## AUDITS

The appropriate type of governmental fund for the LCDBG Program is a **Capital Projects Fund or Special Fund**, and as such the fund must be accounted for using a modified accrual basis of accounting. All LCDBG monies should be accounted for in that fund. This would include all revenue identified in the LCDBG contract such as local match, other funds, and program income. Each source should be identified in the accounting records and in the annual audit or financial report. When reported in the grantee's audit, the LCDBG funds utilized for each project should be separately identified.

### *Single Audits*

Under the provisions of the Single Audit Act Amendments of 1996, an audit under OMB Circular A-133 is required whenever the amount of federal expenditures (LCDBG program funds plus all other federal expenditures) in a year exceeds $500,000. This type of audit includes a full set of financial statements and other detailed information and is referred to as a "single audit." The single audit will meet federal accountability requirements and will be sufficient to meet state accountability requirements.

### *Other Types of Financial Reports*

If less than $500,000 in federal funds is expended in an entity's fiscal year, a single audit is not required, but other requirements called for by state law and LCDBG policies must be met. If a grantee determines that a single audit is not required, the grantee must submit one of the following reports:

1. annual sworn financial statements if revenue received was $50,000 or less,
2. an annual compilation if revenue received was more than $50,000 but less than $350,000,
3. a biennial audit if revenue received was $350,000 or more but less than $3,500,000, or
4. an annual audit if revenue received was $3,500,000 or more.

### *Audit Due Dates*

An audit or financial report is required from each grantee annually within six months (180 days) after the grantee's fiscal year end. Audits not received within this six-month time period will be placed on a "Non-Compliance List" by the State Legislative Auditor. Once on this list, the entity will be barred from receiving funds from any source including LCDBG. This list is posted on the Legislative Auditor's website (**http://app1.lla.state.la.us/PublicReports.nsf**) and is updated daily as audits are received.

In addition, if a required audit (s) or financial report(s) for a conditionally closed out grant is not received by the Office of Community Development within ten months after the grantee's fiscal year end, the grantee will be sanctioned from future participation in the LCDBG program. This sanction will remain in place until the audit (s) or financial report(s) has been received and approved by the Office of Community Development.

### *Audit Scope*

CDBG funds are a pass-through grant from HUD; the CFDA # is 14.228. This information should be forwarded to the CPA firm that completes the annual audit.

Upon completion of the financial report (audit), please advise the CPA to send one copy of the completed audit to the Office of Community Development, P.O. 94095, Baton Rouge, Louisiana 70804-9095. Electronic copies may be sent to Richard.Krimmel@la.gov.

Grantee management may be expected to respond in writing to LCDBG regarding any findings of noncompliance, control structure comments or recommendations cited by the independent CPA in their report or in a report issued by the Legislative Auditor. Such response should identify each finding or comment and the action(s) that has been taken or is planned to be taken. If an action has not been taken, provide the approximate date the action will be completed, or explain why no action is believed to be required.

### *Audit Costs*

If audit costs are to be charged to the LCDBG program, the grantee must follow the procurement guidelines explained in *Section A* of this handbook. However, due to the importance of the audit process, grantees are reminded that not all CPAs are qualified to perform audits of governmental entities and in particular, under the Single Audit Act. Care should be exercised to select an experienced, qualified firm, rather than simply selecting the firm offering to perform the audit at the lowest price.

The pro-rated portion of the total audit cost which can be charged to the LCDBG program may be determined by multiplying the total audit cost times a fraction (the numerator of which is the LCDBG program expenditures for the period, and the denominator of which is the government entity's total expenditures for the period, including the LCDBG program expenditures). A calculation of the allowable portion of the audit cost should be included in the supporting documentation presented with the request for payment.

Under the latest revisions to OMB Circular A-87, if appropriate documentation of the audit costs provides a higher amount than the formula, the higher audit costs may be charged to the program. Supporting documentation should be available for review by LCDBG staff.

## REQUESTING PAYMENT

Funds can be drawn once a Notice of Removal of Contract Conditions is received from the State.

### *Request for Payment Form (RFP)*

Funds are requested using the LCDBG RFP form, **Exhibit A-12**. The RFP form can be completed in Excel and printed, or printed and manually filled in. The form and instructions are located on the Office of Community Development's website at (**http://www.doa.louisiana.gov/cdbg/cdbgHome.htm**). The form must be completed accurately or it cannot be processed. Requests can be made only in amounts necessary to meet current disbursement needs and **approved invoices** must be attached.

The form should be sequentially numbered for each separate request that is submitted. If the request is a resubmission of a previous request that was rejected or returned for errors, the resubmission would have the same request number as the original submission with an A or sequential letter after it, i.e., 2.A. Where dollar amounts are indicated, show a decimal and cents (do not round off).

The form must show the exact amount of cash on hand at the time of the request if all previously requested project funds have not been distributed. Funds disbursed to date on RFP Line 1D should include all invoices paid with LCDBG funds since the beginning of the grant.

### *Request Frequency*

Funds may be requested a maximum of twice a month. Only two RFPs will be processed each month. If a third RFP is received, it will be held until the next month.

### *Signatures on Request for Payment Form (RFP)*

Two of the people listed on the Authorized Signature card must sign the RFP. Signatures on the request form must be **identical** to those on the Authorized Signature card, including signee's middle initials. Any questions regarding the RFP Form should be directed to the Local Government Representative (LGR) in this office.

### *Invoices*

Invoices must be submitted with all Requests for Payment that indicate the date the goods or services were received. If services are rendered, the vendor must state the time period covered by the invoice, from XX-XX-20XX to XX-XX-20XX. Invoices included with the RFP must be signed, indicating approval, by the person listed with that responsibility on the Financial Management Questionnaire. The Financial Management Questionnaire is discussed under *Program Administration: Financial Recordkeeping – Financial Management System Adequacy.*

### *Submitting a Request for Payment (RFP)*

An original and two copies must be sent to the State. After processing the request, the State will return one copy to the grantee.

### *Receipt of Requested Funds*

Requests for funds should be received by the Office of Community Development with appropriate signatures and invoices by Friday at noon for payment on Friday of the following week. The grantee should check with its financial institution when expecting LCDBG funds to see that the funds were

deposited in its account. Contact the LGR in this office if funds are not received. If there is a holiday during the request period, an extra day may need to be added to the anticipated receipt date.

### THREE-DAY EXPENDITURE RULE

The State has defined current disbursement needs as the funds to be expended in three working days. This procedure minimizes the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by grantees (24 CFR 85.20 (b) (7)). This "three-day-rule" means that all draws will be expended within three working days of the deposit. If LCDBG funds are deposited on a Friday, checks totaling the entire amount must be written by close of business the following Wednesday. In order to comply with the "three-day-rule," the grantee should arrange to be notified the day an LCDBG deposit is received by the bank or check to verify the deposit. If LCDBG funds are received and not disbursed within three working days, contact the grantee's LGR to discuss the situation and determine whether funds should be retained or returned to the State.

### BUDGET RECONCILIATION REPORT (EXHIBIT A-13)

This report is required if funds are requested in one category and expended in another. In this report actual expenditures are compared with budgeted amounts and amounts requested on the RFP's by category (24CFR 85.2(b)(4)). This report must be sent if there are errors or changes in invoices after submittal for reimbursement. If amounts on the Certificate of Completion differ from the LCDBG records, a budget reconciliation report will be required prior to closeout.

### BUDGET REVISION REPORT (EXHIBIT A-14)

A budget revision report must be sent to the Office of Community Development if the grantee must revise the program budget or move money allocated from one category to another. Prior approval is not required if the dollar amount of the budget change plus any prior budget changes is less than 10 percent of the grant amount. This report must be sent within 10 days of the budget change and 14 days prior to any RFP involving the change.

## COMPLETING ENVIRONMENTAL REVIEW REQUIREMENTS

The purpose of the Environmental Review Record (ERR) is to document the environmental review process and all actions taken by the grantee during the course of the environmental review.

Each grantee must implement its program in compliance with the National Environmental Policy Act of 1969 (NEPA) and the environmental requirements of other federal laws. These policies and laws cover the following areas: Noise, Air Quality, Historic Properties, Floodplains, Wetlands, Coastal Zones, Water Quality, Sole Source Aquifers, Toxic and Radioactive Materials, Explosive and Flammable Operations, Airport Clear Zones, Coastal Barriers, Farmlands Protection, Endangered Species, Environmental Justice, and Wild and Scenic Rivers. The current regulations became effective October 29, 2003. Please refer to 24 CFR Part 58.5 for the laws and authorities pertaining to the above areas.

Certain environmental forms are on the internet at: **http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/forms** .

Also, in December 2012, HUD Region VI released a guidance document which can be accessed at **http://portal.hud.gov/hudportal/HUD?src=/states/shared/working/r6/environment/environmental** and is titled Region VI Part 58 Environmental Review Guidebook. **This guidance does require the completion of new and additional forms so please be aware of these changes as you complete your Environmental Review Record (ERR).**

The LCDBG contract requires that the grantee conduct and submit an Environmental Review of the project to the State. To ensure that the State has sufficient time to review the ERR for completeness and to allow adequate time for revisions, **the ERR must be received by the State within four calendar months of the date of the authorization to incur costs letter**.

Public facility rehabilitation activities (such as hook-ups) should be cleared in conjunction with the regular public facility activity.

The grantee's Chief Elected Official will be the Environmental Certifying Official or Responsible Entity. He/she will assume overall responsibility for the environmental review process. He/she must sign all certifications and findings; particularly the Request for Release of Funds and Certification, (HUD Form 7015.15), the Certification of Exemption for HUD funded projects, the Certification of Categorical Exclusion (not subject to 58.5), the Certification of Categorical Exclusion (subject to 58.5), the Statutory Checklist, and the Environmental Assessment Checklist. Please note that all certifications and checklists must include a sufficient description of the project, in addition to the general required project description discussed later in this section. Also, it is important that all responses received to requests for determinations be read carefully and all issues addressed that are mentioned in these responses.

**Exhibit A-15** is a flowchart of the environmental review process. In completing the review of an ERR, OCD uses the Checklist found in **Exhibit A-16**.

**Special Requirements for Economic Development Projects** - For all projects, especially economic development projects involving loans and/or infrastructure grants, particular attention must be given to 24 CFR Part 58.32 - Project Aggregation. All activities to be accomplished in the entire project must be environmentally cleared, including those activities funded by private funds.

For economic development projects, close attention must be given to 24 CFR Part 58.22. **It is imperative that this regulation be understood by all parties in order to avoid possible disallowed costs.** Neither a grantee nor any participant, including public or private nonprofit or for-profit entities or any of their contractors may commit LCDBG/HUD funds or non-LCDBG (private) funds or undertake an activity or project until the State has approved the recipient's Request for Release of Funds. HUD has determined that this regulation regarding private funds is triggered at the time the grantee's application is submitted to the State. In other words, the restriction does not apply to undertakings or commitments of non-federal funds before the grant application is submitted. It is both HUD's and the State's strong recommendation that both the application and the environmental review record be submitted to the State simultaneously, in order to avoid a private developer having to stop the commitment of private funding to the project to wait for the environmental review to be completed. In this way, there should only be a period of approximately two weeks until the environmental review's approval can take place following receipt of the application and environmental review record.

## ENVIRONMENTAL REVIEW CLEARANCE LEVELS

There are **five** levels of clearance available for the environmental review. A determination must be made concerning which of the five levels will apply to the project being cleared. There are specific requirements for each category of activities.

A project that clearly will have little negative impact on the environment is either exempt or categorically excluded from most environmental requirements. There are two levels of categorically excluded activities. In these cases, the ERR must document the recipient's determination that the project is free from either all environmental requirements or from the requirements of NEPA. Projects that are neither exempt nor categorically excluded will require a full environmental assessment. The results of the environmental assessment will determine if an environmental impact statement is required.

### *Exempt Activities - 58.34(a)*

Certain activities are "exempt" from environmental review requirements of NEPA and the environmental requirements of other applicable federal laws. These activities include:

- environmental studies;
- project planning;
- administrative costs;
- project engineering and design costs for a proposed eligible activity;
- public services which will not result in any physical changes;
- assistance for temporary or permanent improvements that do not alter environmental conditions and are limited to protection, repair or restoration activities necessary only to control or arrest the effects from disasters, imminent threats or physical deterioration.

Activities correcting imminent threats to health and safety may be undertaken only to the extent necessary to alleviate emergency conditions as certified by the chief executive officer. The chief executive officer must notify the State within ten days of determining that a situation exists that poses an imminent threat to public health and safety. The Office of Community Development must agree that the situation qualifies to be considered exempt under this regulation before LCDBG funds can be used to alleviate the emergency conditions.

To complete environmental requirements for exempt activities, the grantee must make and document a certification that such activities are exempt. This involves completing the Certification of Exemption for HUD Funded Projects (**Exhibit A-17**) which identifies the activity and states the statutory authority for the exemption. The grantee must also comply with Part 58.6, and complete the 24 CFR 58.6 Compliance Documentation Checklist shown as **Exhibit A-18**.

The grantee does not have to submit the Request for Release of Funds and Certification form; however, all other contract conditions listed in the LCDBG contract must be cleared prior to the release of funds.

### *Categorical Exclusions Not Subject To 58.5 - 58.35 (b)*

HUD has determined that certain categorically excluded activities would not alter any conditions that would require a review under 58.5. The grantee does not have to publish a Notice of Intent to Request Release of Funds, or submit a Request for Release of Funds and Certification form. A Certification of Categorical Exclusion (not Subject to 58.5) shown in **Exhibit A-19** must be completed. The grantee does have to comply with Part 58.6, and complete the 24 CFR 58.6 Compliance Documentation Checklist shown as **Exhibit A-18**. In addition, the grantee must clear all other contract conditions listed in the LCDBG contract prior to the release of funds. These activities include:

- supportive services and operating costs;
- equipment;
- economic development activities not associated with construction or expansion of existing operations;
- activities to assist homebuyers that result in the transfer of title.

### *Categorically Excluded Activities Subject to 58.5 - 58.35 (a)*

These activities are "categorically excluded" from the environmental review requirements of NEPA, but must comply with the environmental requirements of other federal laws listed in 58.5. These activities include:

- acquisition, repair, improvement, reconstruction, or rehabilitation of public facilities and improvements when the facilities and improvements are in place and will be retained in the same use without change in size or capacity of more than 20 percent. See part 58.35 (a) (1). (Water and sewer line replacement will most likely not be categorically excluded. Hard surfacing of a gravel street is not categorically excluded.)
- special projects for removal of material and architectural barriers. See part 58.35 (a) (2).
- an individual action (rehab) on a one-to-four family dwelling or on a project of five or more units developed on scattered sites when the sites are more than 2,000 feet apart and there are not more than four units on any one site. See Part 58.35 (a) (4).
- acquisition or disposition of an existing structure or acquisition of vacant land provided that the structure or land will be retained for the same use. See Part 58.35 (a) (5).

The activity of demolition alone is categorically excluded, only if the property is to be retained for the same use. The combined activities of demolition and replacement will require an assessment unless the replacement is to take place on the exact same foundation as the original structure.

The Certification of Categorical Exclusion (subject to 58.5), shown in **Exhibit A-20**, identifies the activity and states the statutory authority for the exclusion. **The OCD's environmental staff should be contacted before making a finding of exemption or categorical exclusion in order to avoid incorrect findings.**

The following items must be included in the ERR for categorically excluded activities:

1. Certification of Categorical Exclusion (subject to 58.5), **Exhibit A-20**;
2. Documentation of compliance with other federal laws through the completion of the Worksheet for Preparing 24 CFR 58.5 Statutory Checklist (**Exhibit A-21**)
3. A completed Statutory Checklist (**Exhibit A-22**) using documentation obtained during the completion of the Statutory Worksheet (**Exhibit A-21**);
4. Documentation of compliance with Part 58.6 (**Exhibit A-18**);
5. A detailed description of the project, including location, and indicating whether or not the ERR is site specific;
6. Evidence of publication or posting of the Notice of Intent to Request Release of Funds (**Exhibit A-23**);
7. Request for Release of Funds and Certification (**Exhibit A-2**); and
8. A map of the entire jurisdiction showing the location of the project area with clear boundaries indicated, and specific activities in relation to streets or other landmarks (if site specific);
9. A floodplain map delineating the target area is required regardless of whether the project is located in the floodplain or not.

### *Activities Requiring an Environmental Assessment - 58.36*

For activities that are neither exempt nor categorically excluded, an environmental assessment is required which documents compliance with NEPA and with the environmental requirements of other federal laws. The Environmental Review Record must contain the following documentation:

1. Environmental Assessment Signature Form (**Exhibit A-24**)
2. Environmental Assessment Worksheet (**Exhibit A-25**)
3. A completed Environmental Assessment Checklist (**Exhibit A-26**) using documentation obtained during the completion of the Environmental Assessment Worksheet (**Exhibit A-25**);
4. Documentation of compliance with other federal laws through the completion of the Worksheet for Preparing 24 CFR 58.5 Statutory Checklist (**Exhibit A-21**)
5. A completed Statutory Checklist (**Exhibit A-22**) using documentation obtained during the completion of the Statutory Worksheet (**Exhibit A-21**);
6. Documentation of compliance with Part 58.6 (**Exhibit A-18**);
7. A detailed description of the project, including location, and indicating whether or not the ERR is site specific;
8. Evidence of publication (or posting) and distribution of the Combined Notice of Finding of No Significant Impact and Intent to Request Release of Funds (**Exhibit A-27**) and the Notice of Finding of No Significant Impact Distribution List (**Exhibit A-28**);
9. Request for Release of Funds and Certification (**Exhibit A-2**);
10. A map of the entire jurisdiction showing the location of the project area with clear boundaries indicated, and specific activities in relation to streets or other landmarks (if site specific);
11. A floodplain map delineating the target area is required regardless of whether the project is located in the floodplain or not.

12. For projects involving new construction, a wetlands map delineating the target area is also required.

### *Environmental Impact Statement (EIS) – 58.37*

In most instances, the environmental assessment will result in a finding that the proposed activity will not significantly affect the quality of the environment and therefore not require the preparation of an Environmental Impact Statement. However, if the proposed project is determined to have a potentially significant impact on the environment, an Environmental Impact Statement must be prepared. **This office should be contacted if it is determined that an EIS is required.**

## GENERAL ENVIRONMENTAL REVIEW RECORD REQUIREMENTS

### *Project Description and Map*

In addition to the shorter project descriptions found at the top of each certification form and required checklist, a more specific description must identify in detail the project type, area served, location, etc. The target area must be described by street name, highway name, or numbers for each street serving as a boundary for the project area being environmentally cleared. A legal description of the area being cleared may be included, but is not required. The description should include the project's dollar amount, especially for economic development projects. For these projects, the description should identify the items for which the LCDBG funds will be expended, and the items for which private funds will be expended.

A map clearly delineating the project area and location of project activities must also be included. The project description and map must indicate whether the ERR is site specific or area-wide for public facilities projects. For example, if the project involves the installation of a water well and the location of the well site is known, it should be indicated both in the project description *and* on the ERR map. For a site specific project, the project description and the ERR map must also be sent to the agencies used as data sources, as they will be commenting on that particular site. However, if the exact location of the project has not been determined, but the well will be drilled somewhere within the project area, it is necessary to clear the entire project area by indicating this in the project description and on the ERR map by clearly indicating the boundaries of the project area being cleared. It must be clear to the data source, either by letter or verbally, exactly what activity is being cleared and its location, whether site specific or area-wide. The ERR must also indicate which project description and map were used when contacting the data sources.

### *Completing the Statutory Worksheet and Statutory Checklist*

For categorically excluded (subject to 58.5) activities the Statutory Worksheet (**Exhibit A-21**) and the Statutory Checklist, **Exhibit A-22** must be completed in order to document compliance with other federal laws. The Statutory Checklist is a summary of determinations obtained during the completion of the Statutory Worksheet. Please read each question carefully and follow the instructions as the checklist is completed. At the end of each area of compliance section, the answers provided to the questions on the worksheet will indicate whether the Grantee should mark Box A or Box B on the

Statutory Checklist. There is also a section titled "Information Resources" which will give websites that may provide information needed to complete the Statutory Worksheet.

Marking Box A indicates the area of compliance is not applicable to the project or there is sufficient documentation that compliance has been met and no mitigation or consultation is required. This information must be listed in the Compliance Finding section of the Statutory Checklist. If the area of compliance is not applicable, the grantee should indicate as such in this area and include an explanation why it is not applicable. The basis for this determination should be included in the Compliance Finding section as well. Next, the grantee should list any data sources used to reach the determination. If Box A "The project is in compliance" is marked for all areas of compliance, then the project can be converted to "Exempt". In this instance, the grantee does NOT submit the *Request for Release of Funds and Certification* form; however, the *Certification of Exemption for HUD Funded Projects* form must be completed. Item number 12 in the table "Any of the categorical exclusions listed in Section 58.35(a) provided that there are no circumstances that require compliance with any other Federal laws and authorities cited in Section 58.5" should be marked.

After completing the Statutory Worksheet regarding a compliance area and the grantee determines that Box B should be marked on the Statutory Checklist, the grantee must include one of the following in the Compliance Finding Section of the Statutory Checklist along with a summary of the determination and actions taken:

- Consultation/Review Procedures Required – when coordination is required with cognizant Federal or federally authorized agencies or additional studies are needed (e.g. Section 106 concurrence memo or 8 Step Process)
- Determination of Consistency, Approvals and Permits Obtained – In areas requiring consistency or where projects require permits, licenses, or other forms of approval (e.g. consistency with state coastal zone management plan).
- Conditions or Mitigation Actions Required – when project is conditioned or mitigation is required. Any mitigation actions or conditions required should be listed in the "Mitigation Measures and Conditions for Project Approval" Section of the Statutory Checklist. Also, this information must be included in the Project Description Section on the HUD 7015.15 form.

If Box B "the project requires an additional compliance step or action" is marked for one or more of the areas of compliance, then the grantee is required to publish a Notice of Intent to Request Release of Funds and submit a Request for Release of Funds form (HUD 7105.15) with the completed ERR document.

**All areas of compliance require either contact with a qualified individual from a cognizant local, state, or federal agency, or other qualified information for the compliance documentation.** If an individual is a data source for the compliance documentation, the person's name, title, State or Federal agency, and the date of correspondence or verbal contact must be indicated in the Source Documentation section on the Statutory Checklist. Any persons being consulted regarding a compliance area must have the knowledge or expertise to make comments regarding the compliance area. State whether the contact was verbal or written. The determination of the project's impact on the environment regarding each area of compliance must be included in the Compliance Finding section of the Statutory Checklist. If it is

determined that the project will have an impact, positive or negative, on the environment, the degree of impact on the environment must be discussed.

If a contact is made verbally, a telephone log should be kept documenting the call, and included in the ERR. If a plan or publication is cited, the title, date and page number must be shown. If the preparer of the checklist will be making a statement of explanation concerning an area of compliance, it is imperative that the preparer is knowledgeable of the area of compliance in the event that the validity of the ERR is ever questioned. All letters, documents, etc. pertaining to the ERR must be included in the record. If a website is used as a data source for the compliance documentation, the website and date the website was visited must be listed in the Source Documentation section. Also, a printout from the website with the data used to make the determination must be included in the ERR.

Particular attention must be given to the review requirements of floodplains and wetlands, historic preservation, farmlands protection, and noise. In addition, special attention should be paid to federal Executive Order 12898 issued February 11, 1994 concerning environmental justice.

- **Historic Preservation**

Requirements are met by contacting the Louisiana Historic Preservation Officer and all Native American Tribes identified by HUD as having an interest in the project's location to determine if the project will impact a historic or culturally significant structure or site. This contact is made by preparing a letter signed by the chief elected official, to the Historic Preservation Officer and each appropriate tribe describing the project and the area in which it is located (**Exhibit A-29**). In order to determine which, if any, Native American Tribes must be consulted, the Grantee must use HUD's Tribal Directory Assessment Tool at **http://egis.hud.gov/tdat/Tribal.aspx** . The letter to and the response from the Historic Preservation Officer and each appropriate tribe must be included in the ERR. If a response is not received from the tribes within 30 days, document the non-response in the ERR.

- **Floodplain Management**

For this area, the project must comply with federal Executive Order No. 11988 and is covered in HUD regulations 24 CFR Part 55. Most physical actions taken in a 100-year floodplain are subject to Part 55, including structures, roads, pipelines, anything except minor clearing and grubbing. If an *incidental* portion of a project site is in the floodplain, Part 55 does not apply. For projects involving building structures, Part 55.12(b)(2) states that minor rehabilitation that does not meet the threshold for substantial improvements is not subject to Part 55. The definition of substantial rehabilitation is given in Part 55.2(b)(8).

On the checklist, indicate as to whether Part 55 applies to the project and if so, is located within a 100 year floodplain (Zones A or V) identified by FEMA maps, or if it is a critical action (emergency facilities or facilities for mobility impaired persons) within a 500 year floodplain, (Zone X-500). **It has been determined by HUD that water and sewer treatment plants are considered critical actions and must complete the Eight Step Process located at Part 55.20 if located in the 500-year floodplain.**

The compliance documentation must also include the floodplain map panel number and date, or contact with another source if there is no FEMA map for the project area. For those areas that FEMA has developed preliminary maps, HUD has indicated that these should be used. If FEMA has not published

flood maps or developed preliminary maps of the area, the grantee must make a finding based on best available data, such as the municipality/parish engineer, or local Flood Control Agency. FEMA maps are available online at **www.msc.fema.gov**. **The ERR must include a copy of the floodplain map indicating the area being cleared, even if the project is not within the floodplain.**

If Part 55 does apply to the project, the grantee must complete an **Eight Step Process** (Part 55.20) summarized below. Documentation must be provided in the ERR for each of the following steps:

1. Determine if the project is located in a 100-year floodplain or have an impact on the floodplain by locating the project on a floodplain map. Record the results and date of this examination in the ERR.
2. Involve the public in the decision making process by publishing an Early Public Review Notice (**Exhibit A-30**) in a local newspaper to make the public aware of the grantee's intention of conducting a project within the floodplain. This notice requires a fifteen (15) day comment period.
3. Determine if there is a practical alternative to locating the project in a floodplain through: alternative sighting, an alternative action that would minimize damage to or within the flood plain, or no action.
4. Identify adverse impacts on the base flood plain, whether it will directly or indirectly support flood plain development, whether the impact is concentrated or dispersed, and short or long lived.
5. Identify methods to be used to minimize, restore, and preserve the floodplain.
6. Re-evaluate alternatives taking into account identified impacts and minimization measures. Is it possible to modify or relocate the project to eliminate or reduce these effects, or should no action be taken?
7. Announce and explain the decision to the public by publishing a Notice of Explanation (**Exhibit A-31**) in a local newspaper. This notice requires a seven (7) day comment period. *This notice can be published simultaneously with the Notice of Intent to Request Release of Funds if the project is categorically excluded subject to 58.5, **not** if the project requires a full environmental assessment)*.
8. Implement the project with appropriate mitigation.

**Grantees must use the current format for notices and carefully review them before publishing to ensure that all information is included and correct.**

- **Wetlands Protection**

This area must comply with federal Executive Order 11990. According to the Statutory Worksheet, the E.O. 11990 applies to **new construction, land use conversion, major rehabilitation, and/or substantial improvements**. The grantee should contact the OCD if there are any questions whether or not this area of compliance applies to their project. If this area of compliance does apply to the project, the grantee **must** contact the USDI Fish and Wildlife Service **and** the US Army Corps of Engineers (USACE) to make the determination. The USACE designated wetland areas are not all inclusive, as their information only covers wetlands within their jurisdiction. Please remember that the USACE response must state that

wetlands do not exist in the project area; a statement that wetlands will not be impacted or affected by the project is not sufficient.

The National Wetland Inventory defines wetland areas more broadly and is maintained by the USDI Fish and Wildlife Service. The maps are available on a website located at **http://www.FWS.gov/wetlands/data/index.html** . The grantee must check this website for information and a copy of the National Inventory Map for the project area showing the specific location of the project area and specific activities (if conducting a site specific ERR) in relation to streets or other landmarks must be included in the ERR. However, not all areas of the State have been added to the website map at this time. If the project area is not included in the information on the website and the USACE makes a determination that wetlands do not exist in the project area, the grantee must make a determination if there are any wetlands in the project area. Federal Executive Order 11990 (section 7(c)) defines wetlands as follows: "Wetlands generally include swamps, marshes, bogs, and similar areas such as sloughs, potholes, wet meadows, river overflows, mud flats, and natural ponds." Also, the USACE has information regarding recognizing wetlands at **http://www.usace.army.mil/Portals/2/docs/civilworks/regulatory/techbio/rw_bro.pdf** . If it is obvious to the ERR preparer and Certifying Official that no wetlands exist in the project area based on the above, this determination is acceptable. However, if the grantee is unable to make this determination themselves, a wetlands specialist should be hired to make a determination or the grantee can complete the Eight Step Process as if there are wetlands present in the project area.
In summary, no wetlands exist if:

1. The U.S. Army Corps of engineers clearly states that there are no existing wetlands in the area,
   AND
2. The U.S.D.I. Fish and Wildlife Service's National Wetland Inventory Map indicates that no wetlands exist,
   OR
   If the area has not been mapped or is not shown on the website for the National Wetland Inventory Map, and the ERR preparer and Certifying Official have made a determination as described above that there are no wetlands.

**Although HUD regulations found at 24 CFR Part 55 only cover floodplain management, it is to be used as a guide for wetlands protection as well. Therefore, if the project is for new construction or meets the definition of substantial improvements and is located within a designated wetland, the Eight Step Process as described in 24 CFR Part 55.20 is required. The Eight Step Process can be conducted jointly if the project is also located in a floodplain. If this is done, both floodplains and wetlands must be addressed and referenced throughout all eight steps in the process and in the published notices. If the project only affects floodplains, only floodplains should be addressed and referenced throughout the process. If only wetlands are affected, only wetlands should be addressed and referenced throughout the process. Please review the notices carefully prior to publication to ensure all information is included and correct.**

- **Coastal Areas**

Review the Coastal Zone Boundary Map (**Exhibit A-32**) included in this handbook or visit **http://dnr.louisiana.gov/index.cfm?md=sitesearch&tmp=searchresults&q=coastal+zone+boundary+map** to determine if the project is within the nineteen coastal zone parishes. If it is, the grantee must contact the Louisiana Department of Natural Resources, Office of Coastal Management (OCM) for comment. Projects that are near the Coastal Zone boundary, where there may be some doubt, or those which may involve discharges into waters that flow into the Coastal Zone, should be submitted to OCM for review as well. If the project is clearly not within the coastal zone, the grantee may use as a reference the Coastal Zone Act, Louisiana Legislation Act 361, Revised, from which this map originated. A copy of the map must be included in the ERR.

If the grantee is seeking comments on the need to obtain a Coastal Use Permit or other authorization from OCM, a Request for Determination or Solicitation of Views should be submitted to OCM's Permits and Mitigation Division. Instructions as well as downloadable and online applications are located at **http://dnr.louisiana.gov/index.cfm?md=pagebuilder&tmp=home&pid=85&ngid=5**. In Step 3 of the application, the box for Request for Determination or Solicitation of Views should be checked. Questions regarding this process may be directed to OCM Permits Section staff.

- **Sole-Source Aquifers**

This compliance area must be addressed if the project involves new construction or land use conversion. A map designating the location of these aquifers is shown as **Exhibit A-33**. If this map is used as a reference, a copy of the map must be included in the ERR. The location of the project should be identified on the map. The Grantee must contact with the EPA/Water Management Division for comment for projects located in the Southern Hills or Chicot Aquifer systems that involve any facility that disposes its wastewater into dry wells, retention ponds, or methods other than a treatment plant. All documentation must be included in the ERR and summarized on the Statutory Checklist.

- **Endangered Species**

According to the Statutory Worksheet, if the project involves "resurfacing, repairing, or maintaining existing streets, sidewalks, curbs, trails, parking lots and/or any other existing paved surfaces where additional ground disturbance, outside of the existing surface is not necessary", the Responsible Entity may make the determination that consultation is not necessary. Please note that the Responsible Entity (Grantee) must make this finding and a memorandum supporting this finding must be included in the ERR; consultants and engineers cannot be the source for this determination.

If the project does not meet the description above, as per the HUD Environmental Field Officer, Shelia Perine, the grantee is required to determine if contact with the cognizant agency is necessary. In order to do this, the grantee must go to **www.fws.gov/lafayette** and click on the yellow box on the top right corner of the webpage titled "Endangered Species Act (ESA) and Migratory Bird Treaty Act (MBTA) Project Review." The grantee will be led through a series of questions that will allow for a determination to be printed out that can be included in the ERR. If this resulting document indicates that the project will not adversely affect threatened or endangered species nor modify critical habitats, the grantee will mark Box A on the Statutory Checklist. If the resulting document indicates that the

project will have an effect, the grantee must mark Box B and enter into a formal consultation with the cognizant agencies, in accordance with procedural regulations contained in 50 CFR Part 402.

- **Wild and Scenic Rivers**

If the project involves new construction or meets the definition of substantial improvements, then the grantee must determine if the project is located within one mile of a designated Wild & Scenic River, or river being studied as a potential component of the Wild & Scenic River system. If so, then a determination must be obtained from the National Park Service (NPS) that finds that the project will not have a direct and adverse effect on the river nor invade or diminish values associated with the rivers. For rivers included in the Nationwide River Inventory, consultation with the NPS is required to identify and eliminate direct and adverse effects. According to their website located at **http://www.rivers.gov/rivers/map.php** , the Saline Bayou is the only river in Louisiana listed in the National Wild and Scenic Rivers System. A listing of the rivers being studied as a potential component of the Wild & Scenic River system can be found at **http://www.rivers.gov/rivers/study.php** . The National River Inventory (NRI) listed rivers can be found at **http://www.nps.gov/ncrc/programs/rtca/nri/** .

- **Air Quality, (Clean Air Act)**

Projects that involve new construction or substantial improvements must get a determination if the community meets the National Ambient Air Quality Standards. The Louisiana Department of Environmental Quality may be contacted to get this determination. The compliance documentation should state if the community is attainment or non-attainment, and whether the project will affect the air quality. If the project is in a non-attainment zone, the Grantee must obtain a letter of consistency showing that the project is consistent with the State Implementation Plan (SIP). If the project is not consistent with the SIP, then the Grantee must contact EPA to determine if a permit is required. Region 6 Air State Implementation Plans can be found at **http://www.epa.gov/region6/6pd/air/pd-l/sip.htm**.

- **Farmland Conversion**

To minimize the extent to which federally-assisted actions and projects convert farmland to nonagricultural uses, the Farmlands Protection Policy Act (FPPA) was enacted in 1981. On July 5, 1984, the Department of Agriculture (USDA) issued final regulations implementing the Act. The FPPA (7 USC Sec. 4201 et seq.) defines prime farmland, unique farmland, and farmland of state or local importance. If the project is located in an area that is committed or zoned to urban use, no further review is necessary. Natural Resources Conservation Services (NRCS) soil maps can be found at **http://websoilsurvey.nrcs.usda.gov/app/** . When a proposed project converts farmlands to nonagricultural uses, the Farmland Conversion Impact Rating Form AD-1006 must be completed. Form AD-1006 can be obtained from the NRCS or at **http://www.nrcs.usda.gov/Internet/FSE_DOCUMENTS/stelprdb1042434.pdf**. A copy of the form is included as **Exhibit A-34**.

The Act encourages Federal agencies to consider the effects of the project on farmland conversion. The final decision to convert farmland to non-agricultural uses rests with the agency or, in this case, the LCDBG recipient.

- **Noise Abatement and Control**

This area is covered by 24 CFR Part 51. The compliance documentation must contain a statement that noise assessments will be prepared for any building involving *substantial* rehabilitation or replacement located within a noise sensitive area (1,000 feet of a street having four (4) lanes of traffic, 3000 feet of railroad, or fifteen (15) miles of a civilian or military airfield with more than 9,000 carrier operations annually). Projects that only involve *minor* rehabilitation will not require noise assessments, and this should be referenced in the compliance documentation. A noise handbook is available upon request from the OCD. It includes detailed instructions for the noise assessment. The noise assessment is ONLY required for projects that are noise sensitive, such as places where people sleep or congregate. Assessment tools can be found at **http://www.hud.gov/offices/cpd/environment/dnlcalculator.cfm** and **www.hud.gov/offices/cpd/environment/mitigation.cfm** .

- **Explosive and Flammable Operations**

24 CFR Part 51 also covers this area and is applicable to projects that involve development, construction, rehabilitation, modernization or land use conversion of a property intended for residential, institutional, recreational, commercial, or industrial. If applicable, an Acceptable Separation Distance (ASD) must be determined for properties within one mile of above-ground storage facilities containing explosive materials. The Checklist should indicate under compliance documentation that this will be accomplished for each property selected. If the property is not within the ASD, the grantee must provide mitigating measures unless they are already in place. A copy of the Acceptable Separation Distance Guidebook can be found at **http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/environment/training/guidebooks/hazfacilities** .

### *Permits*

**If any compliance area of the Statutory Checklist involves a permit that is necessary in order to comply with the other federal laws and authorities listed under Section 58.5, or other requirements listed under 58.6, the permit must be included in the ERR's documentation. This includes permits such as Coastal Zone permits. If the U.S. Army Corps of Engineers requires a permit under Section 404 of the Clean Water Act, HUD has determined that since the Clean Water Act is not listed under the requirements of Sections of 58.5 and 58.6, this permit is not required prior to the completion of the ERR. Please keep in mind, however, that if the Section 404 permit is required by the Corps of Engineers for the project, the permit must be obtained prior to commencement of project construction.**

### *Notice of Intent to Request Release of Funds (for Categorically Excluded Activities Subject to 58.5)*

When the Statutory Checklist is COMPLETE AND SIGNED BY BOTH THE PREPARER AND THE CHIEF ELECTED OFFICIAL, which means all comments have been received and floodplain/wetlands notices' comment periods have expired, the grantee must notify the public that it has completed the ERR and that it intends to request the release of funds from the State. All ERR documents requiring signatures must be signed and dated prior to the publication of the notice. For categorically excluded projects, it is

ONLY necessary to publish or post the "Notice of Intent to Request Release of Funds" (**Exhibit A-23**). Do NOT use the "Combined Notice" discussed later. The "Combined Notice" is necessary for environmental assessment activities.

The "Notice of Intent to Request Release of Funds" informs interested parties that the grantee intends to submit to the State a "Request for Release of Funds and Certification" (**Exhibit A-2**) no sooner than seven full days after publication or ten days after posting. The local comment period begins the day AFTER the notice is published or posted. For publication, the actual day to submit the request for funds to the State would be day eight. For posting, it would be day eleven. The notice must give a projected date of not less than fifteen days from receipt of the ERR by the State as the State's last day to receive objections or comments to the request for release of funds. If the projected date for the State's fifteen-day comment period should fall on a holiday or a weekend, the projected date given in the notice should be the next working day. After the seven or ten-day local public comment period has elapsed, the grantee must prepare and submit the "Request for Release of Funds and Certification" to the State. The stated comment period should be extended two days to allow for mailing, as the State's public comment period does not begin until the day following receipt of the "Request for Release of Funds and Certification". Copies of the Notice of Intent, "Request for Release of Funds and Certification", and public comments received must be included in the Environmental Review Record.

The following is an example of dates for the "Notice of Intent to Request Release of Funds":

| | Publication | Posted |
|---|---|---|
| Notice of Intent Date | 6/4/xx (7 days) | 6/4/xx (10 days) |
| Date of "Request for Release of Funds and Certification" | 6/12/xx | 6/15/xx |
| Date ERR and request for funds mailed to State | 6/12/xx | 6/15/xx |
| ERR received by State | 6/14/xx | 6/17/xx |
| State's 15-day Public Comment Period | 6/15/xx to 6/29/xx | 6/18/xx to 7/2/xx |

### *Completing the Environmental Assessment Checklist*

The environmental assessment must be prepared on the format provided as **Exhibit A-26**. The grantee must carefully address the narrative discussions on the checklist. As indicated on the form, any maps, site plans, photographs, budgets, etc. that would describe the project to a person reviewing the completed ERR must be included. Discussion must be specific to each project rather than using language that is generic in nature.

A brief discussion of the purpose of the project and possible alternatives, including the feasibility of the project, the reason the particular project design was chosen, etc. should be included in the "Purpose of the Project" section. The "Existing Conditions and Trends" section must contain a discussion of what the result would be if the project were not completed as well as any other existing conditions of the area.

Following the assessment, the grantee will determine and indicate whether the project IS an action which will significantly affect the quality of the environment and therefore will require the preparation of an Environmental Impact Statement (EIS), or whether the project IS NOT an action that will significantly affect the environment and therefore will not require the preparation of an Environmental Impact Statement (EIS).

Any mitigation actions or modification measures adopted by the Grantee to eliminate or minimize environmental impacts should be listed in the "Conditions for Approval" Section on the EA form.

The sample EA Checklist provides the choices for determinations under each area of compliance. The Responsible Entity must use these choices in the completion of this checklist. The EA Worksheet must be completed and included in the ERR document. The source documentation must meet the same standards required in the completion of the Statutory Checklist.

Following the EA Worksheet is the Summary of Findings and Conclusions. It is important that careful attention is given to each section for each project and generic language is not used in any of the sections. Each section must be answered although the same information may be included in other areas of the completed ERR document.

### *Combined or Concurrent Notice (for Activities Requiring an Environmental Assessment)*

When the Statutory Checklist and the Environmental Assessment Checklist are COMPLETE AND SIGNED BY BOTH THE PREPARER AND THE CHIEF ELECTED OFFICIAL, which means all comments have been received and floodplain/wetlands notices' comment periods have expired, the grantee must inform the public that it has determined that the project will not significantly affect the environment and that it intends to request the release of funds from the State. All ERR documents requiring signature must be signed and dated prior to the publication of the notice. This notice (**Exhibit A-27**) is necessary for projects requiring an environmental assessment. The notice combines the "Notice of Finding of No Significant Impact" (FONSI), and the "Notice of Intent to Request Release of Funds" (NOIRRF). The notice can be published or posted. The "Combined Notice" identifies the project, gives the reason for the decision of no significant impact to the environment, invites public comment for a fifteen or eighteen-day review period, notifies the public of the community's intent to request a release of funds, and includes a fifteen-day period for the State to receive public comments. After the first local public comment period (FONSI) has elapsed, the "Request for Release of Funds and Certification" and the environmental review record (ERR) and any comments received may be submitted. The dates at the beginning of this notice should indicate the date of publication or posting, and the FINAL date of the State's public comment period, not the final date of the FONSI's local public comment period.

The State's fifteen-day public comment period begins the day after the State receives the request for release of funds and the ERR. If the projected date for the State's fifteen-day public comment period should fall on a holiday or a weekend, the projected date given in the notice should be the next working day. The following is an example of dates and public comment periods for the "Combined Notice":

| | Publication | Posted |
|---|---|---|
| "Combined Notice" Date | 6/4/xx (15 days) | 6/4/xx (18 days) |
| Date of "Request for Release of Funds and Certification" | 6/20/xx | 6/23/xx |
| Date ERR and request for funds mailed to State | 6/20/xx | 6/23/xx |
| ERR received by State | 6/22/xx | 6/25/xx |
| State's 15-day Public Comment Period | 6/23/xx to 7/7/xx | 6/26/xx to 7/10/xx |

If published, the "Combined Notice" must be published in a general circulation newspaper and proof of publication must be included in the ERR. Proof of publication means that either the actual dated newspaper article or an original notarized copy of the published notice is provided. If posted, send a copy of the posted notice with documentation signed by the chief elected official stating where the notice was posted and the dates of posting. The "Combined Notice" must also be distributed to appropriate tribal, local, State (including the OCD) and federal agencies and, particularly, to the national and regional offices of the Environmental Protection Agency and FEMA. Do not send a copy of the notice to the HUD Area Office in New Orleans. **Exhibit A-28** is a sample distribution list. Any written comments received in response to the notices must be addressed and filed in the ERR.

### *Request for Release of Funds and Certification*

This form shown as **Exhibit A-2** must be completed and submitted to the State following the final publications discussed above. **The form must be signed by the Chief Elected Official AFTER the end of the local public comment period required by either the Notice of Intent to Request Release of Funds, or the Combined Notice, whichever is applicable to the project's ERR.** Also, as per HUD. the form must be shown on the front and back of a single sheet, not on two sheets of paper.

Once the State receives and reviews the ERR documentation and Request for Release of Funds and Certification form, the OCD will notify the grantee for any necessary revisions, or following the State's required fifteen-day public comment period, inform the grantee that no objections to the release of grant funds were received by the OCD.

### ERR AMENDMENTS

**If the project site/location or scope of work changes from what was originally cleared, an amendment to the ERR is required and must be submitted to the OCD for review.** If this is necessary, all areas of compliance must be reconsidered during this process. If the project requires an environmental assessment and the determinations made are still valid and have not changed from the original ERR the grantee must only submit the revised ERR that includes the new determinations on the checklists, and no further publication of a Finding of No Significant Impact is required. However, if any of the determinations regarding the areas of compliance do differ from the original ERR or if the project is amended to add a new activity or location, a new notice of Finding of No Significant Impact will be required.

*For a Summary of Environmental Review Requirements, see **Exhibit A-35**.

## COMMUNITY DEVELOPMENT (CD) PLAN

All LCDBG grantees are required to develop a CD Plan. Refer to **Exhibit A-36** for the form and instructions.

### PRACTICAL STEPS TO WRITING A CD PLAN

- Determine the needs of the community.
- Determine the appropriate strategy (Item 4) to meet the needs (Item 2). Include strategy objectives, activities, timing, monetary amounts and potential sources of funds, both LCDBG as well as other funds.
- Note if there are any population group or groups experiencing high rates of unemployment. If there are no particular unemployed group or groups that can be identified, note that fact.
- Use the information you have gathered to write the CD Plan, being careful to adhere to the outline structure detailed in the visual layout as well as the official instructions contained in **Exhibit A-36** (Community Development Plan). Check the CD Plan for any of the common deficiencies shown below and modify if necessary.

### COMMON DEFICIENCIES OF CD PLANS

- Failure to mention a population group experiencing high unemployment under the "Economic Development Needs" section (Item 2-D in **Exhibit A-36**).
- Failure to match listed strategy in Item 4 with identified needs in Item 2.
- Failure to adequately explain strategy by not including objectives, activities, timing and monetary amounts in Item 4.
- Failure to follow the general outline structure as shown in **Exhibit A-36**.

If you have any questions, call Wayne Dale at (225)342-7412

## PROCUREMENT

### GENERAL REQUIREMENTS

**IF A GRANTEE PLANS TO USE LCDBG FUNDS TO PAY FOR CONTRACT SERVICES, THE FEDERAL AND STATE PROCUREMENT REQUIREMENTS MUST BE MET TO AVOID PENALTIES.**

The federal requirements (24 CFR 85.36) applicable in securing contract services [engineering, consulting and other professional services, and construction and supplier services] are included as **Exhibit A-37** (Federal Procurement Regulations (24 CFR 85.36)).

A procurement policy must be written and adopted prior to securing contract services. If a procurement policy is already in place, the grantee must determine whether it includes all federal requirements contained in 24 CFR 85.36. If the policy does not contain all federal requirements (and the grantee intends to use LCDBG funds to pay for such services), the policy must be amended accordingly. A sample Procurement Policy is included as **Exhibit A-38**.

The grantee's procurement policy must address the following:

1. A code of conduct that prohibits elected officials, staff, or agents from personally benefiting from LCDBG procurement must be included. The policy should prohibit the solicitation or acceptance of favors or gratuities from contractors or potential contractors. Sanctions or

penalties for violations of the code of conduct by either grantee officials, staff or agents, or by contractors or their agents must be identified [24 CFR 85.36 (b)(3)].

2. Proposed procurements should be reviewed by staff to avoid unnecessary and duplicative purchases and to insure costs are "reasonable" [24 CFR 85.36 (b)(4)].
3. Affirmative efforts must be undertaken to hire women's business enterprises, minority firms and labor surplus firms, both by the grantee and the project's prime contractor [24 CFR 85.36 (e)].
4. The method of contracting outlined in the policy should be acceptable (fixed price, cost plus fixed fee, purchase orders, etc.). Cost plus a percentage of cost contracts must be specifically prohibited if LCDBG funds are involved [24 CFR 85.36 (f)(4)].
5. Procedures to handle and resolve disputes relating to procurement actions of the grantee must be included [24 CFR 85.36 (b)(12)].
6. All procurement transactions, regardless of dollar amount, must be conducted to provide "maximum open and free competition" [24 CFR 85.36 (c)]. Some of the situations considered to be restrictive of competition include, but are not limited to:
    a. Placing unreasonable requirements on firms in order for them to qualify to do business;
    b. Requiring unnecessary experience and excessive bonding;
    c. Noncompetitive pricing practices between firms or between affiliated companies;
    d. Noncompetitive awards to consultants that are on retainer contracts;
    e. Organizational conflicts of interest;
    f. Specifying only a "brand name" product instead of allowing an "equal" product to be offered and describing the performance of other relevant requirements of the procurement; and
    g. Any arbitrary action in the procurement process.
7. Methods of procurement to be followed when purchasing materials and supplies or contracting for services must be included [24 CFR 85.36 (d)].

Conflicts of interest in the award and/or administration of contracts must be avoided. "No employee … of the grantee shall participate in selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when…the employee, any member of his (her) immediate family, his or her partner…has a financial or other interest in the firm selected for award." (24 CFR 85.36(b)(3)) Other federal regulations with which the grantee must comply are the conflict of interest requirements in 24 CFR 570.611 that are included as **Exhibit A-39** (Conflict of Interest).

Conflicts of interest may be governed also by state law (State's "Code of Governmental Ethics") or local law or ordinance.

## PROFESSIONAL SERVICES

PROCURING PROFESSIONAL SERVICES PRIOR TO THE SUBMITTAL OF THE LCDBG APPLICATION ENABLES THE LOCAL GOVERNMENT TO BEGIN IMPLEMENTING THE PROJECT IMMEDIATELY UPON GRANT AWARD; THEREFORE, THE STATE WILL NOT ALLOW THE TERMINATION OF PROFESSIONAL SERVICES CONTRACT WITHOUT A VALID REASON. IF THE LOCAL GOVERNMENT CHOOSES TO ENTER INTO A CONTRACT WITH ANOTHER FIRM DIFFERENT FROM THE ONE PROCURED DURING

THE APPLICATION PROCESS, THE LOCAL GOVERNMENT WILL BE REQUIRED TO USE OTHER FUNDS TO PAY FOR THESE SERVICES. THE USE OF LCDBG FUNDS WILL NOT BE ALLOWED. THE GRANT AWARD WILL BE REDUCED BY THE AMOUNT OF FUNDS ORIGINALLY REQUESTED FOR PROFESSIONAL SERVICES.

Three methods described herein are applicable if the grantee intends to use LCDBG funds. (This is not applicable if local funds are to pay for professional services. In this case, the grantee may use local laws and procedures.)

### *Small Purchase*

As discussed in *Section A, Program Administration: Methods for Securing Materials, Supplies and Construction Services*, this is a simple and informal method used to procure professional services that do not cost more than $100,000. *Exception:* engineering/architectural services. Engineering/architectural services must be procured through Competitive Negotiation using "Qualification Statements".

1. Obtain price or rate quotations from at least three sources. They can be obtained by fax, telephone, or in writing. Three quotes must be obtained and not just requested. In addition, a response of "not interested" does not qualify as a quote.
2. Maintain documentation of the businesses contacted; the way in which they were contacted; the prices that were quoted; and the reasons for the firm selected.
3. Execute a contract that identifies the scope of work and the terms of compensation.

### *Competitive Negotiation*

Method used to procure professional services exceeding $100,000. Also, this procedure may be followed in lieu of the Small Purchase procedure.

1. Begin by advertising for Request for Proposals (RFP's) and/or Qualification Statements. The RFP is used when price is a factor in the selection process and the qualification statement is used when price is considered after the firm has been selected.
2. The advertisement must be in the grantees' nearest metropolitan statistical area newspaper. The advertisement should state:
    a. the city/parish has been awarded an LCDBG grant;
    b. the type of professional service(s) that is being solicited;
    c. the location and time where the scope of services, selection criteria, minimum requirements, etc., can be obtained; and
    d. the deadline for the submittal of the proposal or qualification statements.
3. The advertisement cannot require for one firm to provide both administrative and engineering services. However, the same firm may be procured for both services.
4. To assure "proposals will be solicited from an adequate number of qualified sources" as required in the federal regulations at 24 CFR 85.36 (d)(3)(ii), a copy of the request for proposals as it will appear in the newspaper must be mailed to a minimum of three firms that provide administrative services.
5. The following information must be provided to all parties that responded to the advertisement (and/or mailing):
    a. a cover letter from the grantee signed by the chief elected official;

b. scope of services;
c. name and phone number of grantee's contact person;
d. deadline and location for submittal of proposal and/or qualification statements;
e. selection criteria and corresponding point system that will be used to rate the proposals or qualification statements received (Criteria **must** be identified as a tiebreaker when using an "all or none" point system. The State recommends that a tiebreaker is identified for all point systems although it is not required except for the instance previously identified.); and
f. a statement that the amount of funds available for the contract will be subject to LCDBG restrictions and approval.

6. An evaluation process of the proposals and/or qualification statements received is required to determine whether the selection criteria and requirements are met. Please note that receipt of just one proposal and/or qualification statement requires an evaluation. It is recommended that the grantee organize a committee of several people with knowledge of the LCDBG project, keeping in mind the Conflict of Interest rules.

Legal fees must be necessary, reasonable and allocable to a specific task if the grantee intends to use LCDBG funds. The grantee need not procure an attorney if an attorney is on staff or on retainer. For reimbursement, the attorney's rate of pay must be reasonable and consistent with their regular rate of pay and the grantee must keep the following documentation: date and method of hire (minutes of council/police jury meeting, civil services procedures, etc.), rate of pay, hours worked on the LCDBG program (time sheets), and details of tasks undertaken.

If the grantee has an attorney on retainer, the following information must be kept for reimbursement purposes: a list of specific services to be provided, a list of services completed and the normal monthly retainer and, if applicable, the retainer prorated accordingly. The LCDBG grant will not reimburse an amount that exceeds the usual monthly retainer.

The federal procurement procedures must be followed if there is neither a staff attorney nor an attorney on retainer and the grantee intends to use such services and use grant funds to pay for such services. In addition, if the grantee intends to pay an attorney for an amount over the normal retainer, the federal procurement procedures must be followed.

*Request for Proposals (RFPs)*

RFPs are used to procure professional services except for the services of an engineering firm or architectural firm when using the competitive negotiation method.

An RFP must be prepared detailing the type of services needed and listing the selection criteria against which all responding proposals will be evaluated. Cost must be one of the selection criteria used and must be a minimum of 10 percent of the total possible points identified. Geographical preference may not be a criterion in accordance with federal regulations.

One of two procedures can be used to review proposals. The procedure chosen must be identified in the advertisement, and the procedure cannot be changed once the procurement process is initiated.

1. Establish a predetermined competitive range of points for proposals that would be considered to qualify for the job. All firms whose proposals scored within that range would be invited to an oral interview and asked to submit a "best and final offer". The proposals would be re-evaluated and the highest scoring firm would be chosen.
2. Evaluate the proposal(s) according to the selection criteria and award the contract to the highest scoring firm.

*Please note:* A firm cannot include in their RFP the experience and background of other firms. This type of inclusion will result in disallowed costs unless the following conditions are in place:

1. a written contractual agreement between the two firms that lists the services that will be provided by the subcontractor; and
2. the fees paid to the subcontractor must account for no less than 25 percent of the contract between the prime contractor and the grantee (excluding pre-agreement costs).

*Qualification Statements*

Qualification statements are used to procure the services of an engineering firm or architectural firm, using the competitive negotiation method. Qualification statements cannot be used to procure any other service. Engineering and architectural firms may be procured for administrative tasks, but the RFP procedure must be utilized to procure administrative services.

A selection is made based on the competitors' qualifications, subject to negotiation of fair and reasonable compensation.

The qualification statements must be evaluated by the selection criteria identified in the request. The grantee should negotiate costs with the top ranked firm.

*Refer to the following exhibits for sample formats*:

**Exhibit A-40** — Sample Advertisement Requesting Proposals (Modify for requesting qualification statements.)

**Exhibit A-41** — Sample Request For Proposals For Administrative Services

**Exhibit A-42** — Sample request for qualification statements for engineering/architectural services

### *Non-Competitive Negotiation*

This method may be used when the grantee declares projects to be an emergency. A grantee procuring services by this method must have prior written approval from the State. A grantee may NOT award funds to a sub-grantee for the performance of professional services.

## ALLOWABLE COSTS

### *Cost Analysis*

The grantee must analyze the costs of contracts when intending to use LCDBG funds. The Cost and Price Detail Form in **Exhibit A-43** can be used for this purpose. Generally, administrative contracts are cost reimbursement contracts (cost plus fixed fee) where the firm is paid on the basis of costs incurred,

overhead, other direct costs, and a fixed fee. Basic engineering and design contracts are generally fixed price contracts where the firm is paid based on work completed. The cost plus a percentage of cost and percentage of construction cost method of contracting cannot be used.

### *Pre-Agreement Costs*

A maximum of $3,700 is allowed for public facilities, demonstrated needs, and LaSTEP projects. A maximum of $9,000 is allowed for economic development projects if the Environmental Review Record for the project is submitted to OCD prior to or at the same time as application submittal. If the Environmental Review Record is not submitted prior to or at the time of application submittal, a maximum of $4,000 will be allowed. In addition, basic engineering design fees may be included as pre-agreement costs. (*Refer to the Consolidated Annual Action Plan for a breakdown of these maximum amounts.*) Pre-agreement costs must be identified separately in administrative contracts and engineering/architectural contracts.

### *Administration Allowances*

A maximum of $35,000 is allowed for public facilities and economic development projects.

A maximum of $25,000 and $30,000 is allowed for demonstrated needs and LaSTEP projects. If the grantee has more than one active LCDBG project (*one that has not been issued a conditional or final close out*) or if the demonstrated needs project is subsequently approved as an emergency project, the maximum amount allowed for administrative costs will be reduced to $20,000.

### *Local Government Costs*

A grantee may be reimbursed with grant funds to cover general expenses such as attendance to project-related workshops, travel, staff time, legal fees, advertising fees, audit fees, and costs associated with Section 504 compliance. Reimbursements shall be in accordance with the state's Policy and Procedures Memorandum Number 49.

### *Engineering/Architectural Fees*

Such fees, even those provided under a fixed price contract, must be reasonable and justifiable. Sole justification that the fees are within the amount allowed by the Office of Community Development is not adequate. The funds allowed will not exceed those identified in the applicable LCDBG Application Package. If, after a project has been funded, the scope of the project changes significantly, the Office of Community Development will make a determination of an amount that will be allowed.

## CONTRACT REQUIREMENTS

A professional services contract must include the following provisions:

### *General Requirements*

1. Effective date of contract.
2. Names and addresses of grantee and firm.
3. Names of representatives of grantee and firm who will act as liaison for contract administration.

4. Citation of the authority of the grantee under which the contract is entered into and source of funds.
5. Conditions and terms under which the contract may be terminated by either party or remedies for violation/breach of contract.

***Scope of Services***

1. Detailed description of extent and character of the work to be performed.
2. Time for contract performance and completion including project milestones, if any.
3. Specification of materials or other services to be provided by both parties, such as maps, reports, printing, etc.

***Method of Compensation***

Provisions for compensation for services including fee and/or payment schedules and specification of maximum amount payable under contract. Never pay in advance of work.

***State and Federal Contract Provisions***

1. Contracts other than small purchase shall contain provisions that allow for administrative, contractual, or legal remedies if contractors violate or breach contract terms, and provide for sanctions and penalties as appropriate.
2. All contracts in excess of $10,000 shall provide for termination for cause and for convenience by the _____(City/Parish)_____ including the manner in which it will be done and the basis for settlement.
3. Each contract shall include a notice of state requirements and regulations pertaining to reporting and patent rights under any contract involving respect to any discovery or invention which arises or is developed in the course of or under such contract, and of the state requirements pertaining to copyrights and rights in data.
4. All negotiated contracts shall include a provision that makes it possible for the state, HUD, the Comptroller General of the United States, or any of their duly authorized representatives, to have access to any books, documents, papers, or records of the contractor/firm that are directly pertinent to the contract, for the purpose of making audit examination excerpts and transcriptions. Further, the contract must include a provision that all required records will be maintained by the contractor/firm for a period of four years after the _____(City/Parish)_____ formally closes out each LCDBG program.
5. All contracts, subcontracts, and subgrants in amounts in excess of $100,000 shall contain a provision which requires compliance with the requirements of Section 306 of the Clean Air Act (42 USC 1857 h), Section 508 of the Clean Water Act (33 USC 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15).
6. Contracts shall recognize mandatory standards and policies relating to energy efficiency that are contained in the State Energy Conservation Plan issued in compliance with the Energy Policy and Conservation Act (P.L. 94-163).

7. The _____(City/Parish)_____ will be permitted to require changes, remedies, changed conditions, access and record retention, and suspension of work clauses approved by the state.
8. Retention of all required records for three years after grantees or subgrantees make final payments and all other pending matters are closed.
9. Section 3 of the Housing and Community Development Act of 1968, as amended – the provision of training, employment and business opportunities clauses.

It is recommended that the grantee have its attorney review the contracts prior to execution. **Exhibit A-44** is a sample Contract for Professional Services.

## ADMINISTRATIVE CONTRACT REQUIREMENTS

The following conditions must be included:

1. all services to be performed (including the submittal of close-out documents with the exception of the audits) will be completed within the 36 month period covered by the grantee's contract with the State;
2. the contract conditions will be cleared within six months of the date of the "authorization to incur costs" letter;
3. the amounts to be charged for pre-agreement and project administration should be separated; and
4. 10 percent of the contract amount will be retained until the grantee has received the State's approval of all close out documentation.

## ENGINEERING/ARCHITECTURAL CONTRACT REQUIREMENTS

Engineering and architectural firms may choose the Standard Form of Agreement between Owner and Engineer (or Architect) for Professional Services. The Contract Provisions identified in Part II of **Exhibit A-44** must be made a part of the contract.

1. The following conditions must be included in the contract:
    a. plans and specifications will be completed within six months of the date of the "authorization to incur costs" letter;
    b. the advertisement to solicit bids for the construction contract will be published within 30 days of the State's "authorization to advertise for bids"; and
    c. the amounts for pre-agreement, basic and additional services should be identified separately.
2. Include in the contract:
    a. a scope of services (*basic and additional*),
    b. a timeframe for rendering services,
    c. payment schedules,
    d. opinions of cost,
    e. the grantee's responsibilities,
    f. general considerations,

g. definitions,
h. special provisions, and
i. related exhibits.

3. Any standard contract shall be modified to include LCDBG Program requirements. The program requirements are:
   a. Construction contracts shall not contain any cost plus or incentive savings provisions. Therefore, the contract shall not refer to compensation adjustments for cost plus or incentive savings provisions.
   b. The basis of payment cannot be cost plus a percentage of cost or a percentage of construction cost.
   c. Payment is subject to the availability of LCDBG funds. It is understood that the amount of funds available for engineering/architectural services is contingent upon the amount of LCDBG funds the State allows. LCDBG funds will only be used for pre-agreement services and basic and additional services that are provided following the grantee's receipt of a grant award and an "Authorization to Incur Costs" letter from the State's Office of Community Development. If the firm charges for the preparation of the LCDBG application, the fees must be identified separately. The firm will not be compensated from the applicable LCDBG Program if the grantee does not receive funding.
   d. The final plans and specifications and cost estimate must be submitted to the Office of Community Development for review within six months of the grantee's receipt of an "Authorization to Incur Costs" letter. In addition, the same information must be submitted to DHH for approval for those projects subject to DHH review (*sewer collection, sewage treatment, and potable/fire protection water systems*). If the plans, specifications, and cost estimate have not been submitted at the end of the six-month calendar period, $250 per working day will be deducted from the amount of LCDBG funds allowed for basic services. The State reserves the right to grant a time extension where reasons for not meeting the time requirement were beyond the control of the engineer/architect.
   e. The first advertisement to solicit bids for construction must be published within 30 days of the State's "authorization to advertise for bids." This is required of all public facilities and demonstrated needs projects. Failure to comply will result in an assessment of $250.00 per working day. The $250 will be deducted from the amount of LCDBG funds allowed for basic services. The State reserves the right to grant a time extension where reasons for not meeting the time requirement were beyond the control of the engineer/architect.
   f. The Terms and Conditions in Part II of **Exhibit A-44** must be revised to refer to the engineer/architect and must be made a part of the contract.

## CONTRACTOR CLEARANCE

Contractor clearance must be obtained from the Office of Community Development on administrative consulting, architectural, and engineering firms that have not provided services to grantees under the LCDBG Program within the previous five program years regardless of the source of funding (**Exhibit A-45**

- Verification of Professional Services Eligibility). Clearance must be obtained following grant award and **before any costs** are incurred other than pre-agreement costs. Firms that have participated in the Program within the previous five program years do not require clearance. Contractor clearance is not required for any other professional services.

## RECORDKEEPING

The grantee should set up a file and maintain the following documentation in order to show compliance with the applicable State and federal requirements:

1. Copy of the advertisements requesting RFP's or qualification statements.
2. Copy of the package requesting RFP's or qualification statements; such package must identify the selection criteria that will be utilized in rating the RFP's or qualification statements received.
3. Description of the method used to select consultants.
4. The RFP's and qualification statements received.
5. Written evaluation of the RFP's and qualification statements received.
6. Written statement explaining the basis of selection.
7. Cost and price detail summary sheets supporting fees and written evidence that costs were reviewed for reasonableness.
8. Verification of clearance of firms.

## MATERIALS, SUPPLIES, AND CONSTRUCTION SERVICES

The procurement process must be in accordance with the federal requirements of 24 CFR 85.36 and Louisiana's Public Bid Law. One of the four methods below must be followed when procuring materials and supplies and construction services.

1. Small Purchase – A simple and informal method used to purchase materials or supplies costing less than $30,000 and construction services that do not cost more than $100,000 (24 CFR 85.36(d)(1)).
    a. Obtain price or rate quotations from no less than three sources. They can be obtained by fax, telephone or in writing. Three quotes must be obtained and not merely requested. A response of "not interested" does not qualify as a quote.
    b. Maintain written documentation on the names of the businesses contacted and how they were contacted; the prices that were quoted; and the basis for selecting one firm over the other(s).
    c. Prepare and execute a formal contract that identifies the scope of work and the terms of compensation.
2. Competitive Sealed Bids - Method used to purchase materials or supplies costing more than $30,000 (or if the grantee chooses not to follow the small purchase procedure) and for construction exceeding $100,000. Used when the primary basis for award is cost.
    a. Initiated by publishing an advertisement for bids.
    b. Must hold a public bid opening at the time and place set in the advertisement for bids.
    c. Must have a written review and tabulation of bids according to selection criteria.

   d. Contract must be awarded to the lowest responsive and responsible bidder. Must be a firm fixed-price contract (fixed price or unit price).
   e. Any or all bids may be rejected if there is a sound documented reason.
   f. A contract detailing a scope of work and the terms of compensation is executed.
3. Competitive Negotiation - Not an effective method for procuring materials and supplies.
4. Noncompetitive Negotiation – Use only under the following conditions:
   a. The grantee receives written approval from the Office of Community Development.
   b. The award of a contract is infeasible under small purchase, sealed bids or competitive negotiation methods, and one of the following circumstances applies:
   c. The item is available only from a single source;
   d. There is some public emergency; or
   e. The results of the competitive negotiation are inadequate.
   f. Negotiation is conducted with the firm regarding a scope of work and price.
   g. A contract detailing a scope of work and the terms of compensation is executed.

## BID PACKAGE DOCUMENTS, ADVERTISING FOR BIDS, AND BID OPENING PROCEDURES

A bid package includes technical bid specifications — usually by an architect or engineer on the basis of prepared plans or working drawings. These specifications must provide a clear and accurate description of technical requirements for materials and products and/or services to be provided on the project. Additionally, the plans and specifications must be stamped by an architect or engineer registered in Louisiana.

If the project falls under the jurisdiction of another State agency (e.g., Department of Health and Hospitals for sewer and water projects), the plans and specifications must also be approved by the cognizant State agency prior to construction. It is recommended that the approval be received prior to the advertisement for bids. Documentation of that approval must be included in the grantee's files.

Where applicable, once the working drawings are complete, the architect or engineer must execute a certification that applicable standards of accessibility by the physically disabled have been or will be satisfied or specify the basis for exemption. Such certification must be co-signed by a grantee official and filed in the contract documents file. A copy of the certification must be sent to the Office of Community Development. This certification must be completed for fire stations/garages and buildings constructed under the LCDBG Program that will be accessible to the public. Refer to **Exhibit A-46**, Architect's Certification: Compliance with Minimum Standards for Accessibility by the Physically Handicapped.

At this time, the grantee must have obtained all lands, rights-of-way and easements necessary for carrying out the project. All property acquired for any activity, funded in whole or in part with LCDBG funds, is subject to the Uniform Relocation Assistance and Real Property Acquisitions Policy Act of 1970 (the Uniform Act). Included in the definition of property, among others, are rights-of-way and permanent easements. If the construction project involves real property acquisition, the grantee should

contact the Office of Community Development very early and make sure the acquisition is undertaken according to the provisions of the Uniform Act.

Although only local governments may apply for LCDBG funds, many of the public improvements are made on behalf of various third parties such as fire, water, and sewer districts, as well as port authorities. If ownership of the LCDBG funded public facilities improvement applied for will be transferred to one of these third parties, it will be necessary for the local government to enter into an Intergovernmental Cooperative Agreement that will stipulate the conditions of transfer of ownership. This agreement must be executed and a copy forwarded to the Office of Community Development prior to closeout. Refer to **Exhibit A-47** for a sample agreement.

The grantee must contact the regional notification center and the owners of underground utilities or facilities that are not members of the regional notification center for the existence and location of all underground utilities and facilities within the construction area in accordance with R.S. 38:2223.

All public works contracts must contain a clause stating that any punch list generated during a construction project shall include the cost estimates for the particular items of work the design professional has developed. The estimates will be based on the mobilization, labor, material, and equipment costs of correcting each punch list item. The design professional must retain in his/her working papers documentation used to determine the cost of the punch list items should these matters be disputed at a later date. The grantee must not withhold from payment an amount more than the value of the punch list. Punch list items completed by the contractor/subcontractor(s) must be paid for upon the expiration of the forty-five day lien period.

The base bid must include all components of the approved project. The base bid must not include any items which were not included in the approved application or which have not received subsequent approval from the Office of Community Development.

Approved plans and specifications that include service connection lines and hook-up fees must follow Section 570.202(b)(6) of the Housing and Community Development Act of 1974, as amended. This regulation states that the "financing of costs associated with the connection of residential structures to water distribution lines or local sewer collection lines" is an eligible cost as rehabilitation and will be considered as an integral part of the overall sewer or water project.

For those communities whose approved applications included the use of LCDBG funds for the construction or replacement of service connection lines, the following items must be taken into consideration:

1. LCDBG funds will only pay for connection lines to residential structures which are occupied by low and moderate income persons. Both rental and owner occupied units are eligible for this assistance if the residence is occupied by low and moderate income persons. Although LCDBG funds cannot be used to finance the cost of connection lines to homes occupied by persons above the low/moderate income limits, the grantee must adopt and enforce a procedure which will ensure that all residences (regardless of income) will be connected to the utility system. This is necessary to meet the project impact certification (i.e., the project will completely remedy the existing violation of a state or federal standard). Also, residents

cannot be counted as beneficiaries of a project unless they are connected to the utility system.

2. In order for low and moderate income persons to qualify for financial assistance to pay for the construction or replacement of service connection lines under the LCDBG program, all applicants must first complete an application form provided by the local government regarding the income status of all persons in the family. All applicants must attach documentation of their income to the application. Such documentation may include, but is not limited to: copies of paychecks or paycheck stubs, income tax forms, W-2 forms, or copies of social security, welfare, veteran benefits, or unemployment checks. At this time the grantee should also negotiate a temporary construction easement with the private owner(s) to protect itself from any liability that may arise. See *Section C, Acquisition /Anti-Displacement / Relocation / Demolition* of the handbook. A sample application and temporary construction easement form is shown as **Exhibit A-48**, Application for Utility Line Connection on Private Property. The exhibit form is for a sewer system, but can be adapted to apply to any type of project. The grantee is not required to use this particular form, but can develop its own to suit its project's needs.
3. LCDBG funds cannot be used to pay for costs associated with the connection of non-residential structures.

Some communities/parishes charge hook-up fees. A hook-up fee is a one-time access charge that the homeowner must pay for the privilege of connecting to the utility system; this fee is generally a fixed amount which is not related to the actual construction cost of the service connection line. The federal regulations governing the use of LCDBG funds to pay the hook-up fee for the homeowner is very restrictive. If the community/parish plans to require this fee directly from the recipients of a utility system funded in whole or in part with LCDBG funds, a determination must be made by the Office of Community Development that such a fee would not have an adverse effect on the low/moderate income persons involved. Due to the complex federal regulations governing this matter, this office requires that all recipients which propose to collect a hook-up fee (whether from LCDBG funds or directly from the homeowner) contact the Office of Community Development to discuss such fees prior to the collection of the fees.

All recipients of funds under the LCDBG Program must post a sign in each target area for the purpose of informing the public that the work is being financed with a grant from the Louisiana Division of Administration. The sign also contributes to meeting Section 3 requirements. The cost of the project sign should be included in the bid package. **Exhibit A-49**, Sign Required at LCDBG Construction Site(s), provides instructions and information regarding the sign.

The bid package must include all LCDBG-related provisions and the general terms and conditions. In addition to the labor standards and equal employment opportunity provisions and documentation previously discussed, the following provisions for LCDBG assisted projects must be included, as applicable. These are shown in the Contract Documents Guide (**Exhibit A-50**). They include:

1. Bonding and Insurance Requirements;
2. Conflict of Interest;

3. Access to Records/Maintenance of Records;
4. Clean Air/Water;
5. Special Conditions Pertaining to Hazards, Safety Standards and Accident Prevention (including Lead-based Paint Prohibition); and
6. Flood Insurance, if applicable.

The bid package must also include cost and pricing formats. Generally, street, water, and sewer projects will be unit price contracts, while building type contracts will be fixed price. For unit price contracts, the bid specifications should delineate each type of item, estimated quantity, unit price, and total cost. The Louisiana Uniform Public Work Bid Form issued by the Division of Administration, Facility Planning and Control in accordance with the provisions of the Administrative Procedure Act (R.S. 49:950, et seq.) and the provisions of RS 39:121 must be used in the bid package. A copy of the form is included in **Exhibit A-50**. **Any bids received that do not use this form as required must be rejected as being non-responsive.**

The bidding process must be in strict compliance with the Louisiana Revised Statutes, Title 38: Public Contracts, Works and Improvements. These statutes are continually being amended, revised, and superseded; therefore, it is the grantee's responsibility to assure compliance with the most recent and current regulations. There may be differences between the Louisiana State Statutes and the federal CDBG regulations. If this is the case, use the most stringent requirement. For example, Title 38 lists $150,000 as the contract limit for advertisement for construction and $30,000 as the contract limit for advertisement for materials/supplies. However for CDBG, CFR 24 Part 85 lists $100,000 as the limit for small purchase procedures; therefore, for CDBG contracts, grantees must advertise if the estimate exceeds $100,000.

Additionally, if the project or any portion thereof, falls within the definition of an "emergency" under Title 38 of the Louisiana Revised Statutes, the grantee must contact the Office of Community Development immediately. The grantee cannot proceed with those emergency provisions unless it has received written approval of such from the Office of Community Development. Failure to receive written approval may result in disallowed costs.

It is *suggested* that the bid package be reviewed in its entirety by legal counsel to ensure compliance with applicable federal, State, and local laws. All required bid documents are listed on the Table of Contents of the Contract Documents Guide (**Exhibit A-50**), and copies of the documents are provided therein.

The final plans, specifications, and cost estimate must be submitted to the Office of Community Development for review. If revisions to the plans, specifications, and/or cost estimate are requested by this office, these documents must be received by OCD within 30 calendar days or by the deadline for clearance of contract conditions as outlined in the “Authorization to Incur Costs” letter, whichever is later. Failure to comply with this requirement will result in an assessment of $250 per working day. The assessment will be deducted from the amount of LCDBG funds allowed for basic engineering services. If the grantee is not using LCDBG funds to pay for basic engineering services, the penalty will be deducted from the construction line item in the contract and disallowed. If revisions are submitted timely but do not adequately comply with the revisions requested, the penalty may be assessed at the State’s discretion.

Following this office's review of the plans and specifications, and if all other program requirements have been met, the grantee will receive a letter authorizing it to advertise for bids. Bids must be solicited within thirty days of the date of that letter by public advertisement in accordance with the Louisiana Public Bid Law, and a copy of the publicized bid advertisement, including the publication date, must be submitted to the Office of Community Development. A sample Advertisement for Bids is included in the Contract Documents Guide, (**Exhibit A-50**).

Failure to comply with the thirty day bid advertisement requirement will result in an assessment of $250 per working day. The assessment will be deducted from the amount of LCDBG funds allowed for basic engineering services. If the grantee is not using LCDBG funds to pay for basic engineering services, the penalty will be deducted from the construction line item in the contract and disallowed. If the failure to advertise for bids within the required timeframe is the fault of another party (the local government or the administrative consultant), then the penalty will be assessed accordingly. If there are extenuating circumstances which prevent publication of the advertisement for bids within the thirty day period, the local government must advise this office of such prior to the end of the thirty day period and request an extension of time. The State reserves the right to grant an extension when the reasons for not meeting the timeframe are valid.

The Public Bid Law requires the following:

1. The advertisement for any contract for public works must be published once a week for three different weeks in a newspaper in the locality, and the first advertisement must appear at least 25 days before the opening of bids for construction projects.
2. For materials purchases, the advertisement must be published two times in a newspaper in the locality, and the first advertisement must appear at least 15 days before the opening of bids.
3. The first publication of the advertisement(s) must not occur on a Saturday, Sunday, or legal holiday.
4. Plans and specifications must be available to bidders on the day of the first advertisement and must be available until 24 hours before the bid opening date.
5. The advertisement must call the bidders' attention to the conditions of employment and requirements of federal prevailing wage rates, Segregated Facilities, Section 3, and Equal Opportunity.

The Public Bid Law states that if bid documents are amended during the advertisement period, addenda must be sent to all prospective bidders who have received bid documents. Additionally, it states that no public entity shall issue or cause to be issued any addenda modifying plans and specifications within a period of 72 hours prior to the advertised time for the opening of bids, excluding Saturdays, Sundays, and any other legal holidays. If the necessity arises to issue an addendum modifying plans and specifications within the 72-hour period prior to the advertised time for the opening of bids, then the opening of bids must be extended for at least 7 days, but not to exceed 21 days, without the requirement of re-advertising the project. The addendum must state the revised time and date for the opening of bids**.**

**A copy of each addendum must be submitted to the Office of Community Development at the time the addendum is issued, including addenda solely pertaining to federal wage rate decisions.**

All bids received prior to the opening of bids must remain sealed and kept in a safe place until the bid opening. On the date scheduled, the public bid opening should be conducted. The bids must be read aloud during bid opening, and the apparent low bidder should be determined during the bid opening. However, the bids must also be reviewed for both technical and legal responsiveness of bids. In addition, the bidders must be evaluated as having the capacity to furnish products and/or services required.

Pursuant to LRS 38:2227, effective July 2, 2010, public entities are required to obtain an attestation regarding past criminal convictions, if any, from each bidding entity responding to advertisements and letting for bids for public works contracts. Also, pursuant to LRS 38:2212.10, effective 1/1/2012, all bidders and contractors performing physical services with public entities must be registered and participate in a status verification system to verify that all employees in the state are legal citizens of the United States, or are legal aliens. The contractor must sign an attestation that they are complying with this law, and that all subcontractors will comply with this law. Refer to **Exhibit A-50**, for the Past Criminal Convictions of Bidders and Verification of Employees form. The attestation form from each bidder must be included in each bid document.

Minutes of the bid opening, along with a tabulation of bids and a roster of attendees, must be placed in the contract file. Refer to **Exhibit A-51** (Sample Minutes of Bid Opening and Bid Tabulation). Reminder: A copy of the Bid Tabulation form must be submitted to this office as discussed in *Section B* of this handbook.

After the bid opening, the grantee must take action within 45 days to either award a contract to the lowest responsible bidder or to reject bids. The grantee and the lowest responsible bidder may, by mutual written consent, agree to extend the deadline for award by one or more extensions of 30 calendar days. Please refer to LRS 38:2215 for any exceptions. A public entity may reject any and all bids for just cause. For more information about "just cause", see LRS 38:2214(B). Also, a contract cannot be awarded with an incorrect federal wage decision. The proper choice of the federal wage decision must be verified as per the process described in *Section B, Labor Compliance*.

## PROCEDURES FOR WHEN BIDS EXCEED COST ESTIMATES

In some cases, the lowest bid received will exceed the amount of funds allocated for the project. Several options are available and are discussed below. **The local government, the consultant, and/or the engineer must contact the Office of Community Development for consultation before exercising any of the options.**

1. Reject all bids received - the engineer/architect will then revise the plans and/or specifications in an effort to lower the cost of the project. It is imperative that the Office of Community Development's engineer be consulted as to any proposed changes to the plans and/or specifications. A revised set of plans and specifications and an updated cost estimate may be required to be submitted to the Office of Community Development for review and approval prior to re-advertising the project.
2. Make up the difference between the available funds and the amount of the lowest bid through the reallocation of LCDBG funds. If the reallocation of LCDBG funds is involved, contact the

Office of Community Development for concurrence and to ensure the reallocation does not affect the project's eligibility status.

3. Make up the difference between the available funds and the amount of the lowest bid with other sources of funding such as local funds.
4. Enter into a contract with the low bidder for the amount of the bid and subsequently, execute change orders to bring the cost of the project within the allocated funds. The grantee must investigate how exercising this option would affect the other bidders prior to awarding a contract. All change orders must be approved by the Office of Community Development before execution by the local government official.

If it is anticipated that bids received may be higher than the amount of funds budgeted, deductive or additive alternate bids should be included in the bid documents. Drawings must clearly show what is being considered as an alternate. The requirements of the Louisiana Public Bid Law regarding alternates as found in R.S. 38:2212A(3)(e) are repeated here for convenience:

"(e) Any proposal shall include no more than three alternates. An alternate bid by any name is still an alternate. Alternates, if accepted, shall be accepted in the order in which they are listed on the bid form. Determination of the low bidder shall be on the basis of the sum of the base bid and any alternates accepted. However, the public entity shall reserve the right to accept alternates in any order which does not affect determination of the low bidder."

## AWARDING A CONTRACT

Contracts must be awarded to the "lowest responsible bidder" in accordance with the Louisiana Public Bid Law. Discretion has been given to public entities to determine bidder responsibility. A Court decision has concluded that, in determining bidder responsibility, the public entity may look to financial ability, skill, integrity, business judgment, experience, reputation, quality of previous work on contracts, and other similar factors bearing on the bidder's ability to successfully perform the contract. If the grantee proposes to disqualify a bidder on the grounds that the bidder is not a "responsible bidder", it must (1) give written notice of the proposed disqualification to the bidder and include in the notice all reasons for the proposed disqualification, and (2) give the bidder the opportunity to be heard at an informal hearing at which the bidder is afforded the opportunity to refute the reasons for the disqualification.

As described in *Section B, Labor Compliance*, the successful bidder must be cleared by the Office of Community Development (see **Exhibit B-5**). Once the bidder is accepted and a contract has been awarded, the grantee must send a Notice of Contract Award (**Exhibit B-6**) to the Office of Community Development's Labor Compliance Officer within 30 days. The Notice of Contract Award is also required for LCDBG LaStep projects. Also, one copy of the **certified and itemized bid tabulation** shall be submitted to the Office of Community Development's engineer along with the Notice of Contract Award.

Following award of the contract, the contract documents and applicable bonding and insurance requirements must be completed and executed. **Contract documents include all of the items contained in the bid package as well as the executed contract, bid proposal, contractor certifications, and bonding and insurance forms.** The bonding/surety company or companies used by the contractor must

be on the U. S. Department of Treasury's Financial Management Services list of companies approved for federal bonds. They may be contacted by phone at (202) 874-6850, or online at **http://www.fms.treas.gov/c570/index.html**. Verification of the status of surety or insurance companies must be carried out by the grantee, and the date and method of verification must be clearly documented in the files. The grantee must also contact the Louisiana Insurance Commissioner's Office by phone at (225) 342-0895, or online at **http://www.ldi.state.la.us** in order to determine whether or not the surety company selling the bond is currently licensed to do business in Louisiana. A form which can be used to document the phone calls is provided as **Exhibit A-52**, Verification of Contractor's Bonding/Insurance. If the status of the company(s) was checked via the internet websites, a copy of the information located at the websites will be sufficient verification.

The grantee is reminded of its responsibility to comply with the Louisiana Public Bid Law and to seek guidance from its legal counsel concerning such compliance.

The grantee must notify the Office of Community Development's Labor Compliance Officer of the date that construction will begin. After contract execution, the grantee must advise the prime contractor of his/her responsibilities for compliance with equal opportunity requirements, labor standards, and other LCDBG related provisions.

## NOTIFYING CONTRACTORS OF RESPONSIBILITIES

A pre-construction conference or other means of notification must be accomplished immediately upon contract execution to inform the prime contractor(s) of his/her responsibilities. These responsibilities include labor standards (covered in *Section B, Labor Compliance*), equal opportunity (covered in this Section), other State and local provisions, and technical job requirements. Others who must be made aware of these responsibilities are the foreman or construction superintendent, the payroll preparer, and all subcontractors identified in the bid.

At this time, any equal opportunity omitted items such as Section 3 plans, certificates of compliance, etc., that have not been submitted by prime contractors and subcontractors should be corrected. Carefully explain contractor and subcontractor responsibilities regarding equal opportunity using the list of commonly asked equal opportunity questions (**Exhibit A-53**) as a guide. Also, requirements for equal employment opportunity monitoring during site visits should be explained.

Any subcontractors **not** identified in the bid must provide the data necessary to verify eligibility, sign required certifications, prepare a written Section 3 Plan, etc. All of these contractor/subcontractor responsibilities must be complete prior to start of construction.

## ISSUING A NOTICE TO PROCEED

After execution of the contract documents and notification to the contractor(s) and subcontractor(s) of their responsibilities, a **Notice to Proceed** must be issued to each prime contractor. The notice should state the construction start date and the scheduled completion date. Do not submit a copy of the Notice to Proceed to this office.

The contract file and associated compliance files should be reviewed by the grantee to ensure all documentation is complete. The following is a list of construction contract file requirements:

1. Preliminary design and cost estimates;
2. Final design documents and cost estimates;
3. Evidence that all necessary land or easement acquisition has been completed prior to advertising for bids;
4. Bid documents;
5. Documentation of submittal to and approval of plans and specifications by the cognizant State/Federal agency having jurisdiction over the project;
6. Certification of Compliance with Architectural Barriers Act, if applicable;
7. Proof of publication/copy of advertisement for bids;
8. Minutes of public bid opening;
9. Tabulation of bids;
10. Recommendation for award;
11. Notice of contract award;
12. Executed contract document;
13. Certification of insurance/bonding;
14. Notice to Proceed; and
15. Evidence of project sign requirements as shown in **Exhibit A-49**.

## CONSTRUCTION MANAGEMENT

The grantee is responsible for monitoring the construction of the LCDBG project to ensure that the contractor is operating in compliance with technical specifications and State and Federal requirements, maintaining adequate cost and budget controls, and processing necessary contract changes in order to bring the contract to completion.

Upon receiving the Notice to Proceed, the contractor must submit a cost breakdown showing the amount assigned to each portion of the work. This breakdown is not required when per unit prices form the basis of payment under the contract. This breakdown must be reviewed by the grantee and its architect/engineer and used as the basis for requests for payment discussed in *Section A*. The breakdown should be submitted to the grantee within 5-10 days of receipt of the Notice to Proceed.

During construction, the grantee is responsible for monitoring equal opportunity and labor standards requirements as described in *Section B, Labor Compliance* and this Section and for construction management. This may be done by the architect/engineer, and if so, should be included in the scope of services of the professional services contract. Construction management must include inspection and general supervision of construction to check the contractor's work for compliance with the drawings and specifications and quantity/quality control. Written inspection reports must accompany the contractor's requests for partial payment to the grantee. Do not submit written inspection reports with Requests for Payments submitted to this office.

The architect/engineer shall furnish a Resident Project Representative (RPR), assistants, and other field staff to assist the engineer in observing the progress and quality of the work. The RPR shall be under the

architect/engineer's supervision and shall be a member of the architect/ engineer's staff or a contract employee. In either case, the architect/engineer must attest to the RPR's qualifications and abilities to perform the appropriate duties and responsibilities. The Qualification Certification for Resident Project Representative (**Exhibit A-54**) must be completed and submitted to the Office of Community Development with a copy of the RPR's current resume showing his/her qualifications and work history before construction begins. As part of his/her duties, the RPR will prepare reports, each recording at a minimum the following information: project name, contractor's name, date, weather conditions, contractor's work force (indicating work classifications), equipment (in use or idled), quantities of items installed, deficiencies in materials or work, general observations, summary of construction activities, and the RPR's signature. Furnishing an RPR does not relieve the architect/engineer of the responsibility of making visits to the site at intervals appropriate to the various stages of construction.

Subtasks that are a part of construction management include:

General Supervision — must include monitoring construction to alert the grantee of the need for adjustments in design as dictated by actual field conditions and the need for contract amendments. All contract amendments affecting alignment and detail or dimensions shown on drawings must include revised drawings.

Quality Control — must include quality tests as necessary to verify conformance with technical specifications concerning minimum quality requirements.

Quantity Control — must include verification of in-place quantities and other records reflecting an as-built facility.

Certification of Pay Estimates — must include inspection reports and copies of field measurement notes. Test results used to verify contractor's periodic pay estimates for partial payments should be attached to and filed with the periodic estimate for partial payment.

General — construction management may involve other responsibilities including, but not limited to, providing benchmarks and baselines to be used by the contractor in staking the construction project, review and approval of shop drawings, and project coordination.

Upon receipt of requests for partial payment and necessary documentation, the grantee must check equal opportunity and labor standards compliance files to ensure that all payrolls have been received and checked, any restitution has been paid, employee interviews have been conducted, and all discrepancies have been corrected or resolved.

## CHANGE ORDERS

In accordance with the Louisiana Public Bid Law, all change orders must be in writing. Change orders must be prepared and recommended by the architect/engineer. Each change order must be accompanied by a supporting statement which describes why the proposed change is deemed necessary. **Preliminary (unexecuted) change orders, containing the dated signatures of the architect/engineer and the contractor but not the public entity, must be reviewed by the Office of Community Development so that the Office may determine the extent of financial participation eligible through the LCDBG Program.** Once this determination has been made the local entity and the

architect/engineer will be informed. If the change order is approved by this office, the local entity may then execute the change order. **The fully executed change order will contain the dated signatures of the architect/engineer, contractor, and local entity. A copy of the fully executed change order must be submitted to the Office of Community Development as soon as possible after execution.**

### INSPECTING AND ACCEPTING THE WORK, CLOSING OUT THE PROJECT, AND MAKING FINAL PAYMENT

In accordance with State law, a maximum of ten percent retainage on construction contracts which are less than $500,000 and a maximum of five percent retainage on construction contracts which are $500,000 or more can be retained by the grantee.

When construction work has been completed, the contractor must certify completion of work and submit a final request for payment. The architect/engineer must make the final inspection and prepare a written report of the inspection prior to issuance of final payment, less retainage. The inspection report may or may not include a punch list of items to be completed by the contractor prior to the issuance of acceptance of work. If the project involved the construction of a building, the Office of the State Fire Marshal, Code Enforcement, and Building Safety must issue a Certification of Occupancy.

Before making final payment (less retainage), ensure that:

- all weekly payrolls and Statements of Compliance have been received, checked, and any discrepancies resolved ;
- all discrepancies identified via on-site interviews have been resolved;
- all other required equal opportunity and labor standards provisions have been satisfied;
- all contract submissions have been received;
- all claims and disputes involving the contractor have been resolved;
- all files are complete;
- and as-built plans have been filed.

A Final Wage Compliance Report (included in **Exhibit E-4**) must be prepared, submitted to the State with closeout documents, and a copy placed in the Labor Standards Compliance file.

The contractor must file the Notice of Substantial Completion at the parish Clerk of Court's office. After 45 days from the filing of the Substantial Completion and upon submission of a clear lien certificate by the contractor, the retainage can be paid to the contractor. If any claims or liens remain after the 45 day lien period, the grantee must take appropriate action for disposition of the retainage and all claims against the bonds in accordance with State law.

A comprehensive Construction Contract Checklist is included as **Exhibit A-55**.

## CIVIL RIGHTS

Grantees are responsible for meeting all applicable civil rights laws and requirements such as equal opportunity, Section 3, fair housing, citizen participation, and Section 504.

## EQUAL OPPORTUNITY REQUIREMENTS

Grantees are responsible for meeting equal opportunity requirements as follows:

1. Complying with Title VI of the Civil Rights Act of 1964 which provides that no person in the United States shall on the grounds of race, color, or national origin be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the applicant receives federal financial assistance;
2. Complying with Title VIII of the Civil Rights Act of 1968, as amended, which prohibits discrimination against any person in the sale or rental of housing, or the provision of brokerage services, including in any way making unavailable or denying a dwelling to any person, because of race, color, religion, sex, national origin, handicap, or familial status;
3. Complying with Section 109 of the Housing and Community Development Act of 1974. This provides that no person in the United States shall, on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds provided under the Act. Section 109 further prohibits discrimination based on age under the Age Discrimination Act of 1975 and based on handicap under Section 504 of the Rehabilitation Act of 1973, as amended;
4. Complying with Section 3 of the Housing and Urban Development Act of 1968 which requires that, to the greatest extent feasible, opportunities for training and employment generated as a result of Section 3 covered financial assistance be given to lower income residents of the project area and contracts for work in connection with this project be awarded to eligible business concerns which are located in, and owned in substantial part by persons residing in the area of the project who are lower income residents or who hire lower income residents;
5. Complying with the provisions of the Age Discrimination Act of 1975 which prohibits discrimination on the basis of age in the delivery of services and benefits supported by federal funds;
6. Complying with the provisions of Section 504 of the Rehabilitation Act of 1973, as amended, which prohibits discrimination on the basis of handicap in any programs or activities receiving federal financial assistance.; and
7. Complying with the provisions of 24 CFR 570.506(g) by maintaining equal opportunity and other records.

To assure compliance, a recordkeeping and reporting system should include:

1. Section 504 Compliance
2. Section 3 Compliance.
3. Project Benefit to Population Groups.
4. Grantee Employment Records (See City/Parish Employment form, **Exhibit A-56** or utilize an EEO4 form).
5. Minority Business participation efforts.
6. Fair Housing Activities.

7. Affirmative Action measures (if applicable) to past findings of discrimination.
8. Displacement Activities (if applicable).

### *Minority Business Enterprise*

24 CFR 85.36(e), requires that grantees take affirmative action to contract with small and minority owned firms or women's business enterprises in the administration of the LCDBG project. Some affirmative action steps include, but are not limited to the following:

- Adding qualified small and minority owned enterprises and women's business enterprises to solicitation lists.
- Assuring that small and minority owned enterprises and women's business enterprises are solicited whenever they are potential sources.
- When economically feasible, dividing total requirements into smaller tasks or quantities to permit maximum participation by small and minority owned enterprises and women's business enterprises.
- Where the requirements permit, establishing delivery schedules that will encourage participation by small and minority owned businesses and women's business enterprises.
- Using the services and assistance of the Small Business Administration as necessary.
- If any subcontracts are to be let, requiring the prime contractor to take the above affirmative steps.

One of the reporting requirements relative to minority contracting is the annual submission of the Contract and Subcontract Activity form (formerly called the MBE - Minority Business Enterprise Report) for construction and non-construction contracts and subcontracts. This report is due by the end of September each year for the grant period. The grantee will only report new contracts which have been let from October 1 through September 30 each year and those that have not previously been reported. If the grant closes prior to the deadline, a report must be submitted with closeout documents **if and only if** there is a contract to report that **was not** previously reported. **Exhibit A-57** provides a copy of this required form.

When advertising for bids for construction or requesting Qualification Statements/Proposals for administration and planning, encourage minority participation in newspaper advertisements for services being procured. Proof of affirmative action taken to hire minorities is required.

### *Maintain Project Benefit Records*

As part of the LCDBG application, statistical information was submitted on the proposed persons benefiting from the proposed project. This information must be maintained and updated throughout the implementation of the project as it is necessary both in proving compliance with civil rights laws relative to non-discrimination and in meeting closeout requirements of providing data on actual beneficiaries. **Exhibit A-58**, Project Benefit Profile, assists with maintaining this information. It does not have to be submitted to this office. Please note that it must document those who are directly benefiting from the project and those who are indirectly benefiting. Direct benefit requires completion of a personal record (job application, rehab grant application) to receive the benefit. Indirect benefit is

available to all residents in the area where the project is taking place (residential street improvements, water treatment plant). A Project Benefit Profile must be maintained for each activity except administration, planning, contingency, and engineering.

Additionally, grantees are required to keep a list of all applicants and certain characteristics of those who apply to receive direct benefits from the LCDBG project, i.e., ED job applicants, applicants for water and sewer hook-ups, and applicants for employment on jobs resulting from this project (new hires). This information will be submitted as part of the close-out procedures of the program.

### *Maintain Local Government Employment Records*

Each local government participating in the LCDBG program must maintain employment records that include the composition of their staff. **Exhibit A-56**, City/Parish Employment form, is provided to assist in keeping track of this information. Additionally, personnel policies should clearly outline hiring, training, and promotional procedures. The local government should develop an employment policy that contains a non-discrimination clause assuring that all persons will be treated equally in employment opportunities. An Equal Employment Opportunity poster must be displayed in a prominent place in the grantee's office. This poster may be obtained from the Office of Community Development.

### *Preparing Contract Documents to Meet Equal Opportunity Requirements*

Equal employment opportunity requirements ensure that applicants for employment and employees are not discriminated against because of their race, color, religion, sex or national origin.

The grantee must ensure that all contracts comply with equal opportunity requirements by: including all applicable equal opportunity language in the bid specifications and contract documents; verifying contractor eligibility; securing required documentation; monitoring compliance; and maintaining appropriate files.

The equal opportunity provisions and contractor certifications for inclusion in the bid documents are shown in the Contract Documents Guide, **Exhibit A-50**, and include the following:

1. Section 3 Certification of Selected Bidder;
2. Contractor's/Subcontractor's Section 3 Plan (if contract exceeds $100,000);
3. Contractor's/Subcontractor's Section 3 Tables A & B (if contract exceeds $100,000);
4. Subcontractor's Certification Regarding Section 3 and Segregated Facilities (required whether or not subject to Section 3);
5. Special Equal Opportunity Provisions
    a. Activities and Contracts Not subject to Executive Order 11246, as amended – contracts/subcontracts less than or equal to $10,000.
    b. Executive Order 11246 – contracts/subcontracts exceeding $10,000.
        i. Section 202 Equal Opportunity Clause
        ii. Notice of Requirement for Affirmative Action to Ensure Equal Employment Opportunity – if contract/subcontract exceeds $10,000.
        iii. Standard Federal Equal Employment Opportunity Construction Contract Specifications – if contract/subcontract exceeds $10,000.

c. Certification of Non-segregated Facilities – if contract/subcontract exceeds $10,000.
d. Section 3 Compliance in the Provision of Training, Employment and Business Opportunities.

These provisions must be included in all bid and contract documents. Note especially the Standard Federal Equal Employment Opportunity Construction Contract Specifications. These specifications include a place to insert minority and female participation goals. The nationwide goal for female participation is 6.9 percent. Minority goals are specific to Metropolitan Statistical Areas (MSA) and "Economic Areas"; therefore, the grantee must refer to the regulations for the minority goal for its locality. Minority employment goals for economic areas in Louisiana are included in **Exhibit A-59** (Minority Participation Goals). These goals and contract specifications make written affirmative action plans unnecessary unless the U.S. Department of Labor determines a specific contractor or group of contractors needs to establish higher goals in order to remedy the effects of past discriminatory behavior.

These goals apply to each construction craft and trade in the contractor's entire workforce that is working in an area covered by the goals and timetables and not only those jobs which are LCDBG-assisted. A contractor with an LCDBG contract in MSA X, and a non-CDBG assisted contract in MSA Y must meet MSA goals for the workforce in both MSA X and MSA Y, even though that contract is not LCDBG-assisted.

A copy of **Exhibit A-53,** Commonly Asked Questions Concerning Equal Opportunity, should be distributed to and discussed with the contractor either during a preconstruction conference, or through another method to advise the contractor of his/her responsibilities.

In addition, the grantee must visit the construction site (usually in conjunction with employee interviews for labor standards compliance) to insure the project site is posted with required equal opportunity notices (see *Section B, Labor Compliance* of this handbook for additional information). The results of each visit must be noted in the contract compliance file.

The grantee is also responsible for monitoring each contractor during the course of work to determine compliance with the Standard Federal Equal Employment Opportunity Construction Contract Specifications (Executive Order 11246) contained in the contract.

At project completion, the equal opportunity compliance documentation in the contract compliance file must contain the following items:

1. A copy of the construction contract with all applicable equal opportunity provisions;
2. Evidence that the contractor established his/her own equal opportunity file;
3. Records of any equal opportunity complaints and actions taken;
4. Any correspondence concerning the contractor's equal opportunity compliance;
5. Verification of contractor eligibility, cross-referenced with the labor standards compliance file;
6. A preconstruction conference report, if applicable, cross-referenced with the labor standards compliance file;
7. Contractor's/Subcontractor's written Section 3 Plan, if required;
8. Contractor's/Subcontractor’s Section 3 Tables A & B, if required;

9. Subcontractor's Certification Regarding Section 3 and Segregated Facilities;
10. Contractor's/Subcontractor's New Employee Information forms (see *Section A*);
11. Site visit reports indicating that the equal opportunity poster was displayed on site and that the contractor complied with equal opportunity provisions, cross-referenced from labor standards compliance file; and
12. Documentation of any equal opportunity problems uncovered in employee interviews and evidence of resolution.

## SECTION 3 COMPLIANCE

### *Introduction*

The purpose of Section 3 of the Housing and Urban Development Act of 1968 is to ensure that employment and other economic opportunities generated by HUD financial assistance shall, to the greatest extent feasible, be directed to low and very low income persons, and to business concerns that provide economic opportunities to low and very low income persons. Section 3 is also designed to direct new economic opportunities to local residents and businesses. The standards and procedures contained herein are to ensure that the objectives of Section 3 are met.

Section 3 compliance requirements are triggered when a grantee receives in **excess** of $200,000. If Section 3 is triggered for the grantee, then contractors/subcontractors whose contracts **exceed** $100,000 must also comply.

If triggered, the grantee and all its contractors on LCDBG projects must comply with Section 3 requirements in terms of hiring new employees or sub-contractors to work on the project. **Therefore, the grantee should discuss these requirements as a separate item at the PRE-CONSTRUCTION CONFERENCE or whatever other means the grantee utilizes to notify the prime contractor(s) of his/her responsibilities.**

Section 3 does not require the creation of economic opportunities for anyone, nor does the extension of employment opportunities to Section 3 residents preclude the necessity for that individual to be qualified for the job. Section 3 applies only when the project requires new hires, contracting, or subcontracting. Section 3 requirements apply to the entire project or activity, regardless of whether it is fully or partially funded by HUD.

**Grantees must document their efforts to comply with Section 3 through maintenance of a "good faith efforts" file. It should contain memoranda, correspondence, advertisements, etc., illustrating the grantee's attempts and the contractor's attempts to reach eligible persons and businesses. Documentation should support attempts to comply with Section 3.**

### *Section 3 Definitions*

**Contractor** – any entity that contracts to perform work generated by the expenditure of Section 3 covered assistance, or for work in connection with Section 3 covered project. (The term "contractor" includes consultants and engineers.)

**Employment opportunities generated by Section 3 Covered Assistance** – All employment opportunities arising in connection with Section 3 covered projects including management and administrative jobs such as architectural, engineering or related professional services, appraisers, CPA's, administrative consultants, or jobs directly related to administrative support of these jobs.

**New hires** – full-time employees for permanent, temporary or seasonal employment opportunities.

**Low-income person** – persons or families whose total household incomes do not exceed 80 percent of the median income for the area.

**Very low-income person** – persons or families whose total household incomes do not exceed 50 percent of the median income for the area.

**Section 3 resident** – a public housing resident or an individual who resides in the service area in which the Section 3 covered assistance is expended and who meets the definition of low-income or very low-income person.

**Section 3 business concern** – a business

1. That is 51 percent or more owned by Section 3 residents; or
2. Whose permanent, full-time employees include persons, at least 30 percent of whom are currently Section 3 residents, or within 3 years of the date of first employment with the business were Section 3 residents; or
3. That provides evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications in Nos. 1 or 2 above.

**Section 3 covered activity** – any activity that is funded by Section 3 covered assistance.

**Section 3 covered assistance** – assistance provided under any CDBG program that is expended for work arising in connection with public construction projects.

**Section 3 covered contract** – a contract or subcontract (including a professional service contract) awarded by a recipient or contractor for work generated by the expenditure of Section 3 covered assistance, or for work arising in connection with a Section 3 covered project. This does not include contracts for the purchase of materials and supplies unless the contract includes purchasing of materials and installation of these materials and supplies. For example: a contract for the purchase and installation of a furnace would be a Section 3 covered contract because the contract is for work (i.e. the installation of the furnace) and thus is covered by Section 3.

**Section 3 covered project** – the construction, reconstruction, conversion or rehabilitation of public construction assisted with CDBG funds.

**Service area** – the geographical area in which the persons benefiting from the Section 3 covered project reside. This area should include the jurisdiction **and surrounding areas in the parish of the grantee**.

### *Demonstrating Compliance*

The "greatest extent feasible" requirement of Section 3 for grantees and covered contractors may be demonstrated by meeting numerical goals established by HUD. These goals, when met, provide a "safe harbor" for compliance with the Section 3 preference requirements. The goals established apply to the entire amount of Section 3 covered assistance awarded to the grantee. Grantees have the responsibility of ensuring that, to the greatest extent feasible, contractors will operate in compliance with the requirements of Section 3. Recipients must make every effort to recruit, target and direct economic opportunities to Section 3 residents and businesses. **This requires more than normal advertising.**

*Employment*

The **grantee** may demonstrate compliance with Section 3 by committing to employ **Section 3 residents** as **30** percent of the aggregate number of new hires **for the project**. This requirement extends ONLY to full-time jobs that may be permanent, temporary or seasonal and contracts that are a direct result of this project. It also includes any hiring by the local government or contractor for employees hired to work on the project.

*Contracting*

The **grantee and contractor** must demonstrate compliance with Section 3 by committing to award to **Section 3 business concerns** at least **10** percent of the total dollar amount of all Section 3 covered contracts for construction (this includes hiring of subcontractors by contractors). The **grantee** must also commit to award at least **3** percent of all other contracts to Section 3 business concerns; i.e., administration, engineering, etc.

Section 3 requirements apply to both the prime contractor and any subcontractors that conduct work on an LCDBG project, if either of their contracts is over $100,000. Section 3 of the Housing and Urban Development Act of 1968 requires, to the greatest extent feasible, opportunities for training and employment to be given to lower income residents of the project area and contracts for work in connection with the project be awarded to business concerns that provide economic opportunities to low income persons.

The Section 3 Plan and accompanying Section 3 Tables A and B of the Contract Documents Guide in **Exhibit A-50** must be completed by the prime contractor if his/her contract is over $100,000. Additionally, if a subcontractor's contract with either the prime contractor or another subcontractor is over $100,000, the Section 3 Plan and accompanying Section 3 Tables A and B must be completed by the subcontractor.

### *Failure to Meet Goals*

A grantee or contractor/sub-contractor who has not met the goals set forth has the burden of demonstrating why it was not feasible to meet these goals. **Documentation must be maintained as to the actions taken by each in order to attain the goals and any impediments encountered.** This documentation will be reviewed when the grantee is monitored. Sanctions for noncompliance with Section 3 include debarment, suspension and limited denial of participation in HUD programs.

### *Other Economic Opportunities*

Other economic opportunities to train and employ Section 3 residents include, but need not be limited to, use of "upward mobility", "bridge" and trainee positions to fill vacancies, and hiring Section 3 residents in part-time positions. These "other" opportunities, if provided, may be viewed by HUD as an effort to comply with Section 3 should a challenge be issued by a Section 3 resident or business concern that either the grantee or contractor is not following Section 3 requirements.

### *Activities for Complying with Section 3*

The following are examples of efforts that can be utilized to assist grantees in reaching the specified goals in employment and contracting **(efforts must be documented)**. These examples of efforts which can be undertaken to assist in reaching Section 3 residents and businesses for employment and contracting opportunities should not be considered all inclusive. **(Normal advertising is not enough.)**

*Employment*

1. Establish a Section 3 Plan, including a Section 3 Coordinator and certification procedures. Personally notify certified residents of employment opportunities.
2. Post advertisements of the employment opportunities identifying the positions, qualification requirements, and where to obtain additional information about the application process in housing developments and transitional housing in the neighborhood or **service area of the Section 3 covered project**. In addition, post advertisements **indicating Section 3 preference** at the jobsite, churches, apartments, and other places that low income residents would frequent.
3. Contact community organizations and resident organizations and request assistance in notifying residents of the employment positions to be filled.
4. Sponsor a job informational meeting or job fair in the service area of the project. Undertake job counseling, education and related programs in association with local educational institutions.
5. Arrange assistance in conducting job interviews and completing job applications for residents of the service area where the project is located.
6. Arrange for a location in the service area of the project where job applications may be collected by the grantee or contractor representative.
7. Consult with State and local agencies administering probation and parole agencies, unemployment compensation programs, etc., to assist with recruiting Section 3 residents for employment. Use local Workforce office to hire new employees specifying Section 3 preference.
8. Advertise the jobs to be filled through the local media, such as community television networks, newspapers of general circulation, and radio.
9. Maintain a list of certified Section 3 residents for future employment positions.
10. After selection of bidders, but prior to execution of contracts, incorporate into the contract a negotiated provision for a specific number of Section 3 residents to be trained or employed on the Section 3 project.
11. Post a project notification sign in the project service area.

*Contracting (Also applies to contractors hiring subcontractors.)*

1. Establish a Section 3 Plan, including a Section 3 coordinator and certification procedures (certification file must be kept by grantee). Personally notify certified businesses of employment opportunities.
2. In determining the responsibility of potential contractors, consider their past records of Section 3 compliance and their current plans for the pending contract. **Refrain from entering into contracts with contractors that fail to comply with Section 3.**
3. Utilize minority contractors associations and community organizations to assist in identifying Section 3 businesses who may be potential bidders.
4. Advertise contracting opportunities by posting notices concerning the work to be contracted in common areas of housing developments.
5. Providing written notice to all known Section 3 business concerns of the contracting opportunities. The SBA Registry in the categories of minority, hubzone, and disadvantaged businesses may be used to find potential Section 3 businesses.
6. Maintain a list of certified Section 3 businesses, and follow up with business concerns that have expressed interest in the contracting opportunities by personal contact to provide additional information. Give contractors a list of Section 3 subcontractors.
7. Coordinate pre-bid meetings at which Section 3 business concerns could be informed of the upcoming contracting opportunities.
8. Provide workshops on contracting procedures and specific contract opportunities in a timely manner so that Section 3 business concerns can take advantage of upcoming contracting opportunities.
9. Advise Section 3 business concerns as to where they may seek assistance to overcome limitations such as inability to obtain bonding, lines of credit, financing, or insurance.
10. Arrange solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways to facilitate the participation of Section 3 business concerns.
11. Where appropriate, break out contract work items into economically feasible units to facilitate participation of Section 3 business concerns.
12. Contact agencies administering HUD Youthbuild programs and notify these agencies of the contracting opportunities.
13. Advertise the contracting opportunities through trade association papers, local media, such as television, newspapers and radio. Refer to Section 3 in bid packages.
14. Establish numerical goals (dollar amounts, and number of awards) for contracts to Section 3 business concerns.
15. The use of small purchase procedures (contract may not exceed $100,000) such as soliciting quotations from a minimum of three qualified sources. At the time of solicitation, inform the parties of the Section 3 covered contract to be awarded with sufficient specificity; the time within which quotations must be submitted; and the information that must be submitted. A valid attempt to obtain three quotes from qualified sources must be made and documented.
16. Post a project notification sign in the project service area.

### *Certification*

Grantees are responsible for certifying the eligibility of residents and businesses seeking Section 3 preference. Section 3 residents may include residents of public housing, Section 8 voucher holders, recently unemployed, veterans, recipients of other federal assistance, single mothers re-entering the workforce and recent college graduates. The grantee should obtain a completed Resident Employment Opportunity Data form (**Exhibit A-60**) from each resident seeking Section 3 preference.

Once a contract has been awarded to a contractor or subcontractor, each contractor or subcontractor must complete a Section 3 Contractor/Subcontractor Eligibility Form (**Exhibit A-61**). If the contractor or subcontractor answers any of the questions affirmatively, they must also submit a Certification for Business Concerns Seeking Section 3 Preference in Contracting and Demonstration of Capability (**Exhibit A-62**) to the grantee.

Grantees must keep copies of these certifications on file in order to contact them for future opportunities. **Exhibits A-60** and **A-61** provide copies of the forms to be used for certification of residents and businesses.

### *Section 3 Reporting*

*Employment and Payroll Reporting*

Contractors and subcontractors must provide information on new employees. To verify compliance with Section 3 of the Housing and Urban Development Act of 1968, all contractors and subcontractors must complete a "Contractor's/Subcontractor's New Employee Information Form" (**Exhibit A-63)** for each new hire. This form must be submitted with the first payroll on which the new employee appears. The grantee must verify whether new employees are Section 3 residents and place a copy of all New Employee Information Forms in the Section 3 Compliance File.

*Program Completion Reporting*

The grantee must report to the State information on Section 3 new hires and contracts awarded to Section 3 business concerns. This report will be due at the time of closeout and will be included in the Program Completion Report. The reporting format and instructions are found in **Exhibit E-4**. **NOTE: This form has been changed and requires additional information from that of previous years.**

The Section 3 report requires the following information:

1. Employment and Training
2. Job Category,
3. Number of new hires,
4. Number of New Hires that are Section 3 Residents,
5. Percent of Aggregate number of staff hours of New Hires that are Section 3 Residents,
6. Percent of Total Staff Hours for Section 3 Employees and Trainees, and
7. Number of Section 3 Trainees.

For construction contracts awarded

1. the total **CDBG** dollar amount of all contracts awarded on the project,
2. the total **CDBG** dollar amount of construction contracts awarded to Section 3 businesses,
3. the percentage of the total dollar amount that was awarded to Section 3 businesses, and
4. the total number of Section 3 businesses receiving contracts.

For non-construction contracts (engineering, administration, attorneys, appraisers, CPA's, etc.)

1. the total **CDBG** dollar amount of all non-construction contracts awarded on the project,
2. the total **CDBG** dollar amount of non-construction contracts awarded to Section 3 businesses,
3. the percentage of the total dollar amount that was awarded to Section 3 businesses, and
4. the total number of Section 3 businesses receiving non-construction contracts.

### *Section 3 Complaints*

Additionally, a Section 3 complaint may be filed by an individual representing the interests of a small business, or by a Section 3 resident, alleging non-compliance with Section 3 by the grantee, contractor or subcontractor. The complaint must be filed within 180 days of the alleged violations. A Section 3 Complaint Register is included as **Exhibit A-64**. The information provided on this form is given voluntarily and provides the basis for HUD's investigation of the complaint to determine if the allegations of non-compliance are valid.

### *Section 3 Contract Clause*

The following clause (referred to as the Section 3 clause) must be included in all Section 3 covered contracts:

A. *The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed, to the greatest extent feasible, to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.*

B. *The parties to this contract agree to comply with HUD's regulations in 24 CFR Part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.*

C. *The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both*

*employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each, and the name and location of the person(s) taking applications for each of the positions, and the anticipated date the work shall begin.*

*D. The contractor agrees to include this Section 3 clause in every subcontract totaling $100,000 or more, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon finding that the sub-contractor is in violation of the regulations in 24 CFR Part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.*

*E. The contractor certifies that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR Part 135.*

*F. Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.*

*G. With respect to work performed in connection with Section 3 covered Indian housing assistance, Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible: (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of Section 3 and Section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with Section 7(b).*

## DEVELOPING AND IMPLEMENTING A FAIR HOUSING PROGRAM

The Federal Fair Housing Law provides that "…no person shall be subjected to discrimination because of race, color, religion, sex, handicap, familial status, or national origin in the sale, rental, or advertising of dwellings, in the provision of brokerage services, or in the availability of residential real estate-related transactions including lenders, builders and homeowners insurance companies" (24 CFR 100.5).

Grantees have agreed to administer all programs and activities related to housing and community development in a manner to affirmatively further the policies of the Fair Housing Act (42

U.S.C.3608(e)(5));(E.O.12259(1-202));(24 CFR 570.601). This includes promoting and publicizing Fair Housing laws as explained below and in **Exhibit A-65 (**Suggested Activities to Affirmatively Further Fair Housing). The grantee also agreed to develop and maintain records of efforts to assure fair housing.

LCDBG grantees are required to further fair housing efforts by conducting an assessment to identify **impediments to fair housing choice** within its jurisdiction, taking appropriate actions to overcome the effects of any impediments identified through that assessment, and maintaining records reflecting the assessment and actions in this regard (24 CFR 570.487(b)(1)).

> **Impediments** are defined as any actions, omissions, or decisions taken because of race, color, religion, sex, handicap, familial status, or national origin that restricts housing choices or the availability of housing choices.
>
> **Fair Housing Choice** is defined as the ability of persons - regardless of race, color, religion, sex, handicap, familial status, or national origin - of similar income levels - to have available to them the same housing choices.

A good assessment will reflect a comprehensive review of policies, practices and procedures that affect the location, availability and accessibility of housing choices. The State has developed a Fair Housing Assessment that identifies six areas that should be reviewed. This Assessment, complete with instructions and examples, is provided as **Exhibit A-66**. Upon completing the assessment, the grantee should address Fair Housing efforts in the areas determined most critical. The State will review the Fair Housing Assessment as part of its monitoring of the grantee, who will maintain a copy in its local records (24 CFR 570.601(a)(2)).

In addition, each grantee must conduct at least one Fair Housing activity during the grant period and maintain documentation of that activity that was or will be conducted. This documentation must be available when this office conducts its on-site monitoring. The documentation must identify the type of Fair Housing activity that was or will be conducted (community seminar, brochure distribution, etc.), the target audience (the general public, real estate brokers etc.), and the category of Fair Housing information provided. **Exhibit A-65** offers suggestions of activities that can be undertaken which will be determined to “further Fair Housing” and includes a sample Utility Bill Stuffer and a Fair Housing flyer. As a prerequisite for performing various Fair Housing activities, grantees must be aware of the different possible infractions that constitute discriminatory conduct. This list of regulations that categorize and explain the different types of discriminatory conduct under federal law and provides contact information in the event a person feels they have been discriminated against is also included in **Exhibit A-65**.

## SECTION 504 REQUIREMENTS

Grantees are required to comply with Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 754). Section 504 provides that "No otherwise qualified individual with handicaps in the United States shall, solely by reason of his handicap, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance”.

Compliance with the provisions of Section 504 requires that grantees shall implement each program or activity receiving Federal financial assistance so that the program or activity, when viewed in its entirety, is readily accessible to and usable by individuals with disabilities.

### *Grantee Assurance*

Each grantee shall submit an assurance to the Office of Community Development that the LCDBG Program will be operated in compliance with Section 504 requirements (24 CFR 8.50(a)). This assurance obligates the grantee for the period during which federal financial assistance is extended. This assurance must be submitted prior to receipt of the executed contract with the State. A sample assurance is attached as **Exhibit A-67**, Section 504 Assurance form.

### *Self-Evaluation*

a. Each grantee shall have completed a self-evaluation of current policies and practices with respect to communications, employment, and program/physical accessibility to determine whether, in whole or in part, they do not or may not meet the requirements of being accessible to individuals with disabilities. The self-evaluation will have been completed within six months of receipt of any grant award after July 1988.
b. The self evaluation shall designate all buildings and structures as "new" or "existing" depending on whether the building was constructed or altered after July 1988 (24 CFR 8.51(a) ). The self-evaluation shall determine whether buildings and structures that house programs and services for the public can be approached, entered, and used by persons with disabilities. At a minimum the following items should be addressed in the self evaluation: Parking – Spaces, Curbs, Ramps; Routes and Pathways – Slopes, Levels, Ramps, Notices; Entrance Ways – Widths and Heights; Interiors – Door Grasp, Pressure, Pathways, Elevators; Service – Counter Heights, Notices; and Auxiliary Services – Telephones, Restrooms, Drinking Fountains.
c. Each grantee shall modify any policies and practices that do not meet the requirements for program accessibility (24 CFR 8.51). Because compliance with 504 does not necessarily require a grantee to make each of its existing facilities accessible to and usable by individuals with disabilities, or require a grantee to take any action that it can demonstrate would result in a fundamental alteration in the nature of its program or activity or in undue financial and administrative burdens, a grantee may comply with the requirements of this section in its programs and activities receiving Federal financial assistance through such means as relocation of programs, assignment of aids to beneficiaries, home visits, or any other method that results in making its program or activity accessible to individuals with disabilities. A grantee is not required to make structural changes in existing facilities where other methods are effective in achieving compliance with this section (24 CFR 8.21(i)). If structural changes are necessary, the grantee must develop a transition plan (see below).

**NOTE:** If a grantee has been the recipient of prior LCDBG funds and has a completed self-evaluation and if applicable, a transition plan, as mentioned above, the three year time period for completing the construction activities specified in a transition plan for most grantees has expired. For "existing"

buildings and facilities that house programs and services for the public and are not accessible, the grantee must have adopted policies and/or modified practices to achieve accessibility. Prior grantees should prepare a summary of their past compliance activities. The summary will be reviewed at the time the grant is monitored. A sample can be found in **Exhibit A-68** (Summary of Actions Taken to Achieve Compliance with Section 504) of this handbook. **Note: The "Summary of Actions to Achieve Compliance with Section 504" must contain three sections: physical accessibility, communications, and employment.** Also, the grantee must re-submit the required assurance previously described to the Office of Community Development.

### *Visual and Hearing Impairments*

Each grantee must ensure that members of the population eligible to be served or likely to be affected directly by a federally assisted program who have visual or hearing impairments are provided with the information necessary to understand and participate in the program. Methods for ensuring participation include, but are not limited to, qualified sign language and oral interpreters, readers, or the use of taped and Braille materials.

The regulation requires that each grantee must have available a TDD or equally effective method for communicating with hearing impaired persons. Louisiana has an approved relay service that may be utilized. **In order to utilize the relay system, the grantee must have a policy indicating the use of the relay system by the grantee and publish the telephone numbers in the newspaper.** The numbers are: TDD Users 1-800-846-5277, and Voice Users 1-800-947-5277. This service is free of charge. The number "711" has been approved by the FCC for use in contacting the relay service. This number works from both TDD and voice telephones and while it is applicable in most states, grantees are still required to list the "800" numbers presented above.

### *Transition Plan*

If structural changes to non-housing facilities will be undertaken to achieve program accessibility (see notes below), a recipient shall develop a transition plan with the assistance of interested persons, including disabled individuals or organizations representing disabled individuals, for those areas which cannot be made accessible administratively (24 CFR 8.21 (4)). The construction activities identified in the transition plan must have been/must be completed within three years of completion of the self evaluation that was conducted within six months of the first grant award made after July 1988 (24 CFR 8.21(c ) 3)–(see above). The transition plan must be made available for public inspection, and, at a minimum, it shall:

1. Identify all physical obstacles that limit the accessibility of programs and activities to individuals with disabilities;
2. Describe in detail the method to be used in making the facility accessible;
3. Set forth a schedule for completion of the modifications. If the schedule exceeds one (1) year, then the grantee must identify the actions to be taken during each year of the transition period;
4. Identify the individual responsible for implementation of the plan; and
5. Identify the persons or groups with whose assistance the plan was prepared.

**NOTE: Unless a previously funded grantee has recently acquired a facility that was constructed prior to 1988, that will house programs and services available to the public, and intends to make physical alterations to this facility, the three year construction period for meeting the accessibility requirement for existing facilities under this regulation will have expired. New non-housing facilities (designed, constructed or altered after July 11, 1988) shall be designed and constructed to be readily accessible to and usable by individuals with disabilities (24 CFR 8.32).**

### *Requirements for Grantees Employing 15 or More Persons*

1. A responsible employee must be designated to coordinate the community's efforts to comply with Section 504;
2. The community must adopt by resolution grievance procedures that incorporate appropriate due process standards and that provide for the prompt and equitable resolution of complaints alleging any action prohibited by this part. Such procedures need not be established with respect to complaints from applicants for employment or from applicants for admission to housing covered by this part.
3. The grantee shall take appropriate initial and continuing steps to notify "participants, beneficiaries, applicants, and employees, including those with impaired vision or hearing, and unions or professional organizations holding collective bargaining or professional agreements with the grantee" that it does not discriminate on the basis of disability in violation of this part. **(The notice must contain this specific language.)** The notification shall state, where appropriate, that the grantee does not discriminate in admission or access to, or treatment or employment in, its federally assisted programs and activities. The notification shall also include an identification of the responsible employee designated above.
   **A grantee shall make the initial notification required by this paragraph within 90 days of receipt of the executed contract with the State for each new grant.** Methods of initial and continuing notification may include the posting of notices, publication in newspapers and magazines, placement of notices in recipients' publications, and distribution of memoranda or other written communications.
4. The grantee must maintain a file, make available for public inspection, and provide to the responsible civil rights official, upon request: (1) a list of the interested persons consulted; (2) a description of areas examined in the self-evaluation and any problems identified; and (3) a description of any modifications made and/or any remedial steps taken.

**In order to assist with Section 504 compliance, a separate handbook was developed by Office of Community Development several years ago. An Update for Section 504 compliance was prepared in October, 2002. The Update provides examples of policies to be adopted for accessibility compliance.**

### *Section 504 Recordkeeping*

Each grantee must maintain data for the State showing the extent to which individuals with disabilities are beneficiaries of federally assisted programs.

## ANTI-DISPLACEMENT

All grantees are required to adopt a Residential Anti-displacement and Relocation Assistance Plan and Certification before any funds can be dispersed to that grantee. Please refer to *Section C, Acquisition/Anti-Displacement/Relocation/Demolition: Residential Anti-Displacement and Relocation Assistance Plan* of this handbook for more information on this requirement.

## PROGRAM CHANGES AND AMENDMENTS

The State approved the grantee's application based upon the specific purpose of, and items included in the project description and cost estimate. Deviations from those items require written approval from this office; failure to receive that approval could result in disallowed costs. This approval must be obtained prior to this bidding process and/or implementation of the change.

### PROGRAM CHANGES

Some changes that become necessary for project implementation do not involve a change in scope of work or number of project beneficiaries and may not require a full program amendment as described above. These program changes generally must be requested in writing by the grantee.

The request should describe the intended change to the project, and statements regarding whether the change will affect the intent/scope of the project, number of project beneficiaries, and the Environmental Review Record. Upon receipt of the request, this office may ask for additional information in order to make a determination to approve or disapprove the request.

### PROGRAM AMENDMENTS

Single changes or cumulative changes in the program budget greater than ten percent of the grant award amount, changes that result in the deletion or addition of an activity or item, changes to the scope of work or that would affect the original rating of the application; require prior State approval. This approval must be requested through the submittal of a Request for Program Amendment, **Exhibit A-69**. Detailed instructions are included in the exhibit. A public hearing regarding the proposed amendment must be held prior to submitting the request to the State. Documentation of the hearing (notice of hearing and minutes) must be submitted to the State with the Request for Program Amendment. However, if the project requires the addition or deletion of the acquisition activity, a public hearing will NOT be required.

If all of the approved activities and items in the approved cost estimate have been completed and there are funds remaining due to cost under-runs, the use of those funds is subject to prior approval from the Office of Community Development in the form of a program amendment.

Expansions must generally be contiguous to the original target area. The overall project must still primarily benefit low-to-moderate income persons. The scope and intent of expansion must be in keeping with the scope and intent of the originally funded application.

Major reductions in the scope of proposed work could result in adverse state action — grant reduction, termination, or a finding of ineligibility for future funding. Grantees are selected for funding based on their proposed program and are expected to complete the program as proposed.

Grantees should contact the Office of Community Development if problems emerge which might lead to program modifications. Early notification of potential problems will permit all parties to resolve them when possible.

The Office of Community Development will review all requests for an amendment very carefully to determine how the proposed change relates to the approved project. In making that determination, the Office of Community Development will ascertain as to whether or not the proposed change is an integral part of the originally approved project and is necessary to complete the project as originally approved. The Office of Community Development will also review the site location of the proposed change in relation to the originally approved target area.

Program amendment requests which will result in the deletion or addition of an activity or a reduction or expansion in the project's scope of work will be evaluated to determine whether the project would have been funded based on the data proposed in the amendment. If the project would not have been fundable based on the proposed changes, the amendment will not be approved.

Any LCDBG funds remaining in the program following issuance of a conditional closeout will revert to the State for use in other communities.

**Amendments to the approved program can neither be requested nor approved through the submittal of engineering change orders.**

## RECORDKEEPING AND REPORTING

Grantees must document full compliance with all applicable regulations of the LCDBG program. This can be accomplished through careful attention in maintaining adequate records and submitting required reports. LCDBG records must be maintained for a period of three years after the State closes out its grant with HUD. The State will notify the grantee of the date its grant records can be destroyed. The filing system established to keep these records should be easy to use while providing a historical account of all activities for examination and review by the State, auditors, and local staff. The filing system should be established on a program year basis. LCDBG files must be maintained in a central location. The checklist below is a sample of the major file categories to be maintained and a listing of materials that should be kept in each file. This list is not all inclusive. Although a grant consultant may maintain a set of files in his/her office, the local government is required to maintain the original files in the Town Hall/Courthouse.

<u>Application</u>

- Application
- Correspondence relating to the application
- Requests for program amendments/program changes and State's response

Contract Agreement

- Letter from the State awarding grant
- Contract Agreement
- Notice of Removal of Contract Conditions and Release of Funds Form or letter from the State stating that the contract conditions have been removed
- Records of correspondence concerning other contract conditions

Financial Management

- Designation of Depositary Card
- Authorized Signature Card
- Financial Management Questionnaire (mailed with "Application Revision Letter)
- Requests for Payment
- Accounting books of original and final entry (Cash Receipts Journal, Cash Disbursements Journal, Monthly Financial Statements, General Ledger, LCDBG Property Register, Cash Control Card)
- Record of commitment of other funds
- Source documentation (contracts, purchase orders, vouchers, invoices, requests for partial payment, etc.)
- Canceled checks, EFT records, monthly bank statements, etc.
- City/Parish Code of Ethics
- City/Parish audits

Environmental Review Record

- Finding of Exemption (if applicable)
- Finding of Categorical Exclusion (if applicable)
- Statutory checklist (if applicable)
- Project description
- Environmental Assessment/Checklist (if applicable)
- ERR Project Map with boundaries marked
- Floodplain Map
- Wetlands Map (if applicable)
- Floodplain/Wetlands Notices/8-step documentation (if applicable)
- US Corps of Engineers letters (to and from / if applicable)
- State Historic Preservation letters (to and from)
- Indian Tribe letters (to and from)
- Farmland Conversion Impact Rating form (if applicable)
- Notice of Intent to Request Release of Funds **OR** Combined Notice of Finding of No Significant Impact and of Intent to Request a Release of Grant Funds
- Notice of FONSI distribution list
- Request for Release of Funds and Certification
- All letters related to ERR
- Any required permits

Procurement

- Adopted procurement policy
- All professional services contracts (technical assistance, engineering, administrative, legal, audit, appraisal, et cetera)
- Methods and procedures for selection of professional services
- Qualification statements and proposals received
- Written review and evaluation of statements and proposals received
- Negotiation methodologies
- Cost and price detail summaries
- Amendments to contracts (if applicable)
- Evidence of City/Parish's attempt to identify and solicit minority contractors and vendors and documentation to support "good faith effort"
- Special studies, surveys, investigations, tests results, et cetera
- Preliminary design and cost estimates
- Final design documents and cost estimates
- Evidence that all land, rights-of-ways, and easements have been obtained prior to advertising project for bids; should include highway permits and railroad crossing permits as applicable
- Advertisements for bids
- Bid documents
- Evidence of submittal to and/or review by cognizant State or Federal agency having jurisdiction over project
- Conformance with Architectural Barriers Act, if applicable
- List of proposed bidders and suppliers receiving copies of the bid documents
- Minutes of public bid opening
- Tabulation of bids with copy of the bid proposal and bid bond submitted by each bidder
- Bidder qualification information; verification of contractor eligibility
- Notice of award of the contract to the lowest responsible bidder
- Evidence of contractor and subcontractor verification of eligibility and approval
- Architect/engineer inspection reports or project status reports, field measurements and test results
- Records of claims, disputes, et cetera
- Change orders and field orders with supporting documentation and justification
- Final inspection and acceptance of project
- Clear lien certificate and final payment to contractor
- As-built drawings
- Correspondence, memoranda, and other records that may relate to construction contracts
- Verification of contractors' compliance with Section 3 regulations

Fair Housing/Equal Opportunity

- City/Parish Employment Affirmative Action Plan, if applicable
- Evidence of efforts to affirmatively further fair housing
- City/Parish employment profile
- Project benefit profile documentation
- Analysis of Impediments to Fair Housing/Fair Housing Assessment
- M.B.E. Reports

Citizen Participation

- Copy of all notices of public hearings held and proofs of publication relating to your LCDBG program
- List of persons attending public hearings and minutes of the meetings
- Citizen inquiries and complaints and correspondence responding to the inquiries and complaints
- Copy of Citizen Participation Plan with adopting resolution. Records documenting implementation and compliance with the CP Plan Citizen Complaint Procedures

Section 504

- Self-evaluation with all areas examined
- List of interested persons consulted
- Transition Plan (if applicable)
- Summary of Previous Actions Taken to Achieve Compliance with Section 504
- Description of modifications made, or to be made, whether administratively or physically
- Designation of responsible person to coordinate Section 504 (if 15 or more employed)
- Grievance Procedure (if 15 or more persons are employed) - relating specifically to Section 504 and resolution adopting it
- Notices Required (if 15 or more persons are employed)
- Statement of Policy to be used with published or recruitment materials or publications of general information
- Method for ensuring participation by those likely to be affected by the LCDBG Program who have visual or hearing impairments
- Procedures which ensure that interested persons (including those with visual or hearing impairments) can obtain information on the existence and location of accessible services, activities, and facilities
- Employment/Personnel Practices
- Data which shows the extent to which handicapped individuals are benefitting from the LCDBG program
- Section 504 Assurance

Section 3

- Grantee's file of certifications of Section 3 employees and businesses
- Section 3 Plan for grantee (if grant exceeds $200,000)

- Section 3 Plan for contractors and subcontractors (with contracts over $100,000)
- Tables A & B to accompany Section 3 Plan
- Section 3 Certification for Contractor
- Certification of Proposed Subcontractor regarding Section 3 and Segregated Facilities (for all subcontractors)
- Proof of efforts to hire Section 3 employees and businesses by grantee, contractors and subcontractors if subject to Section 3; if Section 3 goals are not met, proof of impediments to hiring Section 3

Comprehensive labor standards compliance files must be established for each construction job. **Exhibit A-55** is a COMPREHENSIVE CONSTRUCTION CONTRACT CHECKLIST that includes all required labor standard compliance documentation and provides a system for documenting compliance activities.

Labor Standards

- Designation of a local Labor Standards Compliance Officer
- Request for Wage Determination
- Wage determinations, modifications, and additional classifications
- Federal Labor Standards Provisions
- Evidence of the 10-day call
- Verification of contractor eligibility
- Notice of Contract Award
- Contractor's License Forms
- Contractor's and subcontractor's weekly payrolls and Statements of Compliance signed by an officer of the company
- Evidence of apprenticeship/trainee registration and certification if apprentice or trainee rates were paid
- Payroll deduction authorizations
- Employee interviews
- Evidence indicating that the federal wage determination and the Labor, E.O., and Safety posters were posted
- Evidence of restitution, if any
- Complaints from workers, if any, and actions taken
- Labor Standards Compliance Report(s), if any
- Final Wage Compliance Report

State Monitoring/Inspections

- State letter(s) of findings
- City/Parish response to letter of findings
- State's response clearing findings
- Other correspondence related to the State's monitoring visits

Audit

- Method utilized to procure audit firm(s)
- Professional Services Agreement with independent CPA
- Financial Reports
- Information relating to Financial Reports costs

Project Closeout

- Program Completion Report
- Certification of Completion
- State's letter Issuing a Conditional Closeout
- State's letter Issuing a Final Closeout

General Correspondence

- Incoming and outgoing correspondence that does not fall into the above categories or into a specific project file category

Force Account

- Contact the State's Office of Community Development for recordkeeping requirements with respect to force account.

Land Acquisition: (for each parcel, easement, or right-of-way acquired or obtained)

- Official determination to acquire; a citation of the action that constitutes the official determination to acquire, the date of the action, and the applicable LCDBG contract number.
- Notice of Intent to acquire property; a copy of the notice, citation of the date of transmittal to owner, and evidence of receipt by the owner.
- Notice of land acquisition procedures; a citation of the date of transmittal to the owner and evidence of receipt by owner. (NOTE: LCDBG reviewer shall assure himself that notice actually transmitted is adequate.)
- Invitation to accompany appraiser - evidence that owner was invited to accompany each appraiser on his inspection of the property.
- Appraisal reports; a copy of each appraisal report, including reviewer's report on which determination of just compensation was based.
- Determination of just compensation; a copy of the resolution, certification, motion or other document constituting the determination of just compensation.
- Purchase offer; a copy of written purchase offer of just compensation, including all basic terms and conditions of such offer, and a citation of the date of delivery to the owner. This date is the initiation of negotiations.
- Statement of the basis for the determination of just compensation; a copy of the statement and an indication it was delivered to owner with written purchase offer.
- Purchase agreement, deed, declaration of taking, and tenant waivers; a copy of each such document and any similar or related document utilized in conveyance.

- Settlement cost reporting statement; a copy of the statement.
- Purchase price receipt; evidence of owner receipt of purchase price payment.
- Ninety days notice to surrender possession of premises; a copy of the notice. As an alternative, a copy of this notice may be included in the relocation or property management file.
- Copy of any appeal or complaint filed and recipient's response.
- If voluntary acquisition procedures were used, a copy of the adopted Voluntary Acquisition Policy and a copy of the resolution.

Relocation Case Files: (for each relocation claim)

- Identification of person, displacement property, racial/ethnic group classification, age and sex of all members of household, monthly rent and utility costs for displacement and replacement housing, type of enterprise, and relocation needs and preferences.
- Evidence that the person received a timely statement describing available relocation payments and basic eligibility conditions, available advisory services, and right to comparable replacement housing (or suitable replacement housing under Section 104 (j) policies).
- Evidence that the person received a timely written notice informing him/her of eligibility for relocation assistance and the location and cost of the comparable replacement dwelling used to establish the upper limit of the replacement housing payment.
- Evidence and dates of personal contacts; and description of services provided.
- Identification of referrals to replacement properties, date of referral, sale price or rent/utility costs (if dwelling), date of availability, and reason(s) for declining referral.
- Copy of 90-day notice and vacate notice, if issued.
- Identification of actual replacement property, sale price or rent/utility costs (if dwelling), and date of relocation.
- Replacement dwelling inspection report; and date of inspection.
- A copy of each approved claim form and related documentation; evidence that the person received payment.
- Copy of any appeal or complaint filed and recipient's response.
- Copy of deferred loan lien agreement that has been filed with the clerk of courts office.

THIS PAGE INTENTIONALLY LEFT BLANK

# EXHIBITS – SECTION A: PROGRAM ADMINISTRATION

## A-1: SAMPLE CITIZEN PARTICIPATION PLAN

# (Sample)

CITIZEN PARTICIPATION PLAN

The _____ has adopted the following Citizen Participation Plan to meet the citizen participation requirements of Section 508 of the Housing and Community Development Act of 1974, as amended. The _____ is committed through adoption of this plan to full and total involvement of all residents of the community in the composition, implementation and assessment of its Louisiana Community Development Block Grant (LCDBG) Program. Attempts will be made to reach all citizens, with particular emphasis on participation by persons of low and moderate income, residents of slum and blighted areas and of areas in which funds are proposed to be used. A copy of this plan will be made available to the public upon request.

As part of the citizen participation requirements and to maximize citizen interaction, the

_____ shall:

1) Provide citizens with reasonable and timely access to local meetings, information and records relating to the State's proposed method of distribution, as required by the Secretary, and relating to the actual use of funds under Title I of the Housing and Community Development Act of 1974, as amended;

2) Provide for public hearings to obtain views and respond to proposals and questions at all stages of the community development program. These hearings will consist of the development of needs and proposed activities and review of program performance. These hearings will be held after adequate notice, a minimum of five calendar days, at times and locations convenient to potential or actual beneficiaries with accommodations for persons with disabilities;

3) Provide for and encourage citizen participation with particular emphasis on participation by persons of low and moderate income who are residents of slum and blighted areas and of areas in which funds are proposed to be used;

4) Provide for technical assistance to groups representative of persons of low and moderate income that request such assistance in developing proposals;

5) Where applicable, identify how the needs of non-English speaking residents will be met in the case of public hearings; and

6) Provide for a formal written procedure which will accommodate a timely written response, within fifteen days where practicable, to written complaints and grievances.

Written minutes of the hearings and an attendance roster will be maintained by the_____.

## PUBLIC HEARINGS

Notices informing citizens of any public hearings will appear in the official journal of the _____ a minimum of five calendar days prior to the hearing. In addition, notices will also be posted in (parish office buildings/town hall) and the hearing will be publicized through local community organizations, i.e., churches, clubs, etc., and/or dissemination of leaflets in the target area. Hearings will be held at times and locations convenient to potential or actual beneficiaries with accommodations for individuals with disabilities and non-English speaking persons. Whenever possible these hearings will be held within or near the target areas, at times affording participation by the most affected residents.

### I. APPLICATION:

First Notice/Public Hearing

1) The public hearing to address LCDBG application submittal will be held approximately _____ calendar days prior to the deadline for submission of the application for the current funding cycle. The Citizen Participation Plan will be available at the hearing. The public notice for this hearing will state that the following will be discussed:

   a) The amount of funds available for proposed community development;

   b) The range of activities that may be undertaken, including the estimated amount proposed to be used for activities that will benefit persons of low and moderate income;

   c) The plans of the _____ for minimizing displacement of persons as a result of activities assisted with such funds and the benefits to be provided by the _____ to persons actually displaced as a result of such activities; and

   d) The _____ prior performance of LCDBG programs funded by the State of Louisiana.

   In addition, the notice shall state that all citizens, particularly low and moderate income residents of slum and blighted areas, are encouraged to submit their views and proposals regarding community development and housing needs. Those citizens unable to attend this hearing may submit their views and proposals to:

   (address of local government)

   _____

   _____

   _____

   _____

The notice will also state that accommodations will be made for disabled and non-English speaking individuals provided a _____ day notice is received by the _____.

Second Notice

1) Seven calendar days, at a minimum, prior to the deadline for submittal of the application, a second notice shall appear in the official journal informing the citizens of the following:

a) Proposed submittal date of the application;

b) Proposed objectives;

c) Proposed activities;

d) Location of proposed activities;

e) Dollar amount of proposed activities; and

f) Location and hours available for application review.

In addition, the notice shall state "all citizens, particularly

those affected by the proposed project, are encouraged to review the proposed application and submit any written comments on the application to:"

(address of local government)

_____

_____

_____

_____

Negative comments received will be forwarded immediately to the State's Office of Community Development, Division of Administration or the application will be withdrawn if necessary.

## II. AMENDMENTS

Program amendments, which substantially alter the LCDBG project from that approved in the original application, shall not be submitted to the State without holding one public hearing in accordance with the procedures outlined within this Citizen Participation Plan. Minutes of the hearing will be submitted with the request for the amendment. All interested citizens, particularly the low and moderate income, elderly, handicapped, and residents of the project area, shall be made aware and have the opportunity to comment on proposed amendments and/or submit alternative measures.

III. GRANTEE PERFORMANCE

The _____ will hold one performance hearing to solicit the public's opinion of the effectiveness of the LCDBG Program. The manner of notification will be the same as previously described for all public hearings. Notification will be made in the official journal approximately _____ calendar days prior to the anticipated submittal of close-out documents to the State, and will indicate the date, time, and place of the performance hearing, and invite comments and opinions on the LCDBG activities implemented under the _____ LCDBG Program being closed out. The notice will also state that accommodations will be made for disabled and non-English speaking persons provided a _____ day notice is received by the _____.

This notice shall invite all interested parties, particularly those low to moderate income residents in the target area to attend.

The hearing will be held no sooner than five calendar days from the publication date of said notice.

CONSIDERATION OF OBJECTION TO APPLICATION

Persons wishing to object to approval of an application by the State may make such objection known to:

Office of Community Development

Division of Administration
Post Office Box 94095
Baton Rouge, Louisiana 70804-9095

The State will consider objections made only on the following grounds:

1) The application description of needs and objectives is plainly inconsistent with available facts and data;

2) The activities to be undertaken are plainly inappropriate to meeting the needs and objectives identified by the applicant; and

3) The application does not comply with the requirements set forth in the Final Statement or other applicable laws.

Such objections should include both an identification of the requirements not met and, in the case of objections relative to (1) above, the complainant must supply the data upon which he/she relied upon to support his/her objection.

## BILINGUAL

Whenever a significant number of persons and/or residents of blighted neighborhoods communicate with a primary language other than English attend public hearings, the _____ will provide a interpreter for dissemination of information to them providing the _____ is given sufficient notification of _____ day(s).

## TECHNICAL ASSISTANCE

Technical assistance may be provided directly by the _____ to any citizen, particularly to low and moderate income persons, residents of blighted neighborhoods and minorities, who request assistance in the development of proposals and statement of views concerning the LCDBG Program. The local officials, administrator and engineer will conduct informational meetings with the residents of the low to moderate income areas if a written request is received by the _____ with at least a one week notification. The persons who conducts the technical assistance meetings will disseminate information on the program and answer all pertinent questions.

## TIMELY ACCESS AND ADEQUATE INFORMATION

The _____ shall provide timely disclosure of records, information and documents related to the LCDBG program activities. Documents will be made available for copying upon request at the _____, Monday thru Friday, _____ a.m. to _____ p.m. Such documents may include the following:

1) All meetings and promotional materials.

2) Records of hearings and meetings.

3) All key documents, including prior applications, letters, grant agreements, citizen participation plans, and proposed applications.

4) Copies of the regulations (Consolidated Plans or Annual Action Plans) concerning the program.

5) Documents regarding other important requirements, such as Procurement Procedures, Fair Housing, Equal Employment Opportunity, Uniform Act, Labor Provisions and Environmental Procedures.

# CITIZEN COMPLAINT PROCEDURE

## SECTION 1

It is the policy of the (local government) to review all complaints received by the (local government.)

## SECTION 2

The following procedures will be followed on all complaints received by the (local government):

1) The complainant shall notify the (designated local official) of the complaint. The initial complaint may be expressed orally or by written correspondence.

2) The (designated local official) will notify the Mayor or designated representative of the complaint within _____ working days.

3) The Mayor or designated representative will investigate the complaint and will report the findings to the (designated local official) within _____ working days.

4) The (designated local official) will notify the complainant of the findings of the Mayor or designated representative in writing or by telephone within _____ working days.

5) If the complainant is aggrieved by the decision, he must forward the complaint in writing (if previously submitted orally) to the (designated local official) who will forward the complaint and all actions taken by the Mayor or designated representative to the appropriate council committee for their review. This will be accomplished within _____ working days of receipt of the written complaint.

6) The reviewing council committee will have _____ working days to review the complaint and forward their decision to the complainant in writing.

7) If the complainant is aggrieved with the decision of the Committee, he must notify the (designated local official) in writing that he desires to be afforded a hearing by the (local government) Council. The complainant will be placed on the next regularly scheduled council meeting agenda. The (designated local official) will notify the complainant in writing of the date of the hearing.

8) The complainant must bring all relevant data, witnesses, etc., to the hearing.The (local government) Council, at the hearing, will review the complaint and forward within _____ days a certified copy of the minutes of the meeting at which the hearing was conducted and a decision was rendered to the complainant. If a decision is not reached at the hearing, the (local governing official) Council will inform complainant of an appropriate date to expect a response. Within _____ working days of reaching a decision, the complainant will be notified in writing of the decision.

Complaints concerning the general administration of the LCDBG Program may be submitted in writing directly to the:

Division of Administration
Office of Community Development
Post Office Box 94095
Baton Rouge, Louisiana 70804-9095

SECTION 3

All citizen complaints relative to Fair Housing/Equal Opportunity violations alleging discrimination shall be forwarded for disposition to the:

Louisiana Department of Justice
Public Protection Division
Post Office Box 94095
Baton Rouge, Louisiana 70804-9095

The complainant will be notified in writing within 10 days that, due to the nature of the complaint, it has been forwarded to the Louisiana Department of Justice.

or

Complainant may contact the Louisiana Department of Justice Division directly at the Toll Free Telephone number 1-800-273-5718 or 225-342-7900.

SECTION 4

The (designated local official) will maintain a file for the purpose of keeping reports of complaints.

SECTION 5

This policy does not invalidate nor supersede the personnel or other policies of the (local government) which are currently adopted, but is intended to serve as a guide for complaints.

SECTION 6

This policy may be amended by a majority vote at any of the _____ regularly scheduled meetings.

ADOPTION

This Citizen Participation Plan is hereby adopted by _____ in regular session on this _____ day of _____, 200_____.

_____ _____

WITNESS CHIEF ELECTED OFFICIAL

## A-2: REQUEST FOR RELEASE OF FUNDS AND CERTIFICATION

# Request for Release of Funds and Certification

**U.S. Department of Housing and Urban Development**
Office of Community Planning and Development

OMB No. 2506-0087
(exp. 10/31/2014)

This form is to be used by Responsible Entities and Recipients (as defined in 24 CFR 58.2) when requesting the release of funds, and requesting the authority to use such funds, for HUD programs identified by statutes that provide for the assumption of the environmental review responsibility by units of general local government and States. Public reporting burden for this collection of information is estimated to average 36 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

**Part 1. Program Description and Request for Release of Funds (to be completed by Responsible Entity)**

| | | |
|---|---|---|
| 1. Program Title(s)<br>**FY 2013 Louisiana Community Development Block Grant Program** | 2. HUD/State Identification Number<br>**B-13-DC-22-0001** | 3. Recipient Identification Number (optional) |
| 4. OMB Catalog Number(s)<br>**14-228** | 5. Name and address of responsible entity | |
| 6. For information about this request, contact (name & phone number)<br>Louisiana Division of Administration,<br>Office of Community Development<br>225-342-7412 | | |
| 8. HUD or State Agency and office unit to receive request<br>Louisiana Division of Administration,<br>Office of Community Development | 7. Name and address of recipient (if different than responsible entity) | |

**The recipient(s) of assistance under the program(s) listed above requests the release of funds and removal of environmental grant conditions governing the use of the assistance for the following**

| | |
|---|---|
| 9. Program Activity(ies)/Project Name(s) | 10. Location (Street address, city, county, State) |

11. Program Activity/Project Description

Previous editions are obsolete

form **HUD-7015.15** (1/99)

**Part 2. Environmental Certification** (to be completed by responsible entity)

**With reference to the above Program Activity(ies)/Project(s), I, the undersigned officer of the responsible entity, certify that:**

1. The responsible entity has fully carried out its responsibilities for environmental review, decision-making and action pertaining to the project(s) named above.
2. The responsible entity has assumed responsibility for and complied with and will continue to comply with, the National Environmental Policy Act of 1969, as amended, and the environmental procedures, permit requirements and statutory obligations of the laws cited in 24 CFR 58.5; and also agrees to comply with the authorities in 24 CFR 58.6 and applicable State and local laws.
3. The responsible entity has assumed responsibility for and complied with and will continue to comply with Section 106 of the National Historic Preservation Act, and its implementing regulations 36 CFR 800, including consultation with the State Historic Preservation Officer, Indian tribes and Native Hawaiian organizations, and the public.
4. After considering the type and degree of environmental effects identified by the environmental review completed for the proposed project described in Part 1 of this request, I have found that the proposal did ☐ did not ☐ require the preparation and dissemination of an environmental impact statement.
5. The responsible entity has disseminated and/or published in the manner prescribed by 24 CFR 58.43 and 58.55 a notice to the public in accordance with 24 CFR 58.70 and as evidenced by the attached copy (copies) or evidence of posting and mailing procedure.
6. The dates for all statutory and regulatory time periods for review, comment or other action are in compliance with procedures and requirements of 24 CFR Part 58.
7. In accordance with 24 CFR 58.71(b), the responsible entity will advise the recipient (if different from the responsible entity) of any special environmental conditions that must be adhered to in carrying out the project.

As the duly designated certifying official of the responsible entity, I also certify that:

8. I am authorized to and do consent to assume the status of Federal official under the National Environmental Policy Act of 1969 and each provision of law designated in the 24 CFR 58.5 list of NEPA-related authorities insofar as the provisions of these laws apply to the HUD responsibilities for environmental review, decision-making and action that have been assumed by the responsible entity.
9. I am authorized to and do accept, on behalf of the recipient personally, the jurisdiction of the Federal courts for the enforcement of all these responsibilities, in my capacity as certifying officer of the responsible entity.

| Signature of Certifying Officer of the Responsible Entity | Title of Certifying Officer |
|---|---|
| X | Date signed |

Address of Certifying Officer

**Part 3. To be completed when the Recipient is not the Responsible Entity**

The recipient requests the release of funds for the programs and activities identified in Part 1 and agrees to abide by the special conditions, procedures and requirements of the environmental review and to advise the responsible entity of any proposed change in the scope of the project or any change in environmental conditions in accordance with 24 CFR 58.71(b).

| Signature of Authorized Officer of the Recipient | Title of Authorized Officer |
|---|---|
| X | Date signed |

**Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

**Previous editions are obsolete** **form HUD-7015.15** (1/99)

## A-3: AUTHORIZED SIGNATURE CARD

DA 6403
R 10/98

**AUTHORIZED SIGNATURE CARD**
for the
LOUISIANA COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

**Authorized Signatures for Requests for Payment**

| Name/Address of Contractor Organization (1) | Contract Number (2) |
|---|---|
| SIGNATURES OF INDIVIDUALS AUTHORIZED TO DRAW ON THE CITED CONTRACT FUNDS | ANY TWO SIGNATURES REQUIRED TO SIGN OR COUNTERSIGN |
| Typed Name and Signature (3) | Typed Name and Signature (4) |
| Typed Name and Signature (5) | Typed Name and Signature (6) |
| I CERTIFY THAT THE SIGNATURES ABOVE ARE OF THE INDIVIDUALS AUTHORIZED TO DRAW PAYMENT VOUCHERS FOR THE CITED CONTRACT FUNDS. (7) Date and Signature of Certifying Officer | APPROVED: (8) Date and Signature of State Certifying Officer |

—IMPORTANT—
NO ERASURES OR CORRECTIONS
MAY APPEAR ON THIS FORM

**INSTRUCTIONS FOR AUTHORIZED SIGNATURE CARD**

**Line**

1 Insert name and address including zip code of the City/Parish receiving funds.

2 Leave blank. State staff will insert contract number here.

3-6 These blocks are for the typed name and signature of individuals who are authorized to sign the Community's Request for Payments. Two signature are required on each request, it is a good idea to have three or four people authorized to sign. remember also that the individual who certifies the signatures on line 7 may not be one of the authorized persons on lines 3 through 6.

7 Signature and Date of individual certifying the signatures in lines 3 through 6. this is normally the Chief Executive officer (Mayor or President of the Police Jury)> If, however, the mayor wishes to sign the Requests for payment, he/she would sign once in lines 3 through 6 and somebody else can certify the signatures in line 7. If someone other than the Chief Executive officer certifies the signatures in line 7, this form must be accompanied by a resolution of the governing body authorizing him/her to certify the signatures.

8 Leave blank.

# Signature Card Samples

Incorrect Sample
(Signed name does not match typed name)

DA 6403
R 10/98

**AUTHORIZED SIGNATURE CARD**
for the
LOUISIANA COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

**Authorized Signatures for Requests for Payment**

| Name/Address of Contractor Organization | Contract Number |
|---|---|
| City of Sampleville (1) | 100-7005 (2) |

SIGNATURES OF INDIVIDUALS AUTHORIZED TO DRAW ON THE CITED CONTRACT FUNDS — ANY TWO SIGNATURES REQUIRED TO SIGN OR COUNTERSIGN

| | |
|---|---|
| Typed Name and Signature<br>John Doe (3) John D. Doe | Typed Name and Signature (4) |
| Typed Name and Signature (5) | Typed Name and Signature (6) |
| I CERTIFY THAT THE SIGNATURES ABOVE ARE OF THE INDIVIDUALS AUTHORIZED TO DRAW PAYMENT VOUCHERS FOR THE CITED CONTRACT FUNDS.<br>03/21/03<br>Jane Smith (7)<br>Date and Signature of Certifying Officer | APPROVED:<br>(8)<br>Date and Signature of State Certifying Officer |

—IMPORTANT—
NO ERASURES OR CORRECTIONS
MAY APPEAR ON THIS FORM

Correct Sample
(Signed name matches typed name)

DA 6403
R 10/98

**AUTHORIZED SIGNATURE CARD**
for the
LOUISIANA COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

**Authorized Signatures for Requests for Payment**

| Name/Address of Contractor Organization | Contract Number |
|---|---|
| City of Sampleville (1) | 100-7005 (2) |

SIGNATURES OF INDIVIDUALS AUTHORIZED TO DRAW ON THE CITED CONTRACT FUNDS — ANY TWO SIGNATURES REQUIRED TO SIGN OR COUNTERSIGN

| | |
|---|---|
| Typed Name and Signature<br>John Doe (3) John Doe | Typed Name and Signature (4) |
| Typed Name and Signature (5) | Typed Name and Signature (6) |
| I CERTIFY THAT THE SIGNATURES ABOVE ARE OF THE INDIVIDUALS AUTHORIZED TO DRAW PAYMENT VOUCHERS FOR THE CITED CONTRACT FUNDS.<br>Jane Smith 03/21/03 (7)<br>Date and Signature of Certifying Officer | APPROVED:<br>(8)<br>Date and Signature of State Certifying Officer |

—IMPORTANT—
NO ERASURES OR CORRECTIONS
MAY APPEAR ON THIS FORM

## A-4: DESIGNATION OF DEPOSITARY CARD

DA 6404
R 10/98

### Designation of Depositary for Direct Deposit of LCDBG Contract Funds

SECTION I (To be Completed by Contractor)

NAME OF PROGRAM
Louisiana Community Development Block Grant Program

The First National Bank, 202 Main St., Sampleville, LA 70809 (1)
(Name, Address and ZIP Code of Bank)
has been designated as the depositary for all funds to be received directly from the State of Louisiana resulting from Contract Number 100-7005 (2)
(to be inserted by State) executed with the Division of Administration for deposit to Account Number 278-9908. (3)
The Account identified above is a non-interest bearing account.

City of Sampleville
(Name of City/Parish)

100 West Main St., Sampleville 70809 (4)
(Address and ZIP Code of City/Parish)

Mayor John Doe
(Title/Name of Executive Officer)
(Please Print or Type)

John Doe (5)
(Signature of Executive Officer)

3/21/03
(Date)

SECTION II (To be Completed by the Depositary)

The account identified in Section I has been established with this bank. All necessary documentation, including a power of attorney where necessary, the State of Louisiana for deposit to
First National Bank Account Number 278-9908 (6)
(Name of Bank and Account Number)
without the payee's endorsement have been received and are in this depositary's custody. The depositary's deposits are insured by FDIC. (7)
The Account identified above is a non-interest bearing Account.

First National Bank
(Name of Bank)

202 Main St., Sampleville 70809 (8)
(Address and ZIP Code where checks should be mailed)

The Depositary hereby agrees to immediately notify the Contractor Organization when a deposit is made in the above account.

Rich E. Rich, Vice President
(Name and Title of Authorized Bank Officer)
(Please Type or Print)

Rich E. Rich
(Signature of Authorized Bank Officer)

3/21/03 (9)
(Date)

# INSTRUCTIONS FOR DESIGNATION OF DEPOSITARY FORM

## Section I: To be completed by Recipient Organization

**Line:**

Insert name and address, including zip code, of the Bank into which you want your contract funds deposited.

Leave this line blank, State staff will insert your contract number.

Insert the account number into which your funds will be deposited. This account must be a non-interest bearing account.

Insert the name of the City or Parish receiving the funds and its mailing address, including zip code.

Type or print the Title and Name of the City/Parish Executive Officer, have him/her sign the form and date it.

## Section II: To be completed by Bank Depositary

Insert Name of Bank and Account Number into which LCDBG funds will be deposited.

Indicate Agency which insures depository's deposits (FDIC or governmental entity insuring the first $100,000 of deposits). If deposits exceed $100,000, arrangements must be made for additional insurance coverage.

Insert Name of Bank and Mailing Address, including zip code, to which checks should be sent.

Type or print Name and Title of Authorized Bank Officer, have him/her sign the form and date it.

## A-5: ELECTRONIC FUNDS TRANSFER FORM

### OFFICE OF COMMUNITY DEVELOPMENT

For your convenience, an enrollment form and the instructions are sent with your Community Development Block Grant contract. Completed forms and a copy of a voided check should be mailed or faxed directly to the address below. **For confidentiality reasons, do not return this form to any state agency other than the Office of Statewide Reporting and Accounting Policy (OSRAP).** Should you have any questions, please direct those inquiries to OSRAP:

Office of Statewide Reporting and Accounting Policy
P.O. Box 94095
Baton Rouge, LA 70804-9095
OSRAP Help Desk (225) 342-1097
FAX (225) 342-0964

**COMPLETING THE ENROLLMENT FORM:**

You are to complete the unshaded portions of the enrollment form. Please complete the fields with the following information:

**Vendor Name** – The name of your company or organization as it appears on the bank account referenced.
**Please Check One** – Select New Enrollment or Change.
**Vendor Address** – The mailing address of your organization to which all payments are sent.

**NOTE: If this address is different from the address on your check, please explain the differences on a separate sheet and attach it to the EFT form.**

**Vendor FEIN/SSN** – The Federal Tax Identification Number or Social Security Number of your organization.
**ACH Routing Number** – The 9 digit routing code of the financial institution for the specified savings or checking account to which funds will be deposited. If funds are deposited into your checking account, the routing number usually precedes your checking account number on the bottom of your checks.
**Check/Savings Indicator** – Circle the appropriate letter. "C" denotes a checking account and "S" denotes a savings account.
**Bank Account Number** – The bank account to which funds are to be deposited.
**Bank ACCT DESCR** – A general description of the bank account. For example, "Company XYX corporate checking account."
**Bank Name** – The name of the financial institution to which funds will be deposited.
**Bank Address** – (lines 1 - 3) The mailing address of the financial institution to which funds will be deposited.
**City/State/Zip** – The Bank's City/State/Zip for the mailing address listed.
**Bank Telephone Number** – The telephone number of the branch or bank office to contact for assistance with transmission problem resolution.
**International ACH Transactions** – Check the appropriate box. **Yes** means receipts are transferred to an account outside of the U.S. **No** means receipts are not transferred to an account outside of the U.S. A Box must be checked before the EFT enrollment form can be processed.
**Vendor's Authorized Signature** – The signature of the individual completing this form (Payee).
**Print Name** – Print or type the name of the individual completing this form.
**Title** – The title of the individual completing this form.
**Date** – The date the form is completed.
**Phone Number** – The telephone number of the individual completing the form.

**NOTE: Please include a copy of a voided check or a letter from your financial institution for depository accounts as verification of account information. A representative from your financial institution must complete and sign the shaded area at the end of the form.**

**CDBG**

**ELECTRONIC FUNDS TRANSFER ENROLLMENT FORM**

* Please review instructions before completing this form. Please print or type.
* Please attach a copy of a voided check, deposit slip, or bank statement.

| | |
|---|---|
| Vendor Name: Town of Madison | Please Check One: [✓] New Enrollment [ ] Change |
| Vendor Address: P.O. Box 36, Madison, LA 71477 | Vendor FEIN/SSN: 726000343 — For OSRAP use only: Location Code: ___ |
| ACH Routing Number: 091000639 — Circle C for Checking or S for Savings: Check/Savings Ind: (C) or S | Bank Account Number: 713243953 |
| Bank ACCT DESCR: Town of Madison LCDBG Account | |
| Bank Name: Bank of Louisiana | Bank Address: P.O. Box 734 |
| Bank Address: | Bank Address: |
| City: Madison State: LA ZIP 71477 | Bank Telephone Number: (337) 731-1144 Ext ___ |

By completing the information listed above, I hereby authorize the State of Louisiana, Division of Administration and their designees (***State***) to initiate ACH credit entries to the financial institution account listed as requested by the individual or organization above (Vendor) for payment of goods and services received. This authorization is to remain in full effect until such time as the ***State*** is notified in writing by the vendor. This notification must include such time and be in such a manner as to afford reasonable time for the ***State*** to act on it. I certify that I am authorized to complete the information listed above in the unshaded areas on behalf of the individual or organization named above and resolve issues related to enrollment. The information presented above is true and correct for the individual or organization named above. I understand that by utilizing the State's EFT payment process, I will no longer receive remittance advices from the State of Louisiana for payments issued. I am instead to contact my financial institution for remittance information and I am utilizing a financial institution which has the capability to receive such information. I am solely responsible for any fees assessed by my financial institution for their services. The ***State*** reserves the right to issue a check for payment when the situation warrants. **I agree to notify the *State* of changes to the information listed on this form immediately. Failure to provide the State with correct information or failure to notify the State of changes to bank and/or account information will result in the Vendor bearing sole liability for lost and/or misdirected payments.**

[ ] Yes. [✓] No **Please check the appropriate box to indicate if the payments you receive are deposited in a U.S. Financial Institution and transferred to an account outside the United States.** Yes means receipts are transferred to an account outside of the U.S. No means receipts are not transferred to an account outside of the U.S.

| | | | | | |
|---|---|---|---|---|---|
| Vendor's Authorized Signature: | Sally Smith | Print Name: | Sally Smith | | |
| Title: | Town Clerk | Date: | 05/01/11 | Phone #: | (318) 675-1144 ext ___ |

**FINANCIAL INSTITUTION:**

**I confirm that the routing and account information listed above is correct and our financial institution has the ability to receive ACH credit files and remittance information electronically.**

| | | | | | |
|---|---|---|---|---|---|
| Financial Institution's Authorized Signature: | | Print Name: | | | |
| Title: | | Date: | __/__/__ | Phone #: | (___)___-____ ext ___ |

**Send completed form & void check to DOA-OSRAP EFT Section at P.O. Box 94095, Baton Rouge, LA 70804-9095 or fax to (225) 342-0964**

# CDBG

| ELECTRONIC FUNDS TRANSFER ENROLLMENT FORM | | * Please review instructions before completing this form. Please print or type.<br>* Please attach a copy of a voided check, deposit slip, or bank statement. |
|---|---|---|
| Vendor Name: _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ | | Please Check One: [ ] New Enrollment [ ] Change |
| Vendor Address: _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _

## A-6 CASH RECEIPTS JOURNAL

LOUISIANA COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

CASH RECEIPTS JOURNAL

PROGRAM YEAR 20_____

| DATE | CHECK NUMBER | SOURCE OF FUNDS | AMOUNT | CUMULATIVE AMOUNT |
|---|---|---|---|---|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

## A-7 CASH DISBURSEMENTS JOURNAL

LOUISIANA COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

CASH DISBURSEMENTS JOURNAL

PROGRAM YEAR 20_____

| DATE | CHECK NUMBER | PAYEE | AMOUNT | CUMULATIVE AMOUNT |
|---|---|---|---|---|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

## A-8: LCDBG PROPERTY REGISTER

# COMMUNITY DEVELOPMENT BLOCK GRANT
# PROPERTY REGISTER

| Description | Identification Number | Acquisition Date | Purchase Order # and/or Check # | Cost | | Percent of Federal Participation | Location | | Condition | | Disposition | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Per Unit | Total | | Date | Description | Date | Description | Date | Amount | Description |
| | | | | | | | | | | | | | |

## A-9: GENERAL LEDGER CHART OF ACCOUNTS

LOUISIANA COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

GENERAL LEDGER CHART OF ACCOUNTS

| Account | | Normal Balance |
|---|---|---|
| **Assets** | | |
| 01 | Cash | Debit |
| 13 | Grant Revenue Receivable | Debit |
| 14 | Accounts Receivable | Debit |
| 25 | Other | Debit |
| **Liabilities** | | |
| 51 | Accounts Payable | Credit |
| 52 | Contracts Payable | Credit |
| 53 | Accrued Salaries | Credit |
| 54 | Unearned Revenue | Credit |
| 55 | Other | Credit |
| 56 | Due to other Fund | Credit |
| **Fund Balance** | | |
| 69 | Fund Balance | Credit |
| **Budget, Expenditures, and Revenues** | | |
| 80 | EXPENDITURES | Debit |
| 81 | Administration | Debit |
| 82 | Acquisition | Debit |
| 83 | Engineering | Debit |
| 84 | Construction | Debit |
| 90 | REVENUE | Credit |
| 91 | Revenues -- LCDBG Program | Credit |
| 92 | Revenues -- LCDBG Program Income | Credit |
| 93 | Revenues -- Local Contribution | Credit |
| 94 | Revenues -- Other | Credit |

## A-10: FINANCIAL STATEMENTS

****UNAUDITED****

**CITY OF LIGHTS**

**CAPITAL PROJECTS FUND**
**STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCE**
**FOR THE YEAR ENDED JUNE 30, 20____**

| | |
|---|---|
| **REVENUES:** | |
| **LCDBG Program** | **$54,345** |
| **City** | **7,455** |
| **TOTAL Revenues** | **$61,800** |
| | |
| **EXPENDITURES:** | |
| **Administrative Services** | **$12,500** |
| **Engineering Services** | **25,700** |
| **Project Construction** | **23,800** |
| **TOTAL Expenditures** | **$61,800** |
| | |
| **EXCESS (DEFICIENCY)OF REVENUES OVER EXPENDITURES** | **- 0 –** |
| | |
| **FUND BALANCE, BEGINNING** | **- 0 –** |
| | |
| **FUND BALANCE, ENDING** | **- 0 –** |

****UNAUDITED****

**CITY OF LIGHTS**

**CAPITAL PROJECTS FUND**
**BALANCE SHEET**
**FOR THE YEAR ENDED JUNE 30, 20____**

**ASSETS:**

| | |
|---|---|
| **Cash** | **$ 1,500** |
| **Grant Revenues Receivable** | **18,450** |
| **TOTAL ASSETS** | **$19,950** |

**LIABILITIES & FUND EQUITY:**

| | |
|---|---|
| **Accounts Payable** | **$17,370** |
| **Due to City** | **2,480** |
| **Unearned Revenue** | **- 0 –** |
| **TOTAL LIABILITIES** | **$19,950** |
| **FUND BALANCE** | **- 0 –** |
| **TOTAL LIABILITIES AND FUND EQUITY** | **$19,950** |

## A-11: TIME SHEET

TOWN OF OAKBURG
TIME SHEET

SECTION: MAINTENANCE NAME: Joe Smith

UNIT: TITLE:

REPORTING PERIOD 10 / 13 / 03 TO 10 / 24 / 03

| | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ACTIVITY | M | T | W | T | F | SA | SU | M | T | W | T | F | SA | SU | TOTAL |
| CDBG | | | | | | | | | | | | | | | |
| GRANT PAYMENTS | | | | | | | | | | | | | | | 0.0 |
| SETTING UP NEW GRANTS | | | | | | | | | | | | | | | 0.0 |
| INSPECTIONS | | | | | | | | | | | | | | | 0.0 |
| ENVIRONMENTAL | | | | | | | | | | | | | | | 0.0 |
| | | | | | | | | | | | | | | | 0.0 |
| | | | | | | | | | | | | | | | 0.0 |
| | | | | | | | | | | | | | | | 0.0 |
| OTHER TOWNWIDE/NON-PROGRAM SPECIFIC | | | | | | | | | | | | | | | 0.0 |
| | | | | | | | | | | | | | | | 0.0 |
| HOLIDAYS | | | | | | | | | | | | | | | 0.0 |
| SICK, ANNUAL, & OTHER LEAVE | | | | | | | | | | | | | | | 0.0 |
| K-TIME LEAVE | | | | | | | | | | | | | | | 0.0 |
| K-TIME EARNED - OTHER | | | | | | | | | | | | | | | 0.0 |
| | | | | | | | | | | | | | | | 0.0 |
| TOTAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

SIGNATURE: _____ DATE: _____
EMPLOYEE

SIGNATURE: _____ TITLE: _____ DATE: _____
SUPERVISOR

## A-12: LOUISIANA CDBG REQUEST FOR PAYMENT

LOUISIANA CDBG REQUEST FOR PAYMENT

| | |
|---|---|
| A. Name, Address, and Telephone Number of Contractor (City/Parish) | B. Date of Request |
| C. Contract Number/Fiscal Year/CDBG Grant Representative | D. Request # |
| E. Actual Delivery Date (A.D.D.) - The most recent date of delivery of services for each State fiscal year. | A.D.D. FY 1: |
| | A.D.D. FY 2: |

| 1. Status of LCDBG Funds | Amount | State Use Only |
|---|---|---|
| A. LCDBG Funds Received to Date | | |
| B. Program Income Received to Date | | |
| C. Subtotal | | |
| D. Funds Disbursed to Date | | |
| E. Cash on Hand at Time of this Request | | |
| F. LCDBG Funds Requested but not yet Received | | |

| 2. Amount of Funds Requested by Activity | A.D.D. FY 1 | A.D.D. FY 2 | Amount | |
|---|---|---|---|---|
| A. Acquisition of Real Property | | | | |
| B. Public Works, Facilities, Site Improvements | | | | |
| 1. Sewer | | | | |
| 2. Streets | | | | |
| 3. Water (Fire Protection) | | | | |
| 4. Water (Potable) | | | | |
| 5. Community Center | | | | |
| 6. Other | | | | |
| C. Rehabilitation Housing (includes rehab for public works) | | | | |
| D. Rehabilitation Administration | | | | |
| E. Clearance, Demolition | | | | |
| F. Relocation Payments | | | | |
| G. Economic Development | | | | |
| 1. Commercial/Industrial Infrastructure Development | | | | |
| 2. Loan | | | | |
| 3. Other | | | | |
| H. Planning and Management Development | | | | |
| I. Administration | | | | |
| 1. Pre-agreement Costs | | | | |
| 2. Public Facilities, Housing, and Economic Development | | | | |
| 3. Technology - Program Consultant | | | | |
| 4. Technology - Grantee Administrative Costs | | | | |
| J. Total | | | | |

### 3. Certification

I certify that this Request for Payment has been drawn in accordance with the terms and conditions of the contract for the grant or loan and that the amount for which drawn is proper for payment to the drawer at the drawer's bank. I also certify that the data reported above is correct and that the amount of the Request for Payment is not in excess of current needs. **Approved and detailed invoices that equal or exceed the amount are attached.**

| | | |
|---|---|---|
| A. Date | Signature | Title |
| B. Date | Signature | Title |

### 4. Approval (For State Use Only)

| | |
|---|---|
| A. Reviewed By | Date |
| B. Approved By | Date |

# INSTRUCTIONS FOR REQUEST FOR PAYMENT FORM

LINE:

A Enter name, address, including zip code, and telephone number of the City/Parish receiving funds.

Enter the date this request is being submitted.

C Enter the Contract Number, Fiscal Year (FY) & Grant Type (i.e. FY 2010-ED) and the name of LCDBG Representative assigned to your grant.

D Enter number of the request. Requests for Payment (RFP) are numbered sequentially. Your first request is #1, your second is #2, etc. If, for some reason, a request is returned to you for correction and resubmission, the resubmission would have the same number with an A after it, 2A. A second resubmission would be 2B.

E Enter the most recent date of delivery of invoices for each State fiscal year covered in the invoices for this RFP. Each invoice must have the date of delivery or, in the case of services rendered, a beginning and ending date. Any services that cover 2 fiscal years must be in separate invoices or the amount allocated to each fiscal year must be indicated. Ex. FY1 May 5, 2010 to June 30, 2010 $2,040, FY2 July 1, 2010 to August 5, 2010 $1,920. Enter only the dollar amounts in E. If 2 fiscal years are used, break out the amounts in each FY column if more than 1 activity is used under #2.

1A Enter total amount of LCDBG funds you have received as of the date of this request.

1B Enter any program income you have received as of the date of this request.

1C Add lines 1A and 1B together to get line 1C.

1D Enter total LCDBG funds you have disbursed as of the date of this request.

1E Subtract line 1D from line 1C to get line 1E, LCDBG cash and miscellaneous receipts on hand at the time of this request.

1F Enter the amount of funds you have previously requested, but have not received at the time of this request.

2A-2I Enter the amount requested by activity under the appropriate FY. If only one FY is used enter in FY1.

2J Add lines 2A-2I to get line 2J, Total amount requested, in each column.

3A-3B Have two of the persons authorized to sign the Request for Payment on lines 3-6 of the Authorized Signature Card sign and date the Certification section of the Request for Payment Form.

4 Leave blank.

## A-13: BUDGET RECONCILIATION REPORT

| 1. Grantee Name | 2. Person's Name Preparing Form<br><br>Phone Number |
|---|---|

| 3. Contract Number: | 4. Date Prepared | 5. Period Covered |
|---|---|---|

| ACTIVITY | FUNDS BUDGETED | | BUDGET BALANCES | DRAWDOWNS RECEIVED | ACTUAL EXPENDED | DIFFERENCES |
|---|---|---|---|---|---|---|
| | ORIGINAL | CURRENT | | | | |
| 6 | 7 | | 8 | 9 | 10 | 11 |
| | | | | | | |
| | | | | | | |

**INSTRUCTIONS**

**BUDGET RECONCILIATION REPORT**

1. Enter the name of the City/Parish receiving the funds.

2. Enter the name of the person preparing the papers.

3. Enter the contract number.

4. Enter the date the report is prepared.

5. Enter the period covered by this report.

6. Enter the name of each activity. Use the activity names that appear in Exhibit A, Item 2 of your approved contract.

7. Enter the LCDBG funds originally budgeted in the contract and the current amount budgeted. If there have been no revisions or amendments, these amounts should be the same.

8. Enter the amounts remaining in the current budget, according to your records.

9. Enter the cumulative drawdowns received in each activity category, as requested as of the date of the report.

10. Enter the actual cumulative amounts expended in each category. If the funds were expended for a different activity than requested, enter how they were actually expended, not requested.

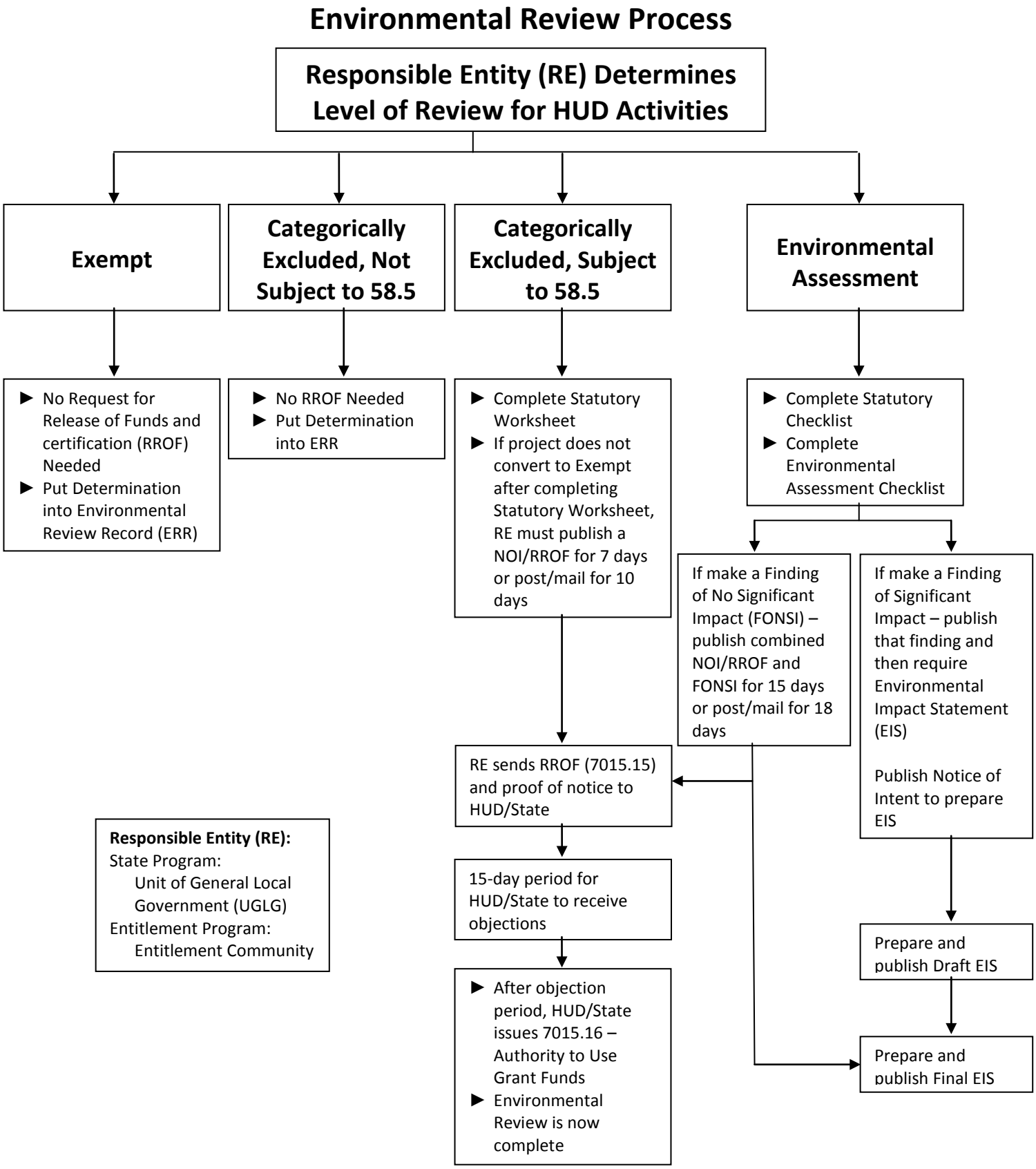
11. Enter the differences for each activity between the figures in Column 9 and Column 10.

A-14: LCDBG BUDGET REVISION REPORT

# LCDBG BUDGET REVISION REPORT

| | | | |
|---|---|---|---|
| 1. Grantee Name: | 2. Contact Person's Name and Phone Number: | | |
| 3. Contact Number: | 4. Date: | 5. Budget Revision Number: | |
| 6. Activity/Line Item | Original/Current Budget (A) | Revised Budget (B) | Reasons for Change (C) |
| A. Acquisition of Real Property | | | |
| B. Public Works, Facilities, Site Improvements | | | |
| 1. Sewer | | | |
| 2. Water (Potable) | | | |
| 3. Water (Fire Protection) | | | |
| 4. Streets | | | |
| 5. Multi-Purpose Community Centers | | | |
| 6. Other | | | |
| C. Clearance, Demolition | | | |
| D. Rehabilitation Loans and Grants (PF hookups) | | | |
| E. Rehabilitation Administration | | | |
| F. Provision of Public Services | | | |
| G. Relocation Payments and Assistance | | | |
| H. Economic Development | | | |
| 1. Acquisition Land Building | | | |
| 2. Infrastructure Improvements | | | |
| 3. Building Construction/Improvements | | | |
| 4. Industrial and Commercial Facilities | | | |
| 5. Inventory | | | |
| 6. Working Capital | | | |
| 7. Capital Equipment | | | |
| 8 Other | | | |
| I. Administration (Total) | | | |
| 1. Pre-Agreement Costs (architectural/engineering/consulting) | | | |
| 2. | | | |
| 3. Public Facilities | | | |
| 4. Economic Development | | | |
| J. Other | | | |
| K. Other | | | |
| L. **TOTAL** | | | |

## A-15: ENVIRONMENTAL REVIEW PROCESS FLOWCHART



## A-16: OCD'S ENVIRONMENTAL REVIEW RECORD CHECKLIST

### Environmental Review Record (ERR) Checklist

*Revised 5/29/2013*

Date ERR Rec'd:_____ Grantee: _____ Application #:_____

State Comment Period End Date: _____ Reviewed by:_____

Publication Comment Period End Date: _____ Date: _____

PY 20 _____ AIC Date:_____ LGR: _____ ERR data entered in GUMBO? ☐ yes

| *All activities must be cleared regardless of funding source.* | Environmental Assessment (EA) | Categorical Exclusion: (subject to) | Categorical Exclusion: (not subject to) | Exempt |
|---|---|---|---|---|
| Activity: _____ | ☐ | ☐ | ☐ | ☐ |
| Activity: _____ | ☐ | ☐ | ☐ | ☐ |
| Activity: _____ | ☐ | ☐ | ☐ | ☐ |
| Activity: _____ | ☐ | ☐ | ☐ | ☐ |

| Required Documents | Environmental Review Levels of Clearance: Environment Assessm't | Cat. Excluded (subject to 58.5-58.35) | Cat. Excluded (not subject to 58.5-58.35(b)) | Exempt |
|---|---|---|---|---|
| **Certification of Exemption for HUD funded projects** | | | | |
| **Compliance Documentation Checklist** 24 CFR 58.6 | | | | |
| **Cert. of Categorical Exclusion** (not subject to 58.5) | | | | |
| **Cert. of Categorical Exclusion** (subject to 58.5) | | | | |
| **Statutory Checklist and Worksheet** | | | | |
| **Environmental Assessment Checklist and Worksheet** | | | | |
| **Project Description** | | | | |
| **Maps** (All maps should have target area clearly identified) | | | | |
| Project Map | | | | |
| Wetland Inventory Map | | | | |
| Floodplain Map | | | | |
| **Historic Preservation letters** | | | | |
| To SHPO and Tribes | | | | |
| From SHPO and Tribes (if any) | | | | |
| **Wetlands letters** | | | | |
| To Agency | | | | |
| From Agency | | | | |
| **Floodplains** (projects in floodplains and/or wetlands) | | | | |
| 8 step process | | | | |
| "Early Public Notice" w/15-day comment period | | | | |
| "Notice of Explanation" w/7-day comment period | | | | |
| ***For Economic Development project:*** | | | | |
| Manmade Hazards: Thermal/Explosive Statement* | | | | |
| **Farmland Con. form** (if farmland converts to non-agri use) | | | | |
| **"Notice of Intent to Request Release of Funds"** | | | | |
| 7-day public comment period (published) | | | | |
| 10-day public comment period (posted) | | | | |
| 15-day State comment period | | | | |
| **"Combined Notice of FONSI and of ITRROF"** | | | | |
| 15-day public comment period for FONSI (published) | | | | |
| 18-day public comment period for FONSI (posted) | | | | |
| 15-day State comment period | | | | |
| Distribution List | | | | |
| **RRF/Certification signed after grantee's comment period** | | | | |

Were grant funds used to prepare ERR? yes ☐ no ☐ If "yes", did work on ERR begin after AIC date? yes ☐ no ☐ **

Permits required? yes ☐ no ☐ If "yes", are all included in the ERR (*exception* - Sec. 404)? yes ☐ no ☐

Site specfic? yes ☐ no ☐ Based on EA, is an Environmental Impact Statement required? yes ☐ no ☐

Emailed J Tessier with name of grantee, program year, & application number if water/sewer project is site specifi yes ☐ n/a ☐

* *Assessments must be completed if determined necessary by statements.* ** *If "no", discuss with CN / TW.*

## A-17: CERTIFICATION OF EXEMPTION FOR HUD FUNDED PROJECTS

# Exemption Determination for Activities Listed at 24 CFR §58.34

Grant Recipient: _____Project Name: _____
Project Description (Include all actions which are either geographically or functionally related):
_____
Location:_____
Funding Source: CDBG HOME ESG HOPWA EDI Capital Fund Operating Subsidy Hope VI Other
Estimated Funding Amount:_____Grant Number:_____
I have reviewed and determined that the abovementioned project is Exempt per 24 CFR §58.34 as follows:

| | |
|---|---|
| ☐ | 58.349(a)(1). Environmental & other studies, resource identification & the development of plans & strategies; |
| ☐ | 58.34(a) (2) Information and financial services; |
| ☐ | 58.34(a) (3) Administrative and management activities; |
| ☐ | 58.34(a) (4) Public services that will not have a physical impact or result in any physical changes, including but not limited to services concerned with employment, crime prevention, child care, health, drug abuse, education, counseling, energy conservation and welfare or recreational needs; |
| ☐ | 58.34(a) (5) Inspections and testing of properties for hazards or defects; |
| ☐ | 58.34(a) (6) Purchase of insurance; |
| ☐ | 58.34(a) (7) Purchase of tools; |
| ☐ | 58.34(a) (8) Engineering or design costs; |
| ☐ | 58.34(a) (9) Technical assistance and training; |
| ☐ | 58.34(a) (10) Assistance for temporary or permanent improvements that do not alter environmental conditions and are limited to protection, repair, or restoration activities necessary only to control or arrest the effects from disasters or imminent threats to public safety including those resulting from physical deterioration; |
| ☐ | 58.34(a) (11) Payment of principal and interest on loans made or obligations guaranteed by HUD; |
| ☐ | 58.34(a) (12) Any of the categorical exclusions listed in §58.35(a) provided that there are no circumstances that require compliance with any other Federal laws and authorities cited in §58.5. |

The responsible entity must also complete and attach the **58.6 Compliance Checklist**. By signing below the Responsible Entity officially determines in writing that all activities covered by this determination are Exempt and meets the conditions specified for such exemption under section 24 CFR §58.34. This document must be maintained in the ERR.

AUTHORIZED RESPONSIBLE ENTITY OFFICIAL:

_____ _____
Authorized Responsible Entity Signature Date

_____ _____
Authorized Responsible Entity Name (printed) Title (printed)

## A-18: COMPLIANCE DOCUMENTATION CHECKLIST

### Compliance Checklist for 24 CFR §58.6, Other Requirements

**Complete for all projects, including Exempt (§58.34), Categorically Excluded Subject to §58.5 [§58.35(a)], Categorically Excluded Not Subject to §58.5[§58.35(b)], and Projects Requiring Environmental Assessments (§58.36)**

Project Name: _____

ERR FILE # _____

§58.6(A) AND (B) FLOOD DISASTER PROTECTION ACT OF 1973, AS AMENDED; NATIONAL FLOOD INSURANCE REFORM ACT OF 1994

a. ***Does the project involve new construction, major rehabilitation, minor rehabilitation, improvements, acquisition, management, new loans, loan refinancing or mortgage insurance?***

☐ Yes ☐ No

**If No**, compliance with this section is complete.

**If Yes**, continue.

b. ***Is the project located in a FEMA identified Special Flood Hazard Area?***

☐ Yes ☐ No

**If No**, compliance with this section is complete.

**If Yes**, continue.

c. ***Is the community participating in the National Flood Insurance Program (or has less than one year passed since FEMA notification of Special Flood Hazards)?***

☐ Yes ☐ No

**If Yes**, Flood Insurance under the National Flood Insurance Program must be obtained. If HUD assistance is provided as a grant, insurance must be maintained for the economic life of the project and in the amount of the total project cost or up to the maximum allowable coverage, whichever is less. If HUD assistance is provided as a loan, insurance must be maintained for the term of the loan and in the amount of the loan (or up to maximum allowable coverage, whichever is less). A copy of the flood insurance policy declaration must be kept on file in the ERR.

**If No**, Federal assistance may not be used in the Special Flood Hazards Area.

§58.6(A) & (B)

NOT APPLICABLE

Cite and attach source documentation: (Documentation should include a FEMA Flood Map showing project location in reference to flood zone designation. If flood map is not available, use best available information.)

For additional information see:

FEMA Map Service Center: **http://www.store.msc.fema.gov**

NFIP Community Status Book: **www.fema.gov/fema/csb.shtm**

§58.6(C) COASTAL BARRIER IMPROVEMENT ACT, AS AMENDED BY THE COASTAL BARRIERS IMPROVEMENT ACT OF 1990 (16 U.S.C. 3501)

***d. Does the project involve new construction, conversion of land uses, major rehabilitation of existing structure, or acquisition of undeveloped land?***

☐ Yes ☐ No

**If No,** compliance with this section is complete.

**If Yes**, continue below.

***e. Is the project located in a coastal barrier resource area?***

☐ Yes ☐ No

**If No**, compliance with this section is complete.

**If Yes**, Federal assistance may not be used in such an area.

Cite and attach source documentation: (Documentation should include map (e.g. Google Earth) noting project distance from Coastal Barrier Resources.)

For more information see:

CBRS maps on US FWS and FEMA websites: **http://www.FWS.gov/CBRA/**

**http://www.FWS.gov/CBRA/Maps/index.html**

§58.6(D) RUNWAY CLEAR ZONES AND CLEAR ZONES [24 CFR §51.303(A) (3)]

***f. Does the project involve the sale or purchase of existing property?***

Yes ☐ No ☐

**If No**, compliance with this section is complete.

**If yes**, continue below.

***g. Is the project located within 2,500 feet of the end of a civil airport runway (Civil Airport's Runway Clear Zone) or within 15,000 feet of the end of a military runway (Military Airfield's Clear Zone)?***

Yes ☐ No ☐

**If No**, compliance with this section is complete.

**If Yes**, Notice must be provided to buyer. The notice must advise the buyer that the property is in a Runway Clear Zone or Clear Zone, what the implications of such a location are, and that there is a possibility that the property may, at a later date, be acquired by the airport operator. The buyer must sign a statement acknowledging receipt of this information, and a copy of the signed notice must be maintained in this ERR.

Cite and attach source document (Map indicating project site in proximity to end of runway):

For more information see:

Airport Information: **http://www.airnav.com/airports/**

HUD Airport Hazards

Q&A: **http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/environment/review/qa/airport**

AUTHORIZED RESPONSIBLE ENTITY OFFICIAL:

| | |
|---|---|
| Authorized Responsible Entity Signature | Date |
| Authorized Responsible Entity Name (printed) | Title (printed) |

## A-19: CERTIFICATION OF CATEGORICAL EXCLUSION (NOT SUBJECT TO 58.5)

**Categorical Exclusion Not subject to §58.5 Determination for Activities Listed at 24 CFR §58.35(b)**

Grant Recipient: _____ Project Name: _____

Project Description (Include all actions which are either geographically or functionally related):

_____

_____

Location: _____

Funding Source: CDBG HOME ESG HOPWA EDI Capital Fund Operating Subsidy Hope VI Other

Estimated Funding Amount: _____ Grant Number: _____

I have reviewed and determined that the abovementioned project is a Categorically Excluded activity (not subject to §58.5) per 24 CFR §58.35(b) as follows:

| | |
|---|---|
| ☐ | 58.35(b).1. Tenant-based rental assistance; |
| ☐ | 58.35(b) 2. Supportive services including, but not limited to, health care, housing services, permanent housing placement, day care, nutritional services, short-term payments for rent/mortgage/utility costs, and assistance in gaining access to local, State, and Federal government benefits and services; |
| ☐ | 58.35(b) 3. Operating costs including maintenance, security, operation, utilities, furnishings, equipment, supplies, staff training and recruitment and other incidental costs; |
| ☐ | 58.35(b) 4. Economic development activities, including but not limited to, equipment purchase, inventory financing, interest subsidy, operating expenses and similar costs not associated with construction or expansion of existing operations; |
| ☐ | 58.35(b) 5. Activities to assist homebuyers to purchase existing dwelling units or dwelling units under construction, including closing costs and down payment assistance, interest buy-downs, and similar activities that result in the transfer of title. |
| ☐ | 58.35(b). 6. Affordable housing pre-development costs including legal, consulting, developer and other costs related to obtaining site options, project financing, administrative costs and fees for loan commitments, zoning approvals, and other related activities which do not have a physical impact. |
| ☐ | 58.35(b). 7. Approval of supplemental assistance (including insurance or guarantee) to a project previously approved under this part, if the approval is made by the same responsible entity that conducted the environmental review on the original project and re-evaluation of the environmental findings is not required under §58.47. |

The responsible entity must also complete and attach the **§58.6 Compliance Checklist**. By signing below the Responsible Entity officially determines in writing that each activity or project is Categorically Excluded (not subject to §58.5) and meets the conditions specified for such exclusion under section 24 CFR §58.35(b). This document must be maintained in the ERR.

AUTHORIZED RESPONSIBLE ENTITY OFFICIAL:

_____ _____

Authorized Responsible Entity Signature Date

_____ _____

Authorized Responsible Entity Name (printed) Title (printed)

## A-20: CERTIFICATION OF CATEGORICAL EXCLUSION (SUBJECT TO 58.5)

**Categorical Exclusion Subject to §58.5 Determination for Activities Listed at 24 CFR §58.35(a)**

Grant Recipient: _____Project Name: _____
Project Description (Include all actions which are either geographically or functionally related):
_____
_____
_____
Location:_____
Funding Source: CDBG HOME ESG HOPWA EDI Capital Fund Operating Subsidy Hope VI Other
Estimated Funding Amount:_____Grant Number:_____
I have reviewed and determined that the above mentioned project is a Categorically Excluded activity (subject to §58.5) per 24 CFR §58.35(a) as follows:

| | |
|---|---|
| ☐ | 58.35(a) (1). Acquisition, repair, improvement, reconstruction, or rehabilitation of public facilities and improvements (other than buildings) when the facilities and improvements are in place and will be retained in the same use without change in size or capacity of more than 20 percent (e.g., replacement of water or sewer lines, reconstruction of curbs and sidewalks, repaving of streets); |
| ☐ | 58.35(a) (2). Special projects directed to the removal of material and architectural barriers that restrict the mobility of and accessibility to elderly and handicapped persons; |
| | 58.35(a) (3). Rehabilitation of buildings and improvements when the following conditions are met: |
| ☐ | 58.35(a) (3) (i.)In the case of a building for residential use (with one to four units), the density is not increased beyond four units, the land use is not changed, and the footprint of the building is not increased in a floodplain or in a wetland; |
| ☐ | 58.35(a) (3) (ii). In the case of multifamily residential buildings: (A) Unit density is not changed more than 20 percent; (B) The project does not involve changes in land use from residential to non-residential; and (C) The estimated cost of rehabilitation is less than 75 percent of the total estimated cost of replacement after rehabilitation. |
| ☐ | 58.35(a) (3) (iii). In the case of non-residential structures, including commercial, industrial, and public buildings:<br>(A) The facilities and improvements are in place and will not be changed in size or capacity by more than 20 percent; **AND**<br>(B) The activity does not involve a change in land use, such as from non-residential to residential, commercial to industrial, or from one industrial use to another. |
| ☐ | 58.35(a) (4) (i) An individual action on up to four dwelling units where there is a maximum of four units on any one site. The units can be four one-unit buildings or one four-unit building or any combination in between; or |

| | |
|---|---|
| ☐ | 58.35(a )( (ii) An individual action on a project of five or more housing units developed on scattered sites when the sites are more than 2,000 feet apart and there are not more than four housing units on any one site.<br>58.35(a) (iii) Paragraphs (a) (4) (i) and (ii) of this section do not apply to rehabilitation of a building for residential use (with one to four units) (see paragraph (a) (3) (i) of this section). |
| ☐ | 58.35(a) (5). Acquisition (including leasing) or disposition of, or equity loans on an existing structure, or acquisition (including leasing) of vacant land provided that the structure or land acquired, financed, or disposed of will be retained for the same use. |
| ☐ | 58.35(a) (6). Combinations of the above activities. |

The responsible entity must also complete and attach a §**58.5 Statutory Worksheet and a** §**58.6 Compliance Checklist**. By signing below the Responsible Entity officially determines in writing that all activities covered by this determination are Categorically Excluded (subject to §58.5) and meets the conditions specified for such exclusion under section 24 CFR §58.35(a). This document must be maintained in the ERR.

AUTHORIZED RESPONSIBLE ENTITY OFFICIAL:

_____ _____

Authorized Responsible Entity Signature Date

_____ _____

Authorized Responsible Entity Name (printed) Title (printed)

## A-21: WORKSHEET FOR PREPARING 24 CFR 58.5 STATUTORY CHECKLIST

**Worksheet for Preparing 24 CFR §58.5 Statutory Checklist**
**[Attach to Statutory Checklist]**

### 1. §58.5(A) HISTORICAL PROPERTIES [36 CFR PART 800]

**Historic Properties**

a. Does the project include the type of activity that would have the potential to affect historic properties such as acquisition, demolition, disposition, ground disturbance, new construction or rehabilitation?

☐ Yes ☐ No

**If Yes**, continue.
**If No**, the project is not the type of activity that has the potential to affect historic properties. Compliance with this section is complete. Mark box "A" on the Statutory Checklist for this authority.

b. Do the RE and State Historic Preservation Office (SHPO) have a Programmatic Agreement (PA) that does not require consultation for this type of activity?

☐ Yes ☐ No

**If Yes**, document compliance with the PA. Compliance with this section is complete. Mark box "A" on the Statutory Checklist for this authority.
**If No**, continue.

c. Is the project located within or directly adjacent to a historic district?

☐ Yes ☐ No

d. Is the structure or surrounding structures listed on or eligible for listing on the National Register of Historic Places (e.g. greater than 45 years old)?

☐ Yes ☐ No

e. Were any properties of historical, architectural, religious or cultural significance identified in the project's Area of Potential Effect (APE)?

☐ Yes ☐ No

**If Yes any of the questions above,** continue.
**If No to all of the questions above**, the project will not affect historic properties. A concurrence from the SHPO that "no historic properties will be affected" is required. Compliance with this section is complete. Mark box "A" on the Statutory Checklist for this authority.

f. Have you consulted with the SHPO to determine whether the project will have "No Adverse Effect on Historic Properties?"

☐ Yes ☐ No

**If Yes,** continue.
**If No**, consultation with the SHPO is required.

g. Does the SHPO concurrence letter received for this project require mitigation or have conditions?

☐ Yes ☐ No

**If Yes,** continue.
**If No**, compliance with this section is complete. Mark box "A" on the Statutory Checklist for this authority.

h. Have the SHPO and RE agreed on required mitigation or conditions?

☐ Yes ☐ No

**If Yes,** include mitigation requirements and/or conditions from the SHPO in the mitigation section of the Statutory Checklist. Mark box "B" on the Statutory Checklist for this authority.
**If No,** continue with consultation until resolved.

**Historic properties of religious and cultural significance to tribes and Native Hawaiian organizations**

i. Does the project include the types of activities such as those listed below that have the potential to affect historic properties of religious and cultural significance to tribes?
   - Ground disturbance (digging);
   - New construction in undeveloped natural areas;
   - Incongruent visual changes – impairment of the vista or viewshed from an observation point in the natural landscape;
   - Incongruent audible changes – increase in noise levels above an acceptable standard in areas known for their quiet, contemplative experience;
   - Incongruent atmospheric changes – introduction of lights that create skyglow in an area with a dark night sky;
   - Work on a building with significant tribal association;
   - Transfer, lease or sale of a historic property of religious and cultural significance.

☐ Yes ☐ No

**If Yes**, continue.
**If No**, tribal consultation is not required.

j. Does HUD's Tribal Directory Assessment Tool indicate that tribes have an interest in the location where the project is sited? (**http://egis.hud.gov/tdat/Tribal.aspx**)

☐ Yes ☐ No

**If Yes,** contact federally recognized tribe(s) and invite consultation. Continue.
**If No**, document the result in the ERR. Tribal consultation is not required.

k. Did the tribe(s) respond that they want to be a consulting party?

☐ Yes ☐ No

**If Yes,** continue.
**If No,** (no response within 30 days or responded that they do not wish to consult), document response or lack of response in ERR. Further consultation is not required.

l. After consulting with the tribe(s) and discussing the project, were any properties of religious or cultural significance to the tribe(s) identified in the project's APE?

☐ Yes ☐ No

**If Yes,** continue.
**If No,** notify tribe(s) and other consulting parties of your finding of "No Historic Properties Affected." Tribe(s) has 30 days to object to a finding.

m. After consulting with the tribe(s), will the project have an adverse effect on properties of religious or cultural significance to the tribe(s)?

☐ Yes ☐ No

**If Yes,** consult with tribe(s) and other consulting parties to resolve adverse effects, including considering alternatives and mitigation measures that would avoid or minimize adverse effects.
**If No,** notify tribe(s) and other consulting parties of your finding of "No Adverse Effects." Tribe(s) has 30 days to object to a finding.

n. Were any objections to a finding received from a consulting tribe?

☐ Yes ☐ No

**If Yes,** continue with consultation until resolved.
**If No,** consultation is complete.

Comments:

Cite and attach source documentation: (Correspondence with SHPO/THPO. How determination of "no potential to cause effects" to historic properties was made.)

Information Resources:
National Register of Historic Places:
**http://nrhp.focus.nps.gov/natreghome.do?searchtype=natreghome**
National Conference of State Historic Preservation Officers:
**http://ncshpo.org/**
Map of Currently Recognized THPO's:
**http://www.nathpo.org/map.html**
Section 106 Agreements Database:
**http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/environment/section106**

**2. §58.5(b) (1) Floodplain Management [24 CFR Part 55]**

a. Does the project involved minor repairs or improvements on one to four family properties that do not meet the threshold for "substantial improvement" of §55.2(b)(8), i.e., the cost does not equal or exceed 50% of the market value of the structure before improvement or repair started, before damage occurred.

☐ Yes ☐ No

**If Yes**, compliance with this section is complete. Mark box "A" on the Statutory Checklist for this authority.
**If No**, continue.

b. Is the project located within (or have an impact on) a 100 year floodplain (Zone A) or Coastal High Hazard (Zone V) identified by FEMA maps?

☐ Yes ☐ No

c. Does the project involve a "critical action," per §55.2(b)(2)(i), located within a 500 year floodplain (Zone B) identified by FEMA maps?

☐ Yes ☐ No

**If Yes to (b) or (c),** follow HUD's Floodplain Management Regulations 8-Step decision-making process of §55.20 to comply with 24 CFR Part 55. The 8-Step decision-making process must show that there are no practicable alternatives to locating the project in the floodplain, and if there are no alternatives, define measures to mitigate impacts to floodplains and location of the project in the floodplain. Completion of the 8-Step decision-making process must be completed before the completion of an EA per §55.10(a). See Attachment 1 for an example of the 8-Step decision-making process. The findings of the decision-making process must be included in the ERR and summarized in Part 55 and Part 58 public notices, as well as NOI/RROF and FONSI notices. Mark box "B" on the Statutory Checklist for this authority.
**If No to (b) and (c)**, compliance with this section is complete. Mark box "A" on the Statutory Checklist for this authority.

d. Does the project involve a critical action in a coastal high hazard area or a floodway?

☐ Yes ☐ No

If, Yes, HUD assistance may not be used for this project.

e. Does the project involve a non-critical action which is not a functionally dependent use that is located in a floodway?

☐ Yes ☐ No

If Yes, HUD assistance may not be used for this project

f. Does the project involve a non-critical action which is not a functionally dependent use that is located in a coastal high hazard area?

☐ Yes ☐ No

If Yes, project is allowed ***only*** if it is designed for a location in a coastal high hazard areas ***and*** is processed under Section 55.20. Design requirements must be noted in Statutory Checklist and 8-Step decision-making process.

Comments:

Cite and attach source documentation: (FEMA flood map used to make this finding with the project location marked on the map. Include the community name, map panel number and date of map. As applicable, §55.20 8-Step decision-making process analysis. If FEMA has not published the appropriate flood map, the RE must make a finding based on best available data.)
For more information see:
FEMA Map Service Center:
**http://www.store.msc.fema.gov**

**3. §58.5(b) (2) Wetlands Protection (E.O. 11990)**

a. Does the project involve new construction, land use conversion, major rehabilitation, or substantial improvements?

☐ Yes ☐ No

**If Yes**, continue.
**If No,** compliance with this section is complete. Mark box "A" on the Statutory Checklist for this authority.

b. Is the project within or adjacent to or will it affect wetlands, marshes, wet meadows, mud flats or natural ponds per field observation and maps issued by the US Fish & Wildlife Service (USFWS) or U.S. Army Corps of Engineers (Corps)?

☐ Yes ☐ No

c. Are there drainage ways, streams, rivers, or coastlines on or near the site?

☐ Yes ☐ No

d. Are there ponds, marshes, bogs, swamps or other wetlands on or near the site?

☐ Yes ☐ No

e. Does the project involve new construction and/or filling located within a wetland designated on a USFWS National Wetlands Inventory map?

☐ Yes ☐ No

**If Yes to any of the above**, comply with wetlands decision-making process of 24 CFR §55.20. (Use proposed Part 55 published in the Federal Register January 2012 for wetland procedures). Continue.
**If No to all of the above**, compliance with this section is complete. Mark box "A" on the Statutory Checklist for this authority.

f. Will the project require a permit from the Corps under Section 404 of the Clean Water Act and/or will USFWS require wetland mitigation?

☐ Yes ☐ No

**If Yes**, ensure this is noted in Part 55 and Part 58 public notices. Include all mitigation measures and permit requirements in the mitigation section of the Statutory Checklist. Compliance with this section is complete. Mark box "B" on the Statutory Checklist for this authority.
**If No**, compliance with this section is complete. Mark box "B" on the Statutory Checklist for this authority.

Comments:

Cite and attach source documentation: (NWI Map with project location noted in reference to wetlands. §55.20 8/5-Step decision-making process analysis for new construction and/or filling, and any permits received.)

For more information see:
USFWS National Wetlands Inventory – Geospatial Wetlands Digital Data:
**http://www.FWS.gov/wetlands/data/index.html**
Recognizing wetlands:
**http://www.usace.army.mil/Portals/2/docs/civilworks/regulatory/techbio/rw_bro.pdf**

**4. §58.5(c) Coastal Zone Management [Coastal Zone Management Act of 1972, Sections 307(c) & (d)]**

a. Does the project involve new construction, land use conversion, major rehabilitation, or substantial improvements?

☐ Yes ☐ No

**If Yes**, continue.

**If No,** compliance with this section is complete. Mark box "A" on the Statutory Checklist for this authority.

b. Is the project located within a Coastal Zone as defined in your state Coastal Zone Management (CZM) Plan?

☐ Yes ☐ No

**If Yes**, the State CZM Agency must make a finding that the project is consistent with the approved State CZM Plan. Mark box "B" on the Statutory Checklist for this authority.
**If No,** compliance with this section is complete. Mark box "A" on the Statutory Checklist for this authority.

Comments:

Cite and attach source documentation: (Map showing project in relation to the nearest Coastal Zone Management area. If applicable, State's findings.)

For additional information see:

States and Territories Working with NOAA on Ocean and Coastal Zone Management:
**http://coastalmanagement.noaa.gov/mystate/welcome.html**
Texas Coastal Zone Management Program:
**http://www.glo.texas.gov/what-we-do/caring-for-the-coast/grants-funding/cmp/index.html**
Texas Coastal Zone Boundary:
**http://www.glo.texas.gov/what-we-do/caring-for-the-coast/_documents/landing-page-folder/CoastalBoundaryMap.pdf**
Louisiana Office of Coastal Management:
**http://dnr.louisiana.gov/index.cfm?md=pagebuilder&tmp=home&pid=85&ngid=5**
Louisiana Coastal Zone Boundary:
**http://dnr.louisiana.gov/index.cfm?md=pagebuilder&tmp=home&pid=88**

**5. §58.5(d). Sole Source Aquifers [40 CFR Part 149]**

a. Does the project involve new construction or land use conversion?

☐ Yes ☐ No

**If Yes**, continue.
**If No,** compliance with this section is complete. Mark box "A" on the Statutory Checklist for this authority.

b. Is the project located within a U.S. Environmental Protection Agency (EPA)-designated sole source aquifer watershed area per EPA Ground Water Office?

☐ Yes ☐ No

**If Yes**, consult with the Water Management Division of EPA to design mitigation measures to avoid contaminating the aquifer and implement appropriate mitigation measures. Include

mitigation measures in mitigation section of Statutory Checklist. Mark box "B" on the Statutory Checklist for this authority.

**If No,** compliance with this section is complete. Mark box "A" on the Statutory Checklist for this authority.

Comments:

Cite and attach source documentation: (Map showing project in relation to the nearest Sole Source Aquifer.)

For more information see:

Region 6 Sole Source Aquifers: **http://www.epa.gov/region6/water/swp/ssa/maps.htm**

**6. §58.5(e) Endangered Species [50 CFR Part 402]**

a. Does the project involve the type of activities that are likely to have "no effect on endangered species, such as:

- Demolition and construction or placement of a single family residence within a developed lot, and/or any loans or mortgages affiliated with such construction, demolition or placement provided they are not within 750 feet of habitat for federally-listed species or 300 feet of mapped wetlands, wildlife refuges, fish hatcheries, wildlife management areas, or related significant fish and wildlife resources?

  ☐ Yes ☐ No

- Rehabilitation or renovation activities associated with existing structures (*e.g.*, houses, buildings), including additional structures attached to or associated with the primary structure, and/or any loans or mortgages affiliated with such rehabilitation or renovation?

  ☐ Yes ☐ No

- Acquisition of existing structures (*e.g.*, houses, buildings), including additional structures attached to or associated with the primary structure, and/or any loans or mortgages affiliated with such acquisition.

  ☐ Yes ☐ No

- Purchase and placement of playground equipment within existing parks?

  ☐ Yes ☐ No

- Resurfacing, repairing, or maintaining existing streets, sidewalks, curbs, trails, parking lots and/or any other existing paved surfaces where additional ground disturbance, outside of the existing surface is not necessary?

  ☐ Yes ☐ No

**If Yes to any of the above**, the project is likely to have "No Effect" on federally protected species and critical habitat. Informal consultation with the US Fish and Wildlife Service or the National Marine Fisheries Service (Services) is not necessary. The RE is required to make this finding and include a memorandum to the file supporting the finding (note that this

finding should be made by the RE, and not by third party contractors and non-RE grant recipients). Compliance with this section is complete. Mark box "A" on the Statutory Checklist for this authority.
**If No to all of the above**, continue.

b. Has the US Fish and Wildlife Service or the National Marine Fisheries Services identified listed species or designated critical habitat in the county where the project is located?

☐ Yes ☐ No

**If Yes**, continue.
**If No**, the project is likely to have "No Effect" on federally protected species and critical habitat. Informal consultation with the Services is not necessary. The RE is required to make this finding and include a memorandum to the file supporting the finding (note that this finding should be made by the RE, and not by third party contractors). Compliance with this section is complete. Mark box "A" on the Statutory Checklist for this authority.

c. Is the project located within 750 feet of habitat for federally-listed species or 300 feet of mapped wetlands, wildlife refuges, fish hatcheries, wildlife management areas, or related significant fish and wildlife resources?

☐ Yes ☐ No

If Yes, conduct special studies by a qualified professional to determine whether the project may affect the species or habitat to support a May Effect finding.
If No, continue below

d. Does the project constitute a major construction activity (a major Federal action that modifies the physical environment and would normally require the preparation of an EIS)?

☐ Yes ☐ No

**If Yes**, formal consultation with the Services is required in accordance with procedural regulations contained in 50 CFR Part 402. Mark box "B" on the Statutory Checklist for this authority.
**If No**, continue.

e. If federally protected species or critical habitat have been identified within the project area, has a special study been conducted by a qualified professional to determine the effects of the project on each species and critical habitat?

☐ Yes ☐ No

**If Yes,** continue.
**If No,** a special study should be conducted to determine the effects of the project on federally protected species and critical habitat. Continue.

f. Has the RE made a determination based on professional findings that the project is "Not Likely to Adversely Affect" any federally protected (listed or proposed) threatened or endangered species (i.e., plants or animals, fish, or invertebrates), nor adversely modify critical habitats?

☐ Yes ☐ No

**If Yes**, Service's concurrence with findings is required. Mark box "B" on the Statutory Checklist for this authority.
**If No**, continue.

g. Has the RE determined based on professional findings that the project "May Affect" federally protected (listed or proposed) threatened or endangered species (i.e., plants or animals, fish, or invertebrates), or adversely modify critical habitats?

☐ Yes ☐ No

**If Yes**, formal consultation is required with the Services, in accordance with procedural regulations contained in 50 CFR Part 402, which mandates formal consultation in order to preserve the species. Mark box "B" on the Statutory Checklist for this authority.
**If No**, contact your FEO for assistance in determining impacts to federally protected species and critical habitat.

Comments:

Cite and attach source documentation: (Memorandum to the file by the RE supporting the finding of "No Effect." Concurrence memo from one or both of the Services for a finding of "Not Likely to Adversely Affect." Biological Opinion from one or both of the Services for a finding of "May Affect.")

For additional information see: (The Endangered Species Act of 1973 (16 U.S.C. 1531 *et seq.* as amended: particularly Section 7 (b) and (c). 50 CFR 402).

USFWS ESA Species Search:
**http://www.FWS.gov/endangered/species/index.html**
NMFS ESA Species Search:
**http://www.nmfs.noaa.gov/pr/species/esa/**
USFWS Critical Habitat Maps:
**http://crithab.FWS.gov/**
NMFS Critical Habitat Maps:
**http://www.nmfs.noaa.gov/pr/species/criticalhabitat.htm**
Endangered Species Consultation Handbook:
**http://www.nmfs.noaa.gov/pr/pdfs/laws/esa_section7_handbook.pdf**

**7. §58.5(f) Wild and Scenic Rivers [36 CFR Part 297]**

a. Does the project involve new construction, land use conversion, major rehabilitation, or substantial improvements?

☐ Yes ☐ No

**If Yes**, continue.
**If No,** compliance with this section is complete. Mark box "A" on the Statutory Checklist for this authority.

b. Is the project is located within one (1) mile of a designated Wild & Scenic River, or river being studied as a potential component of the Wild & Scenic River system?

☐ Yes ☐ No

**If Yes**, determination from the National Park Service (NPS) must be obtained, with a finding that the project will not have a direct and adverse effect on the river nor invade or diminish values associated with such rivers. For NRI Rivers, consultation with NPS is recommended to identify and eliminate direct and adverse effects. Mark box "B" on the Statutory Checklist for this authority.
**If No**, compliance with this section is complete. Mark box "A" on the Statutory Checklist for this authority.

Comments:

Cite and attach source documentation: (Maps noting project location and showing proximity to protected rivers. Relevant determinations or results of consultation.)

For further information see:

National Park Service:
Designated Rivers **http://www.rivers.gov/rivers/map.php**
Study Rivers **http://www.rivers.gov/rivers/study.php**
National River Inventory (NRI) listed rivers: **http://www.nps.gov/ncrc/programs/rtca/nri/**

**8. §58.5(g) Air Quality [40 CFR Parts 6, 51, 61 and 93]**

a. Does the project involve demolition or renovation of buildings likely to contain asbestos containing materials?

☐ Yes ☐ No

**If Yes**, ensure the project is in compliance with EPA's Asbestos regulations found at 40 CFR Part 61 (NESHAP) and all State and local regulations. Continue below.
**If No,** continue.

b. Does the project require and environmental assessment or environmental impact statement?

☐ Yes ☐ No

If Yes, continue.
If No, compliance with CAA State Implementation Plan factor is complete. Mark Box A on the Statutory checklist.

c. Does the project involve five or more dwelling units, acquisition of undeveloped land, a change of land use, demolition, major rehabilitation, or new construction?

☐ Yes ☐ No

**If Yes**, continue.
**If No**, compliance with this section is complete. Mark box "A" on the Statutory Checklist for this authority.

d. Is the project located in a Non-Attainment area?

☐ Yes ☐ No

**If Yes**, continue.
**If No**, compliance with this section is complete. Mark box "A" on the Statutory Checklist for this authority.

e. Is the project consistent with the air quality State Implementation Plan (SIP)?

☐ Yes ☐ No

If **Yes**, obtain letter of consistency showing that the project is consistent with the SIP. Compliance is complete. Mark box "B" on the Statutory Checklist for this authority.
**If No**, continue.

f. Has EPA determined that the proposed activity is one that requires a permit under the SIP?

☐ Yes ☐ No

**If Yes,** continue.
**If No,** compliance is complete. Mark box "B" on the Statutory Checklist for this authority.

g. Will project exceed any of the *de minimis* emissions levels of all non-attainment and maintenance level pollutants or exceed the screening level established by the state or air quality management district?

☐ Yes ☐ No

**If Yes**, continue.
**If No**, compliance with this section is complete. Mark box "B" on the Statutory Checklist for this authority. Attach all documents used to make your determination (See Conformity determination thresholds at 40 CFR 93.153(b) Include engineering/construction assessments of emissions during construction and operating phases).

h. Can project be brought into compliance through mitigation?

☐ Yes ☐ No

**If Yes**, list mitigation measures required to achieve conformance with SIP in the mitigation section of the Statutory Checklist. Mark box "B" on the Statutory Checklist for this authority.
**If No**, Federal assistance may not be used at this location.

Comments:

Cite and attach source documentation: (Letter of consistency with SIP, assessment of emissions, air permits received, mitigation measures taken, etc.)

For further information see:

The Green Book Nonattainment Areas for Criteria Pollutants:
**http://www.epa.gov/oar/oaqps/greenbk/**
Region 6 Air State Implementation Plans:
**http://www.epa.gov/region6/6pd/air/pd-l/sip.htm**

**9. §58.5(h) Farmlands Protection [7 CFR Part 658)]**

a. Does the project involve acquisition of undeveloped land, conversion of undeveloped land, new construction or site clearance?

☐ Yes ☐ No

**If Yes**, continue.
**If No**, compliance with this section is complete. Mark box "A" on the Statutory Checklist for this authority.

b. Is project located in an area committed (zoned) to urban uses?

☐ Yes ☐ No

**If Yes**, compliance with this section is complete. Mark box "A" on the Statutory Checklist for this authority.
**If No,** continue.

c. Does the project site include prime or unique farmland, or other farmland of statewide or local importance as identified by the U.S. Department of Agriculture, Natural Resources Conservation Service (NRCS) (formerly the Soil Conservation Service?

☐ Yes ☐ No

**If Yes**, request evaluation of land type from the NRCS using Form AD-1006, and consider the resulting rating in deciding whether to approve the proposal, as well as mitigation measures (including measures to prevent adverse effects on adjacent farmlands). Mark box "B" on the Statutory Checklist for this authority. Include mitigation measures in the mitigation section of the Statutory Checklist.
**If No,** compliance with this section is complete. Mark box "A" on the Statutory Checklist for this authority.

Comments:

Cite and attach source documentation: (Zoning map with project location noted. Form AD-1006 from NRCS.)

For additional information see:

NRCS Soil Maps:
**http://websoilsurvey.nrcs.usda.gov/app/**
Form AD-1006 and instructions:
**http://www.nrcs.usda.gov/Internet/FSE_DOCUMENTS/stelprdb1045394.pdf**
Farmland Protection Policy Act
**http://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/programs/alphabetical/fppa/?&cid=nrcs143_008275**

**10. §58.5(i) (1) Noise Abatement and Control [24 CFR Part 51B]**

a. Does the project involve a noise sensitive use such as a residential structure, school, hospital, nursing home, library, etc.?

☐ Yes ☐ No

**If Yes**, continue.
**If No**, compliance with this section is complete. Mark box "A" on the Statutory Checklist for this authority.

b. Is the project located within:

- 15 miles of a civilian or military airfield with more than 9,000 carrier operations annually;
  ☐ Yes ☐ No
- 1000 feet of a major highway or busy road;
  ☐ Yes ☐ No

- within 3000 feet of a railroad.
  ☐ Yes ☐ No

**If Yes to any the above**, complete a noise calculation assessment. Use adopted DNL contours if the noise source is an airport. Continue.
**If No**, compliance with this section is complete. Mark box "A" on the Statutory Checklist for this authority.

c. Do noise calculations or airport noise contour maps indicate noise levels above 65dB (outside)?

☐ Yes ☐ No

**If Yes**, continue.
**If No**, compliance with this section is complete. Mark box "A" on the Statutory Checklist for this authority.

d. Do noise calculations or airport noise contour maps indicate noise levels above 75dB (outside)?

☐ Yes ☐ No

**If No**, for projects in the normally unacceptable zone (65dB – 75dB), noise attenuation measures are strongly encouraged for rehabilitation and required for new construction to reduce noise levels to below 65dB (outside). Mark box "B" on the Statutory Checklist for this authority. List all attenuation measures in the mitigation section of the Statutory Checklist.
**If Yes**, HUD assistance for the construction of new noise sensitive uses is generally prohibited for projects with unacceptable noise exposure (>75dB). Noise attenuation measures are strongly encouraged for rehabilitation projects with unacceptable noise exposure to reduce noise levels to below 65dB (outside). Mark box "B" on the Statutory Checklist for this authority. List all attenuation measures in the mitigation section of the Statutory Checklist.

Comments:

Cite and attach source documentation: (Maps with project location indicating distance from noise sources. DNL calculations and/or NAG worksheets.)

For more information see:

HUD noise guidebook:
**http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/environment/training/guidebooks/noise**
**http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/environment/review/noise**
**http://www.hud.gov/offices/cpd/environment/dnlcalculator.cfm**
**http://www.hud.gov/offices/cpd/environment/mitigation.cfm**
**http://portal.hud.gov/hudstracat/noiseCalcEntry.jsp**

FAA:
**http://www.faa.gov/airports/planning_capacity/npias/reports/**

**11. §58.5(i) (1) Explosive and Flammable Operations [24 CFR 51C]**

a. Does the project involve development, construction, rehabilitation, modernization or land use conversion of a property intended for residential, institutional, recreational, commercial, or industrial use?

☐ Yes ☐ No

**If Yes**, continue.
**If No**, compliance with this section is complete. Mark box "A" on the Statutory Checklist for this authority.

b. Was a field observation performed by a qualified environmental professional which documents that there are above ground storage tanks within line of site of the project?

☐ Yes ☐ No

c. Is the project site within 1 mile of current or planned stationary aboveground storage tanks of more than 100 gallon capacity, containing common liquid industrial fuels OR of any capacity, containing hazardous liquids or gases, <u>that are not liquid</u> industrial fuels?

☐ Yes ☐ No

d. Are industrial facilities handling explosive or fire-prone materials such as liquid propane, gasoline or other storage tanks adjacent to or visible from the project site?

☐ Yes ☐ No

**If Yes to any of the above**, use HUD Hazards Guide to calculate an Acceptable Separation Distance to comply with 24 CFR Part 51, Subpart C. Continue.
**If No to all of the above**, compliance with this section is complete. Mark box "A" on the Statutory Checklist for this authority.

e. Is the project located at an Acceptable Separation Distance from any above-ground explosive or flammable fuels or chemicals containers as calculated above?

☐ Yes ☐ No

**If Yes**, compliance with this section is complete. Mark box "A" on the Statutory Checklist for this authority.
**If No**, continue.

f. Can mitigation measures, such as construction of a barrier of adequate size and strength, reduce the blast overpressure or thermal radiation hazard to protect the project (per 24 CFR §51.205)?

☐ Yes ☐ No

**If Yes**, Mark box "B" on the Statutory Checklist for this authority. List all mitigation measures in the mitigation section of the Statutory Checklist.
**If No**, HUD assistance cannot be used for this project.

Comments:

Cite and attach source documentation: (Maps with project location noted showing distance from explosives and flammable operations. ASD calculations/worksheet.)

For additional information see:

HUD Guidance on Siting Projects near Explosive and Flammable Facilities: **http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/environment/review/explosive**

Acceptable Separation Distance Guidebook : **http://portal.hud.gov/hudportal/documents/huddoc?id=HUD-Guidebook.pdf**

Barrier Design Guidance for HUD Assisted Project Near Hazardous Facilities: **http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/environment/training/guidebooks/hazfacilities**

**12. §58.5(i) (1) Airport Hazards [24 CFR 51D]**

a. Will the project use HUD assistance, subsidy or insurance for construction; land development; community development or redevelopment; substantial modernization and rehabilitation which prolongs the physical or economic life of existing facilities; provide facilities and services which make land available for construction; change the use of a facility; increase the unit density or number of people at the site?

☐ Yes ☐ No

If **Yes,** continue.
If **No,** compliance with this section is complete. Mark box "A" on the Statutory Checklist for this authority.

b. Is the property within 2,500 feet of a civilian airport, the Runway Clear Zone (RCZ)?

☐ Yes ☐ No

c. Is the project is within 15,000 feet of a military airfield, the Clear Zone (CZ) or Accident Potential Zone (APZ)?

☐ Yes ☐ No

**If Yes** to either of the above questions, request a written finding from the airport operator stating whether or not the project is located in a RCZ, CZ or APZ. Continue.
**If No** to both of the above questions, compliance with this section is complete. Mark box "A" on the Statutory Checklist for this authority.

d. If the project is within 15,000 feet of a military airfield or within 2,500 feet of a civilian airport, did your written confirmation from the airport operator confirm that the project is located in a RCZ, CZ or APZ?

☐ Yes ☐ No

If **Yes,** continue.
If **No,** compliance with this section is complete. Mark box "A" on the Statutory Checklist for this authority.

e. If the project is located in a military airfield APZ, is the project consistent with the Land Use Compatibility Guidelines for Accident Potential Zones (32 CFR Part 256, DOD Instruction 4165.57).

☐ Yes ☐ No

**If Yes**, attach copy of written assurance from airport operator. Mark box "B" on the Statutory Checklist for this authority.
**If No,** HUD funds may not be used for this project.

f. If the project is in a RCZ/CZ will the project be frequently used or occupied by people?

☐ Yes ☐ No

**If Yes**, HUD funds may not be used for this project.
**If No,** continue.

g. If the project will not frequently be used by people, has the airport operator provided a written statement that there are no plans to purchase the land involved with such facilities as part of an RCZ/CZ acquisition program?

☐ Yes ☐ No

**If Yes**, attach copy of written assurance from airport operator. Mark box "B" on the Statutory Checklist for this authority.
**If No,** HUD funds may not be used for this project.

Comments:

Cite and attach source documentation: (Map with project location noted showing the distance from civilian airports and/or military airfields. Written confirmation from airport operating stating whether or not project is located in a RCZ, CZ or APZ. Written assurance from airport operator on purchase of property.)

For further information see:

Airport Information: **http://www.airnav.com/airports/**
HUD Airport Hazards Q&A:
**http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/environment/review/qa/airport**

**13. §58.5(i) (2) Contamination and Toxic Substances**

a. Is the property located within the search distances of any of the types of environmental contamination sources?

| **Standard Environmental Record Sources** | **Approximate Minimum Search Distance (mi)** | **Yes** | **No** |
|---|---|---|---|
| Federal National Priorities List (NPL) | 1 | ☐ | ☐ |
| Federal Delisted NPL Site List | 0.5 | ☐ | ☐ |
| Federal Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS) List | 0.5 | ☐ | ☐ |
| Federal CERCLIS No Further Remedial Action Planned (NFRAP) Site List | 0.5 | ☐ | ☐ |
| Federal RCRA Correction Action (CORRACTS) Facilities List | 1 | ☐ | ☐ |
| Federal RCRA Non-CORRACTS Treatment, Storage and Disposal (TSD) Facilities List | 0.5 | ☐ | ☐ |
| Federal RCRA Generators List | Property/Adjoining Properties | ☐ | ☐ |
| Federal Institutional Control/Engineering Control Registries | Property Only | ☐ | ☐ |
| Federal Emergency Response and Notification System (ERNS) List | Property Only | ☐ | ☐ |
| State- and Tribal-Equivalent NPL | 1 | ☐ | ☐ |
| State- and Tribal-Equivalent CERCLIS | 0.5 | ☐ | ☐ |

| **Standard Environmental Record Sources** | **Approximate Minimum Search Distance (mi)** | **Yes** | **No** |
|---|---|---|---|
| State and Tribal Landfill and/or Solid Waste Disposal Site Lists | 0.5 | ☐ | ☐ |
| State and Tribal Leaking Storage Tank Lists | 0.5 | ☐ | ☐ |
| State and Tribal Registered Storage Tank Lists | Property/Adjoining Properties | ☐ | ☐ |
| State and Tribal Institutional Control/Engineering Control Registries | Property Only | ☐ | ☐ |
| State and Tribal Voluntary Cleanup Sites | 0.5 | ☐ | ☐ |
| State and Trial Brownfield Sites | 0.5 | ☐ | ☐ |

b. Did a visual inspection of the site show the following?

| | **Yes** | **No** |
|---|---|---|
| Distressed vegetation | ☐ | ☐ |
| Vent or Fill Pipes | ☐ | ☐ |
| Storage Oil Tanks or Questionable Containers | ☐ | ☐ |
| Pits, Ponds or Lagoons | ☐ | ☐ |
| Stained Soil or Pavement (other than water stains) | ☐ | ☐ |
| Pungent, Foul or Noxious Odors | ☐ | ☐ |
| Dumped Material or Soil, Mounds of Dirt, Rubble, Fill, etc. | ☐ | ☐ |

c. Has the property ever been used for any of the following types of uses?

| | **Yes** | **No** | | **Yes** | **No** |
|---|---|---|---|---|---|
| Gas Station | ☐ | ☐ | Vehicle Repair Shop | ☐ | ☐ |
| Car Dealership | ☐ | ☐ | Auto Garage | ☐ | ☐ |
| Depot | ☐ | ☐ | Commercial Printing Facility | ☐ | ☐ |
| Industrial or commercial warehouses | ☐ | ☐ | Dry Cleaners | ☐ | ☐ |
| Photo Developing Laboratory | ☐ | ☐ | Hospital | ☐ | ☐ |
| Junkyard or landfill | ☐ | ☐ | Agricultural/Farming Operations | ☐ | ☐ |
| Tannery | ☐ | ☐ | Live stock Operations | ☐ | ☐ |

d. Does the project have an underground storage tank other than a residential fuel tank, or known or suspected to be contaminated by toxic chemicals or radioactive materials?

☐ Yes ☐ No

e. Is the project site near an industry disposing of chemicals or hazardous wastes?

☐ Yes ☐ No

**If Yes to any of the above,** a qualified environmental professional must undertake investigations necessary to ensure that the project is free of hazardous materials, contamination, toxic chemicals and gases, and radioactive substances such that there is no hazard which could affect the health and safety of occupants or conflict with the intended utilization of the property. Continue.

**If No to all of the above**, compliance with this section is complete. Mark box "A" on the Statutory Checklist for this authority.

f. Could nearby toxic, hazardous or radioactive substances affect the health and safety of project occupants or conflict with the intended use of the property?

☐ Yes or ☐ No

g. Are there unresolved concerns that could lead to the RE being determined to be a Potentially Responsible Party (PRP)?

☐ Yes ☐ No

**If Yes,** continue.

**If No,** provide written documentation from a qualified environmental professional which documents that identified potential sources of contamination does not pose a hazard which would restrict the intended uses of the property or to the occupants.

h. Was an ASTM Phase I Environmental Site Assessment (ESA) report completed for this project? (Note: HUD regulations do not require an ASTM Phase I ESA report for single family homes of 1-4 units. HUD requires an ASTM Phase I ESA for multifamily (5 or more units) and/or Non-residential properties for environmental review prepared under Part 50.)

☐ Yes ☐ No

i. Did the ASTM Phase I ESA or other documentation uncover any Recognized Environmental Conditions (RECs) or recommend a Phase II, special/specific Phase II, or recommend Phase III environmental site assessments?

☐ Yes ☐ No

**If Yes**, continue.
**If No,** compliance with this section is complete. Mark box "A" on the Statutory Checklist for this authority.

j. Do ESAs or other documentation conclude that nearby toxic, hazardous or radioactive substances could affect the health and safety of project occupants or conflict with the intended use of the property?

☐ Yes or ☐ No

**If Yes**, continue below.
**If No,** compliance with this section is complete. Mark box "A" on the Statutory Checklist for this authority.

**k.** Did any of the ESA reports or other documentation identify the need to mitigate the environmental condition by removing, stabilizing or encapsulating the toxic substances in accordance with the requirements of the appropriate Federal, state or local oversight agency?

☐ Yes ☐ No

**If Yes,** continue.
**If No**, compliance with this section is complete. Mark box "A" on the Statutory Checklist for this authority.

l. Can all adverse environmental conditions identified in any of the ESAs or other documentation be mitigated?

☐ Yes ☐ No

**If Yes**, compliance with this section is complete. List specific remedial actions or mitigations in the mitigation section of the Statutory Checklist, according to the requirements of the appropriate Federal, state, or local oversight agency. Mark box "B" on the Statutory Checklist for this authority.
**If No**, HUD cannot provide assistance for the project at this site.

Comments:

Cite and attach source documentation: (Maps showing project distance to contaminated sites. Phase I (ASTM) Report. All ESAs and mitigation plans performed for this project.)

For additional information see:

HUD Information on Hazardous, Toxic or Radioactive Substances
**http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/environment/review/hazardous**
NEPAssist: **http://134.67.99.123/nepassist/entry.aspx**
EPA Envirofacts Data:
**http://www.epa.gov/enviro/**
EPA Toxic Release Inventory (TRI):
**http://www.epa.gov/enviro/html/toxic_releases.html**
EPA Maps:
**http://www.epa.gov/emefdata/em4ef.home**
EPA CERCLIS/NPL – Superfund database:
**http://www.epa.gov/superfund/sites/query/basic.htm**
ATSDR "ToxFAQs" summaries about hazardous substances:
http://www.atsdr.cdc.gov/toxfaqs/index.asp
Right-To-Know Network: **http://www.rtknet.org/**

**14. §58.5(j) Environmental Justice (E.O. 12898)**

a. Is the project located in or designed to serve a predominantly minority and low-income neighborhood?

☐ Yes ☐ No

**If Yes,** continue.
**If No,** compliance with this section is complete. Mark box "A" on the Statutory Checklist for this authority.

b. Would there be an adverse environmental impact caused by the proposed action, or would the proposed action be subject to an existing adverse environmental impact?

☐ Yes ☐ No

**If No,** compliance with this section is complete. Mark box "A" on the Statutory Checklist for this authority.
**If Yes**, perform an Environmental Justice (EJ) analysis using census, geographic and other data to determine if a low-income/minority population is disproportionately impacted. Continue.

c. Will the adverse environmental impact of the proposed action disproportionately impact minority and low-income populations relative to the community-at-large?

☐ Yes ☐ No

**If Yes**, Mitigation or avoidance of adverse impacts must be considered to the extent practicable; and, public participation processes must involve the affected population(s) in the decision-making process. Continue.

**If No,** compliance with this section is complete. Document the determination of no disproportionate impacts. Mark box "A" on the Statutory Checklist for this authority.

d. Has the mitigation plan been approved by the RE and the impacted community?

☐ Yes ☐ No

**If Yes,** compliance with this section is complete. Include mitigation plan in the mitigation section of the Statutory Checklist. Mark box "B" on the Statutory Checklist for this authority.
**If No**, Project cannot move forward until EJ issue is mitigated to the satisfactory of the RE and impacted community.

Comments:

Cite and attach source documentation: (Mapping of low-income and minority populations in the vicinity of the project site. EJ analysis. Mitigation Plan.)

For additional information see:

EJ maps & analysis, by location:
**http://www.scorecard.org/community/ej-index.tcl**
EPA's "EJ View" Tool provides information relevant to EJ assessments:
**http://epamap14.epa.gov/ejmap/entry.html**
Census data and maps also avail-able at:
**http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml**
Tract-level data on race & income:
**http://www.ffiec.gov/geocode**

**15. Summary of Mitigation Measures:**

(Required for Incorporation into Project Design, included in Public Notices, and included as requirements of contracts, grants, loans, etc. Ensure final measures are included in Project Descrption Section of 7015.15.)

**16. References:**

(List the Federal, State, or local agencies contacted to obtain their existing environmental reports and other data used for the environmental review of the proposed project.)

**17. List of Major Reports Obtained:**

(Attach report(s), such as wetlands delineation studies, biological evaluations or habitat assessments, Phase I and II environmental site assessments.)

**18. List of Preparers and Summary of Qualifications:**

## A-22: STATUTORY CHECKLIST – COMPLIANCE WITH 24 CFR §58.5

**Statutory Checklist for Compliance with 24 CFR §58.5 – NEPA Related Federal Laws and Authorities**

Use this worksheet for projects that are Categorically Excluded Subject to 24 CFR §58.5 listed at 24 CFR §58.35(a) and for projects that require an Environmental Assessment.

Project Name: _____

ERR FILE # _____

**Definitions:** **A:** The project is in compliance.

**B:** The project requires an additional compliance step or action.

| Statute, Authority, Executive Order Cited at 24 CFR §58.5 | A | B | COMPLIANCE FINDING | SOURCE DOCUMENTATION |
|---|---|---|---|---|
| 1. 58.5(a) Historic Properties [36 CFR 800] | | | | |
| 2. 58.5(b)(1) Floodplain Management [24 CFR 55, Executive Order 11988] | | | | |
| 3. 58.5(b)(2) Wetland Protection [24 CFR 55, Executive Order 11990] | | | | |
| 4. 58.5(c) Coastal Zone Management [Coastal Zone Management Act sections 307(c) & (d)] | | | | |
| 5. 58.5(d) Sole Source Aquifers [40 CFR 149] | | | | |
| 6. 58.5(e) Endangered Species [50 CFR 402] | | | | |
| 7. 58.5(f) Wild and Scenic Rivers [36 CFR 297] | | | | |
| 8. 58.5(g) Air Quality [40 CFR parts 6, 51,61, 93] | | | | |
| 9. 58.5(h) Farmland Protection [7 CFR 658] | | | | |
| 10. 58.5(i)(1) Noise Control and Abatement [24 CFR 51B] | | | | |
| 11. 58.5 (i) (1) Explosive and Flammable Operations [24 CFR 51C] | | | | |
| 12. 58.5(i)(1) Airport Hazards (Runway Clear Zones and Clear Zones/Accident Potential Zones) [24 CFR 51D] | | | | |
| 13. 58.5(i)(2)(i-iv) Contamination and Toxic Substances [24 CFR 58.5(i)(2)] | | | | |
| 14. 58.5(j) Environmental Justice [Executive Order 12898] | | | | |

**DETERMINATION:**

☐ **Box "A" has been checked for all authorities.** For Categorically Excluded actions pursuant to §58.35(a) [Does not apply to EA or EIS level of review which can never convert to Exempt], the project can convert to Exempt, per §58.34(a) (12), since the project does not require any compliance measures (e.g., consultation, mitigation, permit or approval) with respect to any law or authority cited at §58.5. The project is now made Exempt and **funds may be drawn down; OR**

☐ **Box "B" has been checked for one or more authority.** For Categorically Excluded actions pursuant to §58.35(a), the project cannot convert to Exempt since one or more authority requires compliance, including but not limited to consultation with or approval from an oversight agency, performance of a study or analysis, completion of remediation or mitigation measure, or obtaining of license or permit. **Complete pertinent compliance requirement(s), publish NOI/RROF, request release of funds (HUD-7105.15), and obtain HUD's Authority to Use Grant Funds (HUD-7015.16) per §58.70 and §58.71 before committing funds; OR**

☐ This project is not a Categorically Excluded action pursuant to §58.35(a), or may result in a significant environmental impact to the environment, and requires preparation of an Environmental Assessment (EA). Prepare the EA according to 24 CFR Part 58 Subpart E.

**MITIGATION MEASURES AND CONDITIONS FOR PROJECT APPROVAL:** *(If Box B is checked, provide details regarding further consultation, mitigation, permit requirements or approvals required to be incorporated into public notices and project requirements such as contracts, grants, loan conditions, etc as described in the Statutory Worksheet). Ensure required measures are included in 7015.15 Project Description Section.*

**PREPARER:**

_____ _____

**Preparer's Signature** **Date**

_____ _____

**Preparer's Name (printed)** **Title (printed)**

**AUTHORIZED RESPONSIBLE ENTITY OFFICIAL:**

_____ _____

**Authorized Responsible Entity Signature** **Date**

_____ _____

**Authorized Responsible Entity Name (printed)** **Title (printed)**

## A-23: SAMPLE - NOTICE OF INTENT TO REQUEST RELEASE OF FUNDS

**Notice of Intent to Request Release of Funds**

The language below is HUD's recommended wording of the Notice of Intent to Request Release of Funds. This Notice is used to request the environmental release of funds for Categorically Excluded projects (24 CFR Part 58, §58.35(a)] or for projects for which a Notice of Finding of No Significant Impact was previously issued. Words in **bold type** are required language. Words in *italics* are to be replaced by language appropriate to the particular project and Responsible Entity.

---

**NOTICE OF INTENT TO REQUEST RELEASE OF FUNDS**

**Date of Publication:** *[date published]*

*Name of Responsible Entity (RE)*

*Address (e.g., Street No. or P.O. Box)*

*City, State, Zip Code*

*Telephone Number of RE*

**On or after** *at least one day after the end of the comment period* **the** *name of RE* **will** *if the RE is not also the grant recipient, insert the following language here: "authorize the [name of grant recipient] to"* **submit a request to the** *HUD/State administering agency* **for the release of** *name of grant program* **funds under** *Title/Section [xx]* **of the** *name of the appropriation Act of [year], as amended***, to undertake the following project:**

**Project Title:** *project name*

**Purpose:** *Summarize purpose and need for the project*

**Location:** *Provide address, map identification and map coordinates (Note: ensure there is enough information about the location for the public to either use Google Earth or to physically locate the project; i.e. if a street address is not available provide map coordinates)*

**Project Description:** *Describe what the project is, the surrounding environment, what is going to be done and how.*

**Project Issues:** *Describe all project issues that require mitigation, consultation, permits or project to be conditioned*

**Mitigation Measures/Conditions/Permits (if any):** *Describe mitigation measures, conditions on project or required permits for above project issues*

**Estimated Project Cost:** *Include HUD funding & total estimated project cost*

**The activities proposed project** *[language option #1]: is categorically excluded under HUD regulations at 24 CFR Part 58 from National Environmental Policy Act (NEPA) requirements.* ***OR*** *[language option #2]: A Finding of No Significant Impact on the environment for this project was [published/posted] on [date of Finding publication/posting].* **An Environmental Review Record (ERR) that documents the environmental determinations for this project is on file at** *name and address of RE office where ERR can be examined and name and address of other locations where the record is available for review* **and may be examined or copied weekdays __A.M to __P.M.**

## PUBLIC COMMENTS

**Any individual, group, or agency may submit written comments on the ERR to the** *RE designated office responsible for receiving and responding to comments.* **All comments received by** *if notice is published: notice date plus seven days; if notice is mailed and posted: mailing and posting date plus ten days* **will be considered by the** *name of RE* **prior to authorizing submission of a request for release of funds.**

## RELEASE OF FUNDS

**The** *name of RE* **certifies to** *HUD/State* **that** *name of Certifying Officer* **in** *his/her* **capacity as** *Official Title* **consents to accept the jurisdiction of the Federal Courts if an action is brought to enforce responsibilities in relation to the environmental review process and that these responsibilities have been satisfied.** *HUD's/State's* **approval of the certification satisfies its responsibilities under NEPA and related laws and authorities and allows the** *name of grant recipient* **to use HUD program funds.**

## OBJECTIONS TO RELEASE OF FUNDS

*HUD/State* **will accept objections to its release of fund and the** *RE's* **certification for a period of fifteen days following the anticipated submission date or its actual receipt of the request (whichever is later) only if they are on one of the following bases: (a) the certification was not executed by the Certifying Officer of the** *name of RE;* **(b) the** *RE* **has omitted a step or failed to make a decision or finding required by HUD regulations at 24 CFR part 58; (c) the grant recipient or other participants in the development process have committed funds, incurred costs or undertaken activities not authorized by 24 CFR Part 58 before approval of a release of funds by** *HUD/State***; or (d) another Federal agency acting pursuant to 40 CFR Part 1504 has submitted a written finding that the project is unsatisfactory from the standpoint of environmental quality. Objections must be prepared and submitted in accordance with the required procedures (24 CFR Part 58, Sec. 58.76) and shall be addressed to** *HUD/State administration office* **at** *address of that office.* **Potential objectors should contact** *HUD/State* **to verify the actual last day of the objection period.**

*Name and Title of RE Certifying Officer*

Note: The seven or ten-day public comment periods are the minimum time periods required by regulation prior to submission of a Request for Release of funds and Certification (form HUD-7015.15 to HUD/State. The Responsible Entity may choose to allow a longer comment period. The fifteen-day objection period is a statutory requirement. The objection period follows the submission date specified in the Notice or the actual date of receipt by HUD/State, whichever is later.

## A-24: ENVIRONMENTAL ASSESSMENT SIGNATURE FORM

# Environmental Assessment

**Project Name:** _____

**ERR File #:** _____

**Project Location (give address and map coordinates):** _____

**RE Contact Name and Phone Number:** _____

**Recipient Name and Phone Number:** _____

**Estimated Total Project Cost (all sources):**_____

**Amount of HUD Assistance:** _____**HUD Grant Program:** _____

**Description of the Project:** Include all contemplated actions that are logically either geographically or functionally a composite part of the project, regardless of the source of funding. [24 CFR 58.32, 40 CFR 1508.25] As appropriate, attach maps, site plans, renderings, photographs, budgets and other descriptive information.

**Purpose of the Project:** [“Statement of Purpose and Need for the Proposal” - 40 CFR 1508.9(b)]

**Existing Conditions and Trends:** Describe the existing conditions of the project area and its surroundings, and the trends likely to continue in the absence of the project. [24 CFR 58.40(a)]

**FINDING:** [58.40(g)]

☐ **Finding of No Significant Impact (FONSI)**

(The project will not result in a significant impact on the quality of the human environment.)

☐ **Finding of Significant Impact**

(The project may significantly affect the quality of the human environment.)

**Preparer's Signature**_____

Date:_____

Preparer's Name and Title_____

Preparer's Agency (If different from RE_____

**Authorized RE Official Signature**:_____

Date:_____

Authorized RE Official Name and Title_____

**Conditions for Approval:** (List all mitigation and project modification measures adopted by the responsible entity to eliminate or minimize adverse environmental impacts. These conditions must be included in project contracts and other relevant documents as requirements.) [24 CFR 58.40(d), 40 CFR 1505.2(c)]

**Compliance with 24 CFR §58.5, Related Federal Laws and Authorities**
Instructions: Incorporate Statutory Worksheet, Statutory Checklist and source documentation here. Attach all documentation to EA.

**Compliance 24 CFR §58.6, Other Requirements**
Instructions: Incorporate Compliance Checklist and source documentation here. Attach all documentation to EA.

## A-25: ENVIRONMENTAL ASSESSMENT WORKSHEET

**Environmental Assessment Worksheet**

**Land Development**

1. **Conformance with Comprehensive Plans and Zoning:**

   a. Is project in conformance with existing zoning or consistent with community's general development plans?

   ☐ Yes ☐ No

   b. Will a special permit or change in zoning be required? Will the project need to be modified to conform to zoning requirements (e.g. reduce the density or height)?

   ☐ Yes ☐ No

Comments:

Cite and attach source of documentation (e.g. Zoning Map):

2. **Land Use Compatibility and Urban Impact:**

   a. Will the project be compatible with surrounding land uses?

   ☐ Yes ☐ No

   b. Will there be a change in land use?

   ☐ Yes ☐ No

   c. Will the project contribute to urban sprawl?

   ☐ Yes ☐ No

Comments:

Cite and attach source documentation:

3. **Slope and Erosion**

   a. Slopes: ☐ Not Applicable; ☐ Steep; ☐ Moderate; ☐ Slight.

   b. If moderate to steep slope, does the design plan include measures to overcome potential erosion, slope stability and runoff problems?

   ☐ Yes ☐ No

   c. Is there evidence of slope erosion or unstable slope conditions on or near the site?

   ☐ Yes ☐ No

   d. Is there evidence of ground subsidence, high water table or other unusual conditions on the site?

   ☐ Yes ☐ No

   e. Will the project significantly affect or be affected by the slope conditions?

   ☐ Yes ☐ No

Comments:

Cite and attach source documentation:

4. **Soil Suitability**

a. Is there any visible evidence of soil problems (foundations cracking or settling, basement flooding, etc.) in the neighborhood of the site?

☐ Yes ☐ No

b. Have soil studies or borings been made for the project site or the area?

☐ Yes ☐ No

c. Do the soil studies or borings indicate marginal or unsatisfactory soil conditions?

☐ Yes ☐ No

d. Is there indication of cross-lot runoff, swales, or drainage flows on the property?

☐ Yes ☐ No

e. Are there visual indications of filled ground?

☐ Yes ☐ No

f. Are there active rills and gullies on site?

☐ Yes ☐ No

g. If the site is not to be served by a municipal waste water disposal system, has a report of the soil conditions suitable for on-site septic systems been submitted?

☐ Yes ☐ No

h. Is a soils report (other than structural) needed?

☐ Yes ☐ No

i. Are structural borings or a dynamic soil analysis/geological study needed?

☐ Yes ☐ No

Comments:

Cite and attach source documentation:

5. **Hazards, Nuisances and Site Safety:**

a. Will the project be affected by natural hazards?

| | Yes | No | | Yes | No |
|---|---|---|---|---|---|
| Faults, fracture | ☐ | ☐ | Fire hazard materials | ☐ | ☐ |
| Cliffs, bluffs, crevices | ☐ | ☐ | Wind/sand storm concerns | ☐ | ☐ |
| Slope-failures from rains | ☐ | ☐ | Poisonous plants, insects, animals | ☐ | ☐ |
| Unprotected water bodies | ☐ | ☐ | Hazardous terrain features | ☐ | ☐ |

b. Will the project be affected by built hazards and nuisances?

| | Yes | No | | Yes | No |
|---|---|---|---|---|---|
| Hazardous street | ☐ | ☐ | Inadequate screened drainage catchments | ☐ | ☐ |
| Dangerous intersection | ☐ | ☐ | Hazards in vacant lots | ☐ | ☐ |
| Through traffic | ☐ | ☐ | Chemical tank-car terminals | ☐ | ☐ |
| Inadequate separation of pedestrian/vehicle traffic | ☐ | ☐ | Other hazardous chemical storage | ☐ | ☐ |
| Children's play areas located next to freeway or other high traffic way | ☐ | ☐ | High-pressure gas or liquid petroleum transmission lines on site | ☐ | ☐ |
| Inadequate street lighting | ☐ | ☐ | Overhead transmission lines | ☐ | ☐ |
| Quarries or other excavations | ☐ | ☐ | Hazardous cargo transportation routes | ☐ | ☐ |
| Dumps/sanitary landfills or mining | ☐ | ☐ | Oil or gas wells | ☐ | ☐ |
| Railroad crossing | ☐ | ☐ | Industrial operations | ☐ | ☐ |

c. Will the project be affected by nuisances?

| | Yes | No | | Yes | No |
|---|---|---|---|---|---|
| Gas, smoke, fumes | ☐ | ☐ | Unsightly land uses | ☐ | ☐ |
| Odors | ☐ | ☐ | Front-lawn parking | ☐ | ☐ |
| Vibration | ☐ | ☐ | Abandoned vehicle | ☐ | ☐ |
| Glare from parking area | ☐ | ☐ | Vermin infestation | ☐ | ☐ |
| Vacant/boarded-up buildings | ☐ | ☐ | Industrial nuisances | ☐ | ☐ |
| | | | Other (specify) | ☐ | ☐ |

d. Are there other unusual conditions on the site?

☐ Yes ☐ No

e. Has the site been used as a dump, sanitary landfill or mine waste disposal area?

☐ Yes ☐ No

f. Is there indication of:

| | Yes | No | | Yes | No |
|---|---|---|---|---|---|
| Distressed Vegetation | ☐ | ☐ | oil/chemical spills | ☐ | ☐ |
| Waste material/containers | ☐ | ☐ | abandoned machinery, cars, refrigerators, etc | ☐ | ☐ |
| Soil staining, pools of liquid | ☐ | ☐ | transformers, fill/vent pipes, pipelines, drainage structures | ☐ | ☐ |
| Loose/empty drums, barrels | ☐ | ☐ | | | |

| g. Is the project compatible with surrounding land uses in terms of: | | | | | |
|---|---|---|---|---|---|
| | Yes | No | | Yes | No |
| Land Use | ☐ | ☐ | Building type (low/high-rise) | ☐ | ☐ |
| Height, bulk, mass | ☐ | ☐ | Building Density | ☐ | ☐ |
| h. Will the project be unduly influenced by: | | | | | |
| | Yes | No | | Yes | No |
| Building deterioration | ☐ | ☐ | Transition of land uses | ☐ | ☐ |
| Postponed maintenance | ☐ | ☐ | Incompatible land uses | ☐ | ☐ |
| Obsolete public facilities | ☐ | ☐ | Inadequate off-street parking | ☐ | ☐ |
| i. Are there air pollution generators nearby which would adversely affect the site? | | | | | |
| | Yes | No | | Yes | No |
| Heavy Industry | ☐ | ☐ | Large parking facilities (1000 or more cars) | ☐ | ☐ |
| Incinerators | ☐ | ☐ | Heavy travelled highway (6 or more lanes) | ☐ | ☐ |
| Power generating plants | ☐ | ☐ | Oil refineries | ☐ | ☐ |
| Cement plants | ☐ | ☐ | Other | ☐ | ☐ |

Comments:

Cite and attach source documentation:

6. **Energy Consumption:**

   a. Has the project design taken full advantage of potential energy saving measures such as insulation, solar panels, window design and placement, lighting, heating, cooling and hot water systems?

   ☐ Yes ☐ No

   b. Are they in conformance with HUD Minimum Property Standards and other applicable energy saving codes?

   ☐ Yes ☐ No

   c. Is the project location in close proximity to transit, shopping, services and employment locations?

   ☐ Yes ☐ No

Comments:

Cite and attach source documentation:

**<u>Socioeconomic Factors</u>**

**7. Demographic/Community Character Changes:**

   a. Will the proposed project significantly alter the demographic characteristics of the community?

   ☐ Yes ☐ No

b. Will the proposed project severely alter residential, commercial or industrial uses?

☐ Yes ☐ No

c. Will the proposed project destroy or harm any community institution, such as a neighborhood church?

☐ Yes ☐ No

Comments:

Cite and attach source documentation:

8. **Displacement:**

a. Will the project directly displace individuals or families?

☐ Yes ☐ No

b. Will the project destroy or relocate existing jobs, community facilities or any business establishment?

☐ Yes ☐ No

c. Is the displacement covered by the Uniform Relocation Act and are funds available for payment?

☐ Yes ☐ No

Comments:

Cite and attach source documentation:

9. **Employment and Income Patterns:**

a. Will changes occur in employment and income patterns as a result from the project?

☐ Yes ☐ No

b. Will the project either significantly increase or decrease employment opportunities?

☐ Yes ☐ No

c. Will it create conditions favorable or unfavorable to commercial, industrial, or institutional operation or development?

☐ Yes ☐ No

Comments:

Cite and attach source documentation:

**Community Facilities and Services**

**10. Educational Facilities:**

a. Will the additional school age children in the proposed development exceed the capacity of existing or planned school facilities?

☐ Yes ☐ No

b. Do the potentially affected schools have adequate safe access facilities given the projected population increase?

☐ Yes ☐ No

c. Will additional or alternative facilities need to be provided to ensure safe suitable access?

☐ Yes ☐ No

Comments:

Cite and attach source documentation:

11. **Commercial Facilities:**

a. Is there adequate and convenient access to retail services? Do local retail services meet the need of project occupants/users?

☐ Yes ☐ No

b. Will existing retail and commercial services be adversely impacted by the proposed project?

☐ Yes ☐ No

Comments:

Cite and attach source documentation:

12. **Health Care:**

a. Is emergency health service available within approximately three to five minutes?

☐ Yes ☐ No

b. Are non-emergency health care services located within a reasonable proximity to the proposed project?

☐ Yes ☐ No

c. Is the number of doctors, dentists, nurses and other trained medical staff in realistic proportion to any increase in residents/users?

☐ Yes ☐ No

Comments:

Cite and attach source documentation:

13. **Social Services:**

a. Are social services currently located in close proximity to the prospective users/residents?

☐ Yes ☐ No

b. Is the number of trained staff including social workers, counselors, psychologists, psychiatrist and related administrative and managerial personnel in realistic proportion to the anticipated increase in residents/users?

☐ Yes ☐ No

Comments:

Cite and attach source documentation:

14. **Solid Waste:**

a. Will the existing or planned solid waste disposal system adequately service the proposed development?

☐ Yes ☐ No

b. Will project overload the design capacity of these facilities?

☐ Yes ☐ No

c. Trash collection and solid waste disposal

☐ Municipal ☐ Private

Comments:

Cite and attach source documentation:

15. **Waste Water**

a. Will the existing or planned waste water systems adequately service the proposed development?

☐ Yes ☐ No

b. Will project overload the design capacity of these facilities?

☐ Yes ☐ No

c. Will the proposed project be adversely affected by proximity to these facilities?

☐ Yes ☐ No

d. Sanitary sewers and waste water disposal systems

☐ Municipal ☐ Private

Comments:

Cite and attach source documentation:

16. **Storm Water:**

a. Will existing or planned storm water disposal and treatment systems adequately service the proposed development?

☐ Yes ☐ No

b. Will project overload the design capacity of these facilities?

☐ Yes ☐ No

Comments:

Cite and attach source documentation:

17. **Water Supply:**

    a. Will either the municipal water utility or on-site water supply system be adequate to serve the proposed project?

    ☐ Yes ☐ No

    b. Is the water supply quality safe from a chemical and bacteriological standpoint?

    ☐ Yes ☐ No

    c. If the water supply is non-municipal, has an acceptable "system" been approved by appropriate authorities?

    ☐ Yes ☐ No

    d. If the sanitary sewers and waste water disposal systems are non-municipal, has an acceptable "system" been approved by appropriate authorities and agencies?

    ☐ Yes ☐ No

Comments:

Cite and attach source documentation:

18. **Public Safety:**

    a. Does the project location provide adequate access to police, fire and emergency medical services?

    ☐ Yes ☐ No

    b. Is the average response time for police, fire and emergency medical services in the area of the project sufficient to meet the needs of the project?

    ☐ Yes ☐ No

    c. Does the area have a particularly high crime rate?

    ☐ Yes ☐ No

    d. Is the quality of the police, fire protection and emergency medical services available to the project adequate to meet project needs?

    ☐ Yes ☐ No

Comments:

Cite and attach source documentation:

19. **Open Space, Recreational and Cultural Facilities:**

    a. Are open spaces, recreational and cultural facilities within reasonable proximity to the project area?

    ☐ Yes ☐ No

b. Is adequate public transportation available from the project to these facilities?

☐ Yes ☐ No

c. Will the project cause any overloading of these facilities?

☐ Yes ☐ No

Comments:

Cite and attach source documentation:

20. **Transportation:**

a. Will transportation facilities and services be adequate to meet the needs of the project's users?

☐ Yes ☐ No

b. Is adequate parking available for the project? Will the project overload existing or proposed transportation services?

☐ Yes ☐ No

c. Will the project create a situation whereby facilities are seriously under used?

☐ Yes ☐ No

Comments:

Cite and attach source documentation:

**Natural Features**

**21. Water Resources:**

a. Will the project use groundwater for its water supply?

☐ Yes ☐ No

a. Are there large numbers of wells or wells that pump large quantities of water from the water table near the proposed project site?

☐ Yes ☐ No

b. Are there visual or other indications of water quality problems on or near the site?

☐ Yes ☐ No

c. Will the project involve discharge of sewage effluent into surface water bodies?

☐ Yes ☐ No

Comments:

Cite and attach source documentation:

22. **Unique Natural Features and Agricultural Land:**

a. Is the site near natural features (i.e., bluffs or cliffs) or near public or private scenic areas?

☐ Yes ☐ No

b. Are other natural resources visible on site or in vicinity? Will any such resources be adversely affected or will they adversely affect the project?

☐ Yes ☐ No

c. Will the unique natural feature pose safety hazards for a proposed development?

☐ Yes ☐ No

Comments:

Cite and attach source documentation:

23. **Vegetation and Wildlife:**

a. Will the project damage or destroy trees without replacement?

☐ Yes ☐ No

b. Will the project create an environmental condition that might threaten the survival of existing vegetation, particularly changes in the native plant community habitats?

☐ Yes ☐ No

c. Will the project create conditions favorable to nuisance species?

☐ Yes ☐ No

Comments:

Cite and attach source documentation:

**Summary of Findings and Conclusions**

**Project Alternatives Considered** [24 CFR 58.40(e), Ref. 40 CFR 1508.9] (As appropriate, identify other reasonable courses of action that were considered and not selected, such as other sites, design modifications, or other uses of the subject site. Describe the benefits and adverse impacts to the human environment of each alternative and the reasons for rejecting it. Include consideration of the No Action Alternative, that is, not implementing the preferred alternative).

**Mitigation and Project Modification Measures Recommended**
[24 CFR 58.40(d), 40 CFR 1508.20]
(Recommend feasible ways in which the proposal or its external factors should be modified in order to minimize adverse environmental impacts and restore or enhance environmental quality.)

**Additional Studies Performed**
(List the reports, studies or analyses performed for this assessment, and attach studies or summaries.)

**List of Agencies and Persons Consulted** [40 CFR 1508.9(b)]
(List agencies and persons consulted for this assessment.)

**List of Preparers and Summary of Qualifications:**

## A-26: ENVIRONMENTAL ASSESSMENT CHECKLIST

**Environmental Assessment Checklist**

**Instructions**: Summarize the findings from the EA Worksheet here by choosing the appropriate determination in the determination column for each resource. Then, cite the source document in the appropriate column.

| Resource | Determination | Source Documentation |
|---|---|---|
| **Land Development** | | |
| 1. Conformance with Comprehensive Plans and Zoning | Choose from list:<br>___ Not Applicable (State Why)<br>___ In Conformance<br>___ Zoning Permit Required<br>___ Project Modification Required | |
| 2. Land Use Compatibility and Urban Impact | Choose from list:<br>___ Not Applicable (State Why)<br>___ Compatible<br>___ Land Use Change Required<br>___ Project Modification Required | |
| 3. Slope and Erosion | Choose from list:<br>___ Not Applicable (State Why)<br>___ Slight Slope – No Impact<br>___ Moderate to Steep Slope – Considered in Project Design<br>___ Project Modification Required | |
| 4. Soil Suitability | Choose from list:<br>___ Not Applicable (State Why)<br>___ No Evidence of Soil Issues<br>___ Project Design Includes Soil Mitigation<br>___ Project Modification Required | |
| 5. Hazards and Nuisances and Site Safety | Choose from list:<br>___ Not Applicable (State Why)<br>___ No Impact<br>___ Hazards and Nuisances Considered in Project Design<br>___ Project Modification Required | |
| 6. Energy Consumption | Choose from list:<br>___ Not Applicable (State Why)<br>___ Energy Conservation Measures in Project Design<br>___ Project Modification Required | |
| **Socioeconomic Factors** | | |
| 7. Demographic Character Changes | Choose from list:<br>___ Not Applicable (State Why)<br>___ No Impact<br>___ Project Modification Required | |

| Resource | Determination | Source Documentation |
|---|---|---|
| 8. Displacement | Choose from list:<br>___ No Displacement<br>___ Displacement and Payment covered by Uniform Relocation Act<br>___ Project Modification Required<br>___ Other (Describe) | |
| **9.** Employment and Income Patterns | Choose from list:<br>___ No Impact<br>___ Beneficial<br>___ Adverse | |
| **Community Facilities and Service** | | |
| 10. Educational Facilities | Choose from list:<br>___ Not Applicable (State Why)<br>___ Existing/Planned Facilities are Adequate<br>___ Project Modification Required | |
| Commercial Facilities | Choose from list:<br>___ Not Applicable (State Why)<br>___ Existing/Planned Facilities are Adequate<br>___ Project Modification Required | |
| Health Care | Choose from list:<br>___ Not Applicable (State Why)<br>___ Existing/Planned Facilities are Adequate<br>___ Project Modification Required | |
| Social Services | Choose from list:<br>___ Not Applicable (State Why)<br>___ Existing/Planned Facilities are Adequate<br>___ Project Modification Required | |
| Solid Waste | Choose from list:<br>___ Not Applicable (State Why)<br>___ Existing/Planned Facilities are Adequate<br>___ Project Modification Required | |
| Waste Water | Choose from list:<br>___ Not Applicable (State Why)<br>___ Existing/Planned Facilities are Adequate<br>___ Project Modification Required | |
| Storm Water | Choose from list:<br>___ Not Applicable (State Why)<br>___ Existing/Planned Facilities are Adequate<br>___ Project Modification Required | |
| Water Supply | Choose from list:<br>___ Not Applicable (State Why)<br>___ Existing/Planned Facilities are Adequate<br>___ Project Modification Required | |

| Resource | Determination | Source Documentation |
|---|---|---|
| Public Safety<br>• Police | Choose from list:<br>___ Not Applicable (State Why)<br>___ Existing/Planned Facilities are Adequate<br>___ Project Modification Required | |
| • Fire | Choose from list:<br>___ Not Applicable (State Why)<br>___ Existing/Planned Facilities are Adequate<br>___ Project Modification Required | |
| • Emergency Medical | Choose from list:<br>___ Not Applicable (State Why)<br>___ Existing/Planned Facilities are Adequate<br>___ Project Modification Required | |
| Open Space and Recreation<br>• Open Space | Choose from list:<br>___ Not Applicable (State Why)<br>___ Existing/Planned Facilities are Adequate<br>___ Project Modification Required | |
| • Recreation | Choose from list:<br>___ Not Applicable (State Why)<br>___ Existing/Planned Facilities are Adequate<br>___ Project Modification Required | |
| • Cultural Facilities | Choose from list:<br>___ Not Applicable (State Why)<br>___ Existing/Planned Facilities are Adequate<br>___ Project Modification Required | |
| Transportation | Choose from list:<br>___ Not Applicable (State Why)<br>___ Existing/Planned Facilities are Adequate<br>___ Project Modification Required | |
| **Natural Features** | | |
| Water Resources | Choose from list:<br>___ Not Applicable (State Why)<br>___ No Impact<br>___ Permit Required | |
| Unique Natural Features and Agricultural Lands | Choose from list:<br>___ Not Applicable (State Why)<br>___ No Impact to or from Unique Natural Features<br>___ Unique Natural Features Considered in Project Design<br>___ Project Modification Required | |
| Vegetation and Wildlife | Choose from list:<br>___ Not Impact<br>___ Beneficial<br>___ Adverse | |

## A-27: COMBINED NOTICE OF FINDING OF NO SIGNIFICANT IMPACT & INTENT TO REQUEST RELEASE OF FUNDS

# Combined Notice of Finding of No Significant Impact and Notice of Intent to Request Release of Funds

The language below is HUD's recommended wording of the combined Notice of Finding of No Significant Impact and Notice of Intent to Request Release of Funds. This Notice is used for projects requiring an Environmental Assessment (24 CFR Part 58, §58.36]. Words in **bold type** are required language. Words in *italics* are to be replaced by language appropriate to the particular project and Responsible Entity.

---

**NOTICE OF FINDING OF NO SIGNFICANT IMPACT AND**
**NOTICE OF INTENT TO REQUEST RELEASE OF FUNDS**

**Date of Publication:** *[date published]*
*Name of Responsible Entity (RE)*
*Address (e.g., Street No. or P.O. Box)*
*City, State, Zip Code*
*Telephone Number of RE*

**These notices shall satisfy two separate but related procedural requirements for activities to be undertaken by the** *name of RE or grant recipient.*

**REQUEST FOR RELEASE OF FUNDS**

**On or after** *at least one day after the end of the comment period* **the** *name of RE* **will** *if the RE is not also the grant recipient, insert the following language here: "authorize the [name of grant recipient] to"* **submit a request to the** *HUD/State administering agency* **for the release of** *name of grant program* **funds under** *Title/Section [xx]* **of the** *name of the appropriation Act of [year], as amended***, to undertake the following project:**

**Project Title:** *project name*
**Purpose:** *Summarize purpose and need for the project*
**Location:** *Provide address, map identification and map coordinates (Note: ensure there is enough information about the location for the public to either use Google Earth or to physically locate the project; i.e. if a street address is not available provide map coordinates)*
**Project Description:** *Describe what the project is, the surrounding environment, what is going to be done and how.*
**Project Issues:** *Describe all project issues that require mitigation, consultation, permits or project to be conditioned*
**Mitigation Measures/Conditions/Permits (if any):** *Describe mitigation measures, conditions on project or required permits for above project issues*
**Estimated Project Cost:** *Include HUD funding & total estimated project cost*

**FINDING OF NO SIGNIFICANT IMPACT**

**The** *name of RE* **has determined that the project will have no significant impact on the human environment. Therefore, an Environmental Impact Statement under the National Environmental**

**Policy Act of 1969 (NEPA) is not required. Additional project information is contained in the Environmental Review Record (ERR) on file at** *name and address of RE office where ERR can be examined and name and address of other locations where the record is available for review* **and may be examined or copied weekdays __A.M to __P.M.**

**PUBLIC COMMENTS**

**Any individual, group, or agency may submit written comments on the ERR to the** *RE designated office responsible for receiving and responding to comments.* **All comments received by** *if notice is published: publication date plus fifteen days; if notice is mailed and posted: mailing and posting date plus eighteen days* **will be considered by the** *name of RE* **prior to authorizing submission of a request for release of funds. Comments should specify which Notice they are addressing.**

**RELEASE OF FUNDS**

**The** *name of RE* **certifies to** *HUD/State* **that** *name of Certifying Officer* **in** *his/her* **capacity as** *Official Title* **consents to accept the jurisdiction of the Federal Courts if an action is brought to enforce responsibilities in relation to the environmental review process and that these responsibilities have been satisfied.** *HUD's/State's* **approval of the certification satisfies its responsibilities under NEPA and related laws and authorities and allows the** *name of grant recipient* **to use HUD program funds.**

**OBJECTIONS TO RELEASE OF FUNDS**

*HUD/State* **will accept objections to its release of fund and the** RE's **certification for a period of fifteen days following the anticipated submission date or its actual receipt of the request (whichever is later) only if they are on one of the following bases: (a) the certification was not executed by the Certifying Officer of the** *name of RE;* **(b) the** *RE* **has omitted a step or failed to make a decision or finding required by HUD regulations at 24 CFR part 58; (c) the grant recipient or other participants in the development process have committed funds, incurred costs or undertaken activities not authorized by 24 CFR Part 58 before approval of a release of funds by** *HUD/State***; or (d) another Federal agency acting pursuant to 40 CFR Part 1504 has submitted a written finding that the project is unsatisfactory from the standpoint of environmental quality. Objections must be prepared and submitted in accordance with the required procedures (24 CFR Part 58, Sec. 58.76) and shall be addressed to** *HUD/State administration office* **at** *address of that office.* **Potential objectors should contact** *HUD/State* **to verify the actual last day of the objection period.**

*Name and Title of RE Certifying Officer*

Note: The fifteen or eighteen-day public comment periods are the minimum time periods required by regulation prior to submission of a Request for Release of Funds and Certification (form HUD-7015.15) to HUD/State. The Responsible Entity may choose to allow a longer comment period. 24 CFR Part 58 requires, at Section 58.46, "Time delays for exceptional circumstances," a 30-day comment period for controversial or unique projects or those similar to projects normally requiring preparation of an environmental Impact Statement. The fifteen-day objection period is a statutory requirement. The objection period follows the submission date specified in the Notice or the actual date of receipt by HUD/State, whichever is later.

## A-28: NOTICE OF FINDING OF NO SIGNIFICANT IMPACT DISTRIBUTION LIST

# SAMPLE

## NOTICE OF FINDING OF NO SIGNIFICANT IMPACT

## DISTRIBUTION LIST

The Notice of Finding of No Significant Impact was sent to the following organizations and individuals as well as being published in the West Lynn Times.

Central Louisiana Regional Agency
100 Montgomery Street
Central City, Louisiana

Louisiana Sierra Club
222 Columbus
Central City, Louisiana

EPA
Regional Louisiana

EPA
National Headquarters

Indian Tribes, where appropriate

FEMA

Office of Community Development
P. O. Box 94095
Baton Rouge, LA 70804

**Please be aware these addresses are not actual addresses with the exception of the Office of Community Development.

## A-29: SAMPLE HISTORIC PRESERVATION LETTER

# SAMPLE
# HISTORIC PRESERVATION LETTER

Date

Ms. Nicole Hobson-Morris
State Historic Preservation Officer
Department of Culture, Recreation and Tourism
P. O. Box 44247
Baton Rouge, Louisiana 70804

RE: Consultation under 36 CFR Part 800.4(a)
Community Development Block Grant Program
Anytown, Louisiana 70801

Dear Ms. Hobson-Morris:

The City of Anytown has been awarded a Community Development Block Grant (CDBG) of $620,000 from the Louisiana Division of Administration. This grant will provide funding of a 500,000 gallon elevated water storage facility. A map showing the proposed location of the storage facility and a project description are attached.

In accordance with the provisions of 36 CFR Part 800.4(a) and the State of Louisiana, the City has conducted an historical and cultural survey, reviewed the published lists of the National Register of Historic Places from January 1974 to present, reviewed the most recent publication of your office listing State Historic Places and consulted with Mr. James Best, President of the Anytown Preservation Society.

To the best of our knowledge, the site of the elevated water storage facility is of no historic significance. In accordance with 24 CFR Part 58, Environmental Review procedure for Title I Community Development Block Grant Programs, the City of Anytown is requesting comments from you relative to any impact the above described project may have on archeological or historic sites or properties listed in the National Register of Historic Places, or other significant cultural resources.

If you should have any questions or require additional information, please contact me.

Sincerely,

Mayor Deron Troy
Environmental Certifying Official

## A-30: SAMPLE FLOODPLAINS AND WETLANDS NOTICES/EARLY PUBLIC REVIEW NOTICE

### Sample Early Notice and

### Public Review of a Proposed Activity in a 100-Year Floodplain

Note: May also be combined with other notices such as state floodplain or wetland notices so long as it contains the required information.

To: All interested Agencies *[include all Federal, State, and Local]*, Groups and Individuals

This is to give notice *that [HUD under part 50 or Responsible Entity under Part 58]* has conducted an evaluation as required by *[Executive Order 11988 and/or 11990]*, in accordance with HUD regulations at 24 CFR 55.20 Subpart C Procedures for Making Determinations on Floodplain Management, to determine the potential affect that its activity in the floodplain and wetland will have on the human environment for *[Program Name]* under *[HUD grant or contract number]. [Describe the activity, e.g. purpose, type of assistance, the size of the site, proposed number of units, size of footprint, type of floodplain, natural values]. [State the total number of acres of floodplains involved].* The proposed project(s) is located *[at addresses]* in *[Name of City]*, *[Name of County].*

There are three primary purposes for this notice. First, people who may be affected by activities in floodplains and those who have an interest in the protection of the natural environment should be given an opportunity to express their concerns and provide information about these areas. Second, an adequate public notice program can be an important public educational tool. The dissemination of information about floodplains can facilitate and enhance Federal efforts to reduce the risks associated with the occupancy and modification of these special areas. Third, as a matter of fairness, when the Federal government determines it will participate in actions taking place in floodplains, it must inform those who may be put at greater or continued risk.

Written comments must be received by *[HUD or Responsible Entity]* at the following address on or before *[month, day, year] [a minimum 15 calendar day comment period will begin the day after the publication and end on the 16th day after the publication]*: [*HUD or Responsible Entity], [Address]* and *[phone number]*, Attention: *[Name of Certifying Officer], [Title],* during the hours of 9:00 AM to 5:00 PM. Comments may also be submitted via email at *[email address].*

Date:

## A-31: SAMPLE NOTICE OF EXPLANATION

### Sample Final Notice and Public Explanation of a Proposed Activity in a 100-Year Floodplain

To: All interested Agencies *[include all Federal, State, and Local*], Groups and Individuals

This is to give notice that the *[HUD under part 50 or Responsible Entity under Part 58]* has conducted an evaluation as required by *[Executive Order 11988 and/or 11990]*, in accordance with HUD regulations at 24 CFR 55.20 Subpart C Procedures for Making Determinations on Floodplain Management, to determine the potential affect that its activity in the floodplain and wetland will have on the human environment for *[Program Name*] under *[HUD grant or contract number*]. The proposed project(s) is located *[at addresses]* in *[Name of City], [Name of County]. [Describe the activity, e.g. purpose, type of assistance, the size of the site, proposed number of units, size of footprint, type of floodplain, natural values]. [State the total number of acres of floodplains involved].*

*[HUD or Responsible Entity]* has considered the following alternatives and mitigation measures to be taken to minimize adverse impacts and to restore and preserve natural and beneficial values: *[and reasons (quantitatively based if possible) for non-selection, (iii) all mitigation measures to be taken to minimize adverse impacts and to restore and preserve natural and beneficial values] [Cite the date of any final or conditional LOMR's or LOMA's from FEMA where applicable] [Acknowledge compliance with state and local floodplain protection procedures]*

*[HUD or Responsible Entity]* has reevaluated the alternatives to building in the floodplain and has determined that it has no practicable alternative. Environmental files that document compliance with steps 3 through 6 of *[Executive Order 11988 and/or 11990]*, are available for public inspection, review and copying upon request at the times and location delineated in the last paragraph of this notice for receipt of comments. This activity will have no significant impact on the environment for the following reasons:

*[Give reasons why there is no significant impact]*

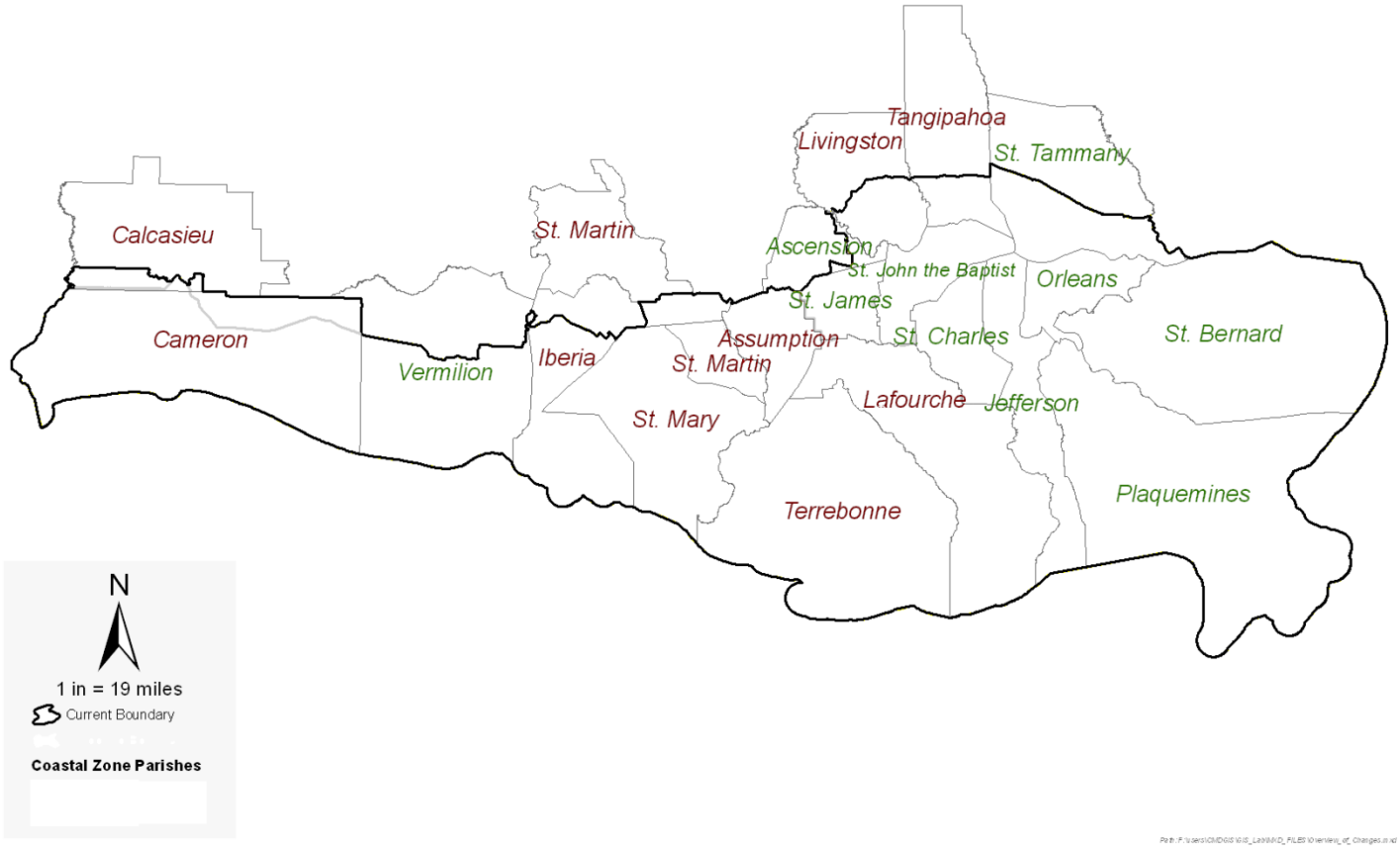
There are three primary purposes for this notice. First, people who may be affected by activities in floodplains and those who have an interest in the protection of the natural environment should be given an opportunity to express their concerns and provide information about these areas. Second, an adequate public notice program can be an important public educational tool. The dissemination of information about floodplains can facilitate and enhance Federal efforts to reduce the risks associated with the occupancy and modification of these special areas. Third, as a matter of fairness, when the Federal government determines it will participate in actions taking place in floodplains, it must inform those who may be put at greater or continued risk.

Written comments must be received by the *[HUD or Responsible Entity]* at the following address on or before *[month, day, year] [a minimum 7 calendar day comment period will begin the day after the publication and end on the 8th day after the publication]*: *[Name of Administrator], [Address]* and *[phone number]*, Attention: *[Name of Certifying Officer], [Title],* during the hours of 9:00 AM to 5:00 PM. Comments may also be submitted via email at *[email address].*

Date:

## A-32: COASTAL ZONE BOUNDARY MAP

Based on Louisiana Department of Natural Resources 2012 Costal Zone Boundary Map:

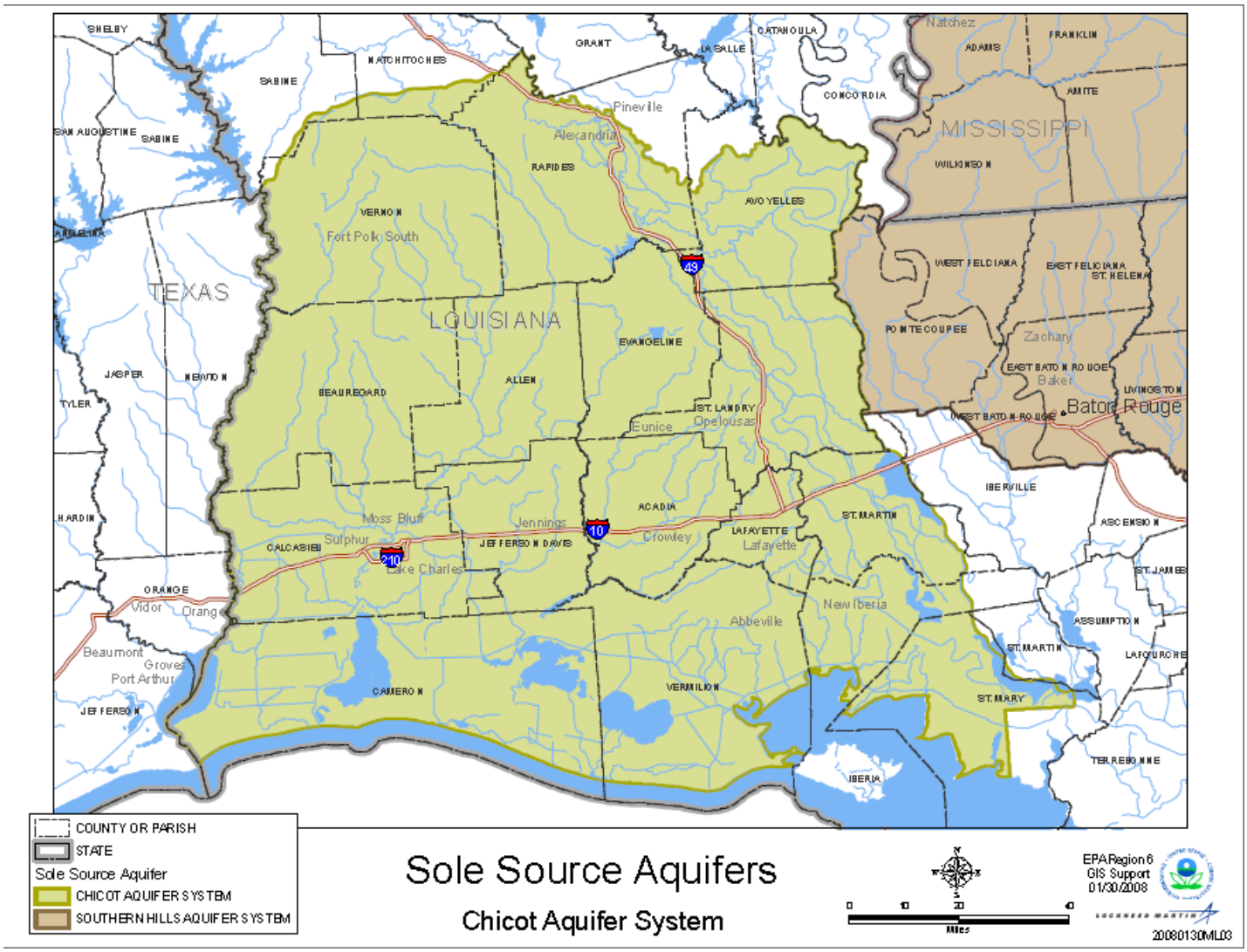



# 20 COASTAL PARISHES

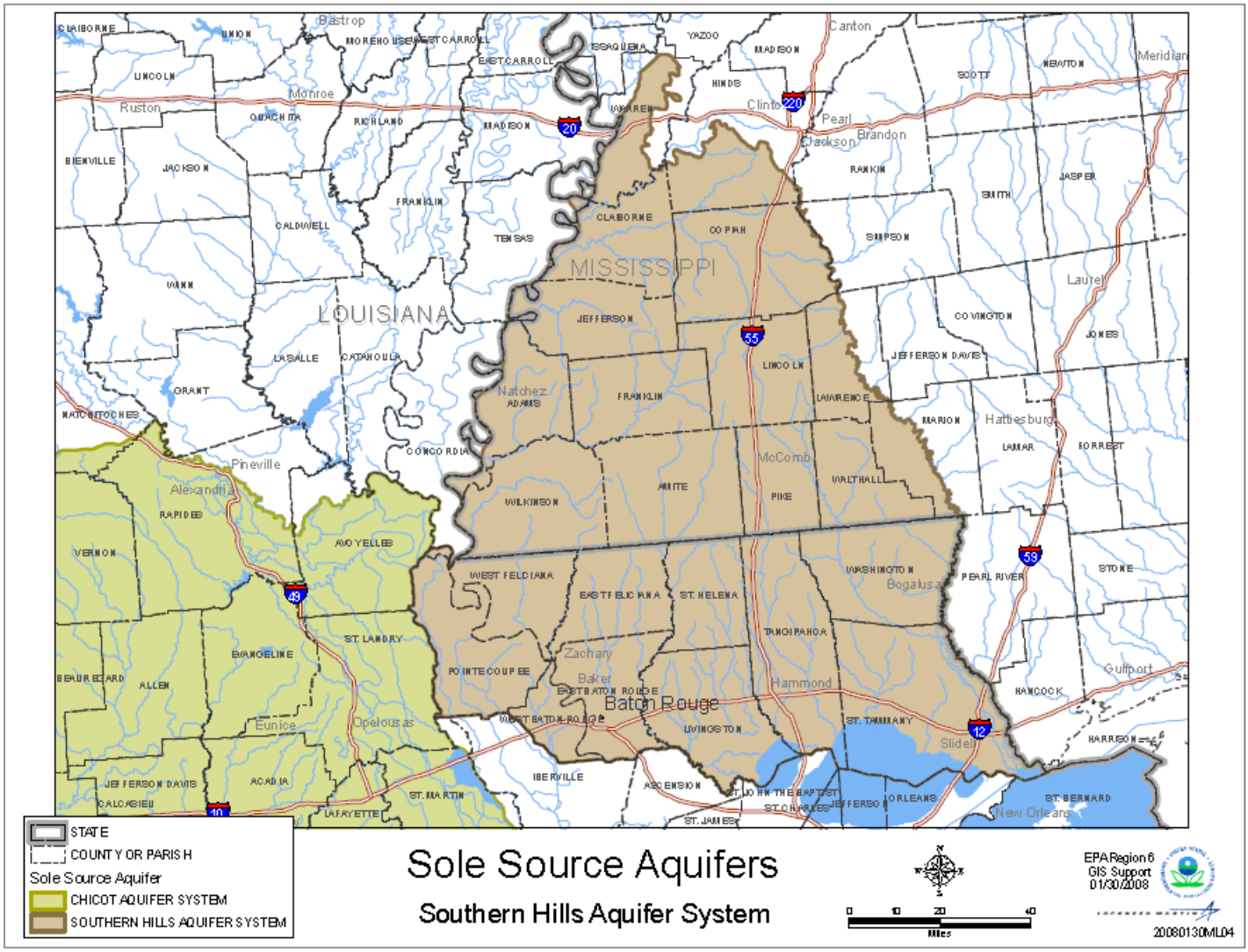
1. Ascension
2. Assumption
3. Calcasieu
4. Cameron
5. Iberia
6. Jefferson
7. Lafourche
8. Livingston
9. Orleans
10. Plaquemines
11. St. Bernard
12. St. Charles
13. St. James
14. St. John the Baptist
15. St. Martin
16. St. Mary
17. St. Tammany
18. Tangipahoa
19. Terrebonne
20. Vermilion

## A-33: CHICOT AND SOUTHERN HILLS AQUIFER MAPS

# Chicot:



# Southern Hills:



## A-34: FARMLAND CONVERSION IMPACT RATING

U.S. Department of Agriculture

**FARMLAND CONVERSION IMPACT RATING**

| | | | |
|---|---|---|---|
| **PART I** (To be completed by Federal Agency) | Date Of Land Evaluation Request | | |
| Name of Project | Federal Agency Involved | | |
| Proposed Land Use | County and State | | |
| **PART II** (To be completed by NRCS) | Date Request Received By NRCS | Person Completing Form: | |
| Does the site contain Prime, Unique, Statewide or Local Important Farmland? (If no, the FPPA does not apply - do not complete additional parts of this form) | ☐YES ☐ NO | Acres Irrigated | Average Farm Size |
| Major Crop(s) | Farmable Land In Govt. Jurisdiction Acres: % | Amount of Farmland As Defined in FPPA Acres: % | |
| Name of Land Evaluation System Used | Name of State or Local Site Assessment System | Date Land Evaluation Returned by NRCS | |

| **PART III** (To be completed by Federal Agency) | Alternative Site Rating | | | |
|---|---|---|---|---|
| | Site A | Site B | Site C | Site D |
| A. Total Acres To Be Converted Directly | | | | |
| B. Total Acres To Be Converted Indirectly | | | | |
| C. Total Acres In Site | | | | |
| **PART IV** (To be completed by NRCS) Land Evaluation Information | | | | |
| A. Total Acres Prime And Unique Farmland | | | | |
| B. Total Acres Statewide Important or Local Important Farmland | | | | |
| C. Percentage Of Farmland in County Or Local Govt. Unit To Be Converted | | | | |
| D. Percentage Of Farmland in Govt. Jurisdiction With Same Or Higher Relative Value | | | | |
| **PART V** (To be completed by NRCS) Land Evaluation Criterion Relative Value of Farmland To Be Converted (Scale of 0 to 100 Points) | | | | |

| **PART VI** (To be completed by Federal Agency) Site Assessment Criteria (Criteria are explained in 7 CFR 658.5 b. For Corridor project use form NRCS-CPA-106) | **Maximum Points** | Site A | Site B | Site C | Site D |
|---|---|---|---|---|---|
| 1. Area In Non-urban Use | (15) | | | | |
| 2. Perimeter In Non-urban Use | (10) | | | | |
| 3. Percent Of Site Being Farmed | (20) | | | | |
| 4. Protection Provided By State and Local Government | (20) | | | | |
| 5. Distance From Urban Built-up Area | (15) | | | | |
| 6. Distance To Urban Support Services | (15) | | | | |
| 7. Size Of Present Farm Unit Compared To Average | (10) | | | | |
| 8. Creation Of Non-farmable Farmland | (10) | | | | |
| 9. Availability Of Farm Support Services | (5) | | | | |
| 10. On-Farm Investments | (20) | | | | |
| 11. Effects Of Conversion On Farm Support Services | (10) | | | | |
| 12. Compatibility With Existing Agricultural Use | (10) | | | | |
| TOTAL SITE ASSESSMENT POINTS | 160 | | | | |
| **PART VII (To be completed by Federal Agency)** | | | | | |
| Relative Value Of Farmland (From Part V) | 100 | | | | |
| Total Site Assessment (From Part VI above or local site assessment) | 160 | | | | |
| **TOTAL POINTS (Total of above 2 lines)** | 260 | | | | |

| | | |
|---|---|---|
| Site Selected: | Date Of Selection | Was A Local Site Assessment Used? ☐ YES ☐ NO |
| Reason For Selection: | | |
| Name of Federal agency representative completing this form: | | Date: |

***(See Instructions on reverse side)*** **Form AD-1006 (03-02)**

## STEPS IN THE PROCESSING THE FARMLAND AND CONVERSION IMPACT RATING FORM

Step 1 - Federal agencies (or Federally funded projects) involved in proposed projects that may convert farmland, as defined in the Farmland Protection Policy Act (FPPA) to nonagricultural uses, will initially complete Parts I and III of the form. For Corridor type projects, the Federal agency shall use form NRCS-CPA-106 in place of form AD-1006. The Land Evaluation and Site Assessment (LESA) process may also be accessed by visiting the FPPA website, http://fppa.nrcs.usda.gov/lesa/.

Step 2 - Originator (Federal Agency) will send one original copy of the form together with appropriate scaled maps indicating location(s)of project site(s), to the Natural Resources Conservation Service (NRCS) local Field Office or USDA Service Center and retain a copy for their files. (NRCS has offices in most counties in the U.S. The USDA Office Information Locator may be found at http://offices.usda.gov/scripts/ndISAPI.dll/oip_public/USA_map, or the offices can usually be found in the Phone Book under U.S. Government, Department of Agriculture. A list of field offices is available from the NRCS State Conservationist and State Office in each State.)

Step 3 - NRCS will, within 10 working days after receipt of the completed form, make a determination as to whether the site(s) of the proposed project contains prime, unique, statewide or local important farmland. (When a site visit or land evaluation system design is needed, NRCS will respond within 30 working days.

Step 4 - For sites where farmland covered by the FPPA will be converted by the proposed project, NRCS will complete Parts II, IV and V of the form.

Step 5 - NRCS will return the original copy of the form to the Federal agency involved in the project, and retain a file copy for NRCS records.

Step 6 - The Federal agency involved in the proposed project will complete Parts VI and VII of the form and return the form with the final selected site to the servicing NRCS office.

Step 7 - The Federal agency providing financial or technical assistance to the proposed project will make a determination as to whether the proposed conversion is consistent with the FPPA.

## INSTRUCTIONS FOR COMPLETING THE FARMLAND CONVERSION IMPACT RATING FORM

(For Federal Agency)

**Part I**: When completing the "County and State" questions, list all the local governments that are responsible for local land use controls where site(s) are to be evaluated.

**Part III**: When completing item B (Total Acres To Be Converted Indirectly), include the following:

Acres not being directly converted but that would no longer be capable of being farmed after the conversion, because the conversion would restrict access to them or other major change in the ability to use the land for agriculture.

Acres planned to receive services from an infrastructure project as indicated in the project justification (e.g. highways, utilities planned build out capacity) that will cause a direct conversion.

**Part VI**: Do not complete Part VI using the standard format if a State or Local site assessment is used. With local and NRCS assistance, use the local Land Evaluation and Site Assessment (LESA).

Assign the maximum points for each site assessment criterion as shown in § 658.5(b) of CFR. In cases of corridor-type project such as transportation, power line and flood control, criteria #5 and #6 will not apply and will, be weighted zero, however, criterion #8 will be weighed a maximum of 25 points and criterion #11 a maximum of 25 points.

Federal agencies may assign relative weights among the 12 site assessment criteria other than those shown on the FPPA rule after submitting individual agency FPPA policy for review and comment to NRCS. In all cases where other weights are assigned, relative adjustments must be made to maintain the maximum total points at 160. For project sites where the total points equal or exceed 160, consider alternative actions, as appropriate, that could reduce adverse impacts (e.g. Alternative Sites, Modifications or Mitigation).

**Part VII:** In computing the "Total Site Assessment Points" where a State or local site assessment is used

and the total maximum number of points is other than 160, convert the site assessment points to a base of 160. Example: if the Site Assessment maximum is 200 points, and the alternative Site "A" is rated 180 points:

$$\frac{\text{Total Points assigned Site A}}{\text{Maximum points possible}} = \frac{180}{200} \text{ X } 160 - 144 \text{ points for Site A}$$

For assistance in completing this form or FPPA process, contact the local NRCS Field Office or USDA Service Center.

NRCS employees, consult the FPPA Manual and/or policy for additional instructions to complete the AD-1006 form.

## Site Assessment Scoring for the Twelve Factors Used in FPPA

The Site Assessment criteria used in the Farmland Protection Policy Act (FPPA) rule are designed to assess important factors other than the agricultural value of the land when determining which alternative sites should receive the highest level of protection from conversion to non agricultural uses.

Twelve factors are used for Site Assessment and ten factors for corridor-type sites. Each factor is listed in an outline form, without detailed definitions or guidelines to follow in the rating process. The purpose of this document is to expand the definitions of use of each of the twelve Site Assessment factors so that all persons can have a clear understanding as to what each factor is intended to evaluate and how points are assigned for given conditions.

In each of the 12 factors a number rating system is used to determine which sites deserve the most protection from conversion to non-farm uses. The higher the number value given to a proposed site, the more protection it will receive. The maximum scores are 10, 15 and 20 points, depending upon the relative importance of each particular question. If a question significantly relates to why a parcel of land should not be converted, the question has a maximum possible protection value of 20, whereas a question which does not have such a significant impact upon whether a site would be converted, would have fewer maximum points possible, for example 10.

The following guidelines should be used in rating the twelve Site Assessment criteria:

**1. How much land is in non-urban use within a radius of 1.0 mile from where the project is intended?**

| | |
|---|---|
| More than 90 percent: | 15 points |
| 90-20 percent: | 14 to 1 points |
| Less than 20 percent: | 0 points |

This factor is designed to evaluate the extent to which the area within one mile of the proposed site is non-urban area. For purposes of this rule, "non-urban" should include:

Agricultural land (crop-fruit trees, nuts, oilseed)
Range land
Forest land
Golf Courses
Non paved parks and recreational areas
Mining sites
Farm Storage
Lakes, ponds and other water bodies
Rural roads, and through roads without houses or buildings
Open space
Wetlands
Fish production
Pasture or hayland

Urban uses include:

Houses (other than farm houses)
Apartment buildings
Commercial buildings
Industrial buildings
Paved recreational areas (i.e. tennis courts)
Streets in areas with 30 structures per 40 acres
Gas stations

Equipment, supply stores
Off-farm storage
Processing plants
Shopping malls
Utilities/Services
Medical buildings

In rating this factor, an area one-mile from the outer edge of the proposed site should be outlined on a current photo; the areas that are urban should be outlined. For rural houses and other buildings with unknown sizes, use 1 and 1/3 acres per structure. For roads with houses on only one side, use one half of road for urban and one half for non-urban.

The purpose of this rating process is to insure that the most valuable and viable farmlands are protected from development projects sponsored by the Federal Government. With this goal in mind, factor S1 suggests that the more agricultural lands surrounding the parcel boundary in question, the more protection from development this site should receive. Accordingly, a site with a large quantity of non-urban land surrounding it will receive a greater number of points for protection from development. Thus, where more than 90 percent of the area around the proposed site (do not include the proposed site in this assessment) is non-urban, assign 15 points. Where 20 percent or less is non-urban, assign 0 points. Where the area lies between 20 and 90 percent non-urban, assign appropriate points from 14 to 1, as noted below.

| **Percent Non-Urban Land within 1 mile** | **Points** |
|---|---|
| 90 percent or greater | 15 |
| 85 to 89 percent | 14 |
| 80 to 84 percent | 13 |
| 75 to 79 percent | 12 |
| 70 to 74 percent | 11 |
| 65 to 69 percent | 10 |
| 60 to 64 percent | 9 |
| 55 to 59 percent | 8 |
| 50 to 54 percent | 7 |
| 45 to 49 percent | 6 |
| 40 to 44 percent | 5 |
| 35 to 39 percent | 4 |
| 30 to 24 percent | 3 |
| 25 to 29 percent | 2 |
| 21 to 24 percent | 1 |
| 20 percent or less | 0 |

**2. How much of the perimeter of the site borders on land in non-urban use?**

More than 90 percent: l0 points 90 to 20 percent: 9 to 1 point(s) Less than 20 percent: 0 points

This factor is designed to evaluate the extent to which the land adjacent to the proposed site is non-urban use. Where factor #1 evaluates the general location of the proposed site, this factor evaluates the immediate perimeter of the site. The definition of urban and non-urban uses in factor #1 should be used for this factor.

In rating the second factor, measure the perimeter of the site that is in non-urban and urban use. Where more than 90 percent of the perimeter is in non-urban use, score this factor 10 points. Where less than 20 percent, assign 0 points. If a road is next to the perimeter, class the area according to the

use on the other side of the road for that area. Use 1 and 1/3 acre per structure if not otherwise known. Where 20 to 90 percent of the perimeter is non-urban, assign points as noted below:

| Percentage of Perimeter Bordering Land | Points |
|---|---|
| 90 percent or greater | 10 |
| 82 to 89 percent | 9 |
| 74 to 81 percent | 8 |
| 65 to 73 percent | 7 |
| 58 to 65 percent | 6 |
| 50 to 57 percent | 5 |
| 42 to 49 percent | 4 |
| 34 to 41 percent | 3 |
| 27 to 33 percent | 2 |
| 21 to 26 percent | 1 |
| 20 percent or Less | 0 |

**3. How much of the site has been farmed (managed for a scheduled harvest or timber activity) more than five of the last ten years?**

| | |
|---|---|
| More than 90 percent: | 20 points |
| 90 to 20 percent: | 19 to 1 point(s) |
| Less than 20 percent: | 0 points |

This factor is designed to evaluate the extent to which the proposed conversion site has been used or managed for agricultural purposes in the past 10 years.

Land is being farmed when it is used or managed for food or fiber, to include timber products, fruit, nuts, grapes, grain, forage, oil seed, fish and meat, poultry and dairy products.

Land that has been left to grow up to native vegetation without management or harvest will be considered as abandoned and therefore not farmed. The proposed conversion site should be evaluated and rated according to the percent, of the site farmed.

If more than 90 percent of the site has been farmed 5 of the last 10 years score the site as follows:

| Percentage of Site Farmed | Points |
|---|---|
| 90 percent or greater | 20 |
| 86 to 89 percent | 19 |
| 82 to 85 percent | 18 |
| 78 to 81 percent | 17 |
| 74 to 77 percent | 16 |
| 70 to 73 percent | 15 |
| 66 to 69 percent | 14 |
| 62 to 65 percent | 13 |
| 58 to 61 percent | 12 |
| 54 to 57 percent | 11 |
| 50 to 53 percent | 10 |
| 46 to 49 percent | 9 |
| 42 to 45 percent | 8 |
| 38 to 41 percent | 7 |
| 35 to 37 percent | 6 |
| 32 to 34 percent | 5 |
| 29 to 31 percent | 4 |
| 26 to 28 percent | 3 |

| | |
|---|---|
| 23 to 25 percent | 2 |
| 20 to 22 percent percent or Less | 1 |
| Less than 20 percent | 0 |

**4. Is the site subject to state or unit of local government policies or programs to protect farmland or covered by private programs to protect farmland?**

Site is protected: 20 points
Site is not protected: 0 points

This factor is designed to evaluate the extent to which state and local government and private programs have made efforts to protect this site from conversion.

**State and local policies and programs to protect farmland include:**

**State Policies and Programs to Protect Farmland**

1. Tax Relief:

A. Differential Assessment: Agricultural lands are taxed on their agricultural use value, rather than at market value. As a result, farmers pay fewer taxes on their land, which helps keep them in business, and therefore helps to insure that the farmland will not be converted to nonagricultural uses.

1. Preferential Assessment for Property Tax: Landowners with parcels of land used for agriculture are given the privilege of differential assessment.

2. Deferred Taxation for Property Tax: Landowners are deterred from converting their land to nonfarm uses, because if they do so, they must pay back taxes at market value.

3. Restrictive Agreement for Property Tax: Landowners who want to receive Differential Assessment must agree to keep their land in - eligible use.

B. Income Tax Credits
Circuit Breaker Tax Credits: Authorize an eligible owner of farmland to apply some or all of the property taxes on his or her farmland and farm structures as a tax credit against the owner's state income tax.

C. Estate and Inheritance Tax Benefits

Farm Use Valuation for Death Tax: Exemption of state tax liability to eligible farm estates.

2. "Right to farm" laws:

Prohibits local governments from enacting laws which will place restrictions upon normally accepted farming practices, for example, the generation of noise, odor or dust.

3. Agricultural Districting:

Wherein farmers voluntarily organize districts of agricultural land to be legally recognized geographic areas. These farmers receive benefits, such as protection from annexation, in exchange for keeping land within the district for a given number of years.

4. Land Use Controls: Agricultural Zoning.

Types of Agricultural Zoning Ordinances include:

A. Exclusive: In which the agricultural zone is restricted to only farm-related dwellings, with, for example, a minimum of 40 acres per dwelling unit.

B. Non-Exclusive: In which non-farm dwellings are allowed, but the density remains low, such as 20 acres per dwelling unit.

Additional Zoning techniques include:

A. Slidinq Scale: This method looks at zoning according to the total size of the parcel owned. For example, the number of dwelling units per a given number of acres may change from county to county according to the existing land acreage to dwelling unit ratio of surrounding parcels of land within the specific area.

B. Point System or Numerical Approach: Approaches land use permits on a case by case basis.

LESA: The LESA system (Land Evaluation-Site Assessment) is used as a tool to help assess options for land use on an evaluation of productivity weighed against commitment to urban development.

C. Conditional Use: Based upon the evaluation on a case by case basis by the Board of Zoning Adjustment. Also may include the method of using special land use permits.

5. Development Rights:

A. Purchase of Development Rights (PDR): Where development rights are purchased by Government action.

Buffer Zoning Districts: Buffer Zoning Districts are an example of land purchased by Government action. This land is included in zoning ordinances in order to preserve and protect agricultural lands from non-farm land uses encroaching upon them.

B. Transfer of Development Rights (TDR): Development rights are transferable for use in other locations designated as receiving areas. TDR is considered a locally based action (not state), because it requires a voluntary decision on the part of the individual landowners.

6. Governor’s Executive Order: Policy made by the Governor, stating the importance of agriculture, and the preservation of agricultural lands. The Governor orders the state agencies to avoid the unnecessary conversion of important farmland to nonagricultural uses.

7. Voluntary State Programs:

California's Program of Restrictive Agreements and Differential Assessments: The California Land Conservation Act of 1965, commonly known as the Williamson Act, allows cities, counties and individual landowners to form agricultural preserves and enter into contracts for 10 or more years to insure that these parcels of land remain strictly for agricultural use. Since 1972 the Act has extended eligibility to recreational and open space lands such as scenic highway corridors, salt ponds and wildlife preserves. These contractually restricted lands may be taxed differentially for their real value. One hundred-acre districts constitute the minimum land size eligible.
Suggestion: An improved version of the Act would state that if the land is converted after the contract expires, the landowner must pay the difference in the taxes between market value for the land and the agricultural tax value which he or she had been

paying under the Act. This measure would help to insure that farmland would not be converted after the 10 year period ends.

Maryland Agricultural Land Preservation Program: Agricultural landowners within agricultural districts have the opportunity to sell their development rights to the Maryland Land Preservation Foundation under the agreement that these landowners will not subdivide or develop their land for an initial period of five years. After five years the landowner may terminate the agreement with one year notice.

As is stated above under the California Williamson Act, the landowner should pay the back taxes on the property if he or she decides to convert the land after the contract expires, in order to discourage such conversions.

Wisconsin Income Tax Incentive Program: The Wisconsin Farmland Preservation Program of December 1977 encourages local jurisdictions in Wisconsin to adopt agricultural preservation plans or exclusive agricultural district zoning ordinances in exchange for credit against state income tax and exemption from special utility assessment. Eligible candidates include local governments and landowners with at least 35 acres of land per dwelling unit in agricultural use and gross farm profits of at least $6.000 per year, or $18,000 over three years.

8. Mandatory State Programs:

The Environmental Control Act in the state of Vermont was adopted in 1970 by the Vermont State Legislature. The Act established an environmental board with 9 members (appointed by the Governor) to implement a planning process and a permit system to screen most subdivisions and development proposals according to specific criteria stated in the law. The planning process consists of an interim and a final Land Capability and Development Plan, the latter of which acts as a policy plan to control development. The policies are written in order to:
prevent air and water pollution;
protect scenic or natural beauty, historic sites and rare and irreplaceable natural areas; and
consider the impacts of growth and reduction of development on areas of primary agricultural soils.

The California State Coastal Commission: In 1976 the Coastal Act was passed to establish a permanent Coastal Commission with permit and planning authority The purpose of the Coastal Commission was and is to protect the sensitive coastal zone environment and its resources, while accommodating the social and economic needs of the state. The Commission has the power to regulate development in the coastal zones by issuing permits on a case by case basis until local agencies can develop their own coastal plans, which must be certified by the Coastal Commission.

Hawaii's Program of State Zoning: In 1961, the Hawaii State Legislature established Act 187, the Land Use Law, to protect the farmland and the welfare of the local people of Hawaii by planning to avoid “unnecessary urbanization”. The Law made all state lands into four districts: agricultural, conservation, rural and urban. The Governor appointed members to a State Land Use Commission, whose duties were to uphold the Law and form the boundaries of the four districts. In addition to state zoning, the Land Use Law introduced a program of Differential Assessment, wherein agricultural landowners paid taxes on their land for its agricultural use value, rather than its market value.

The Oregon Land Use Act of 1973: This act established the Land Conservation and Development Commission (LCDC) to provide statewide planning goals and guidelines.

Under this Act, Oregon cities and counties are each required to draw up a comprehensive plan, consistent with statewide planning goals. Agricultural land preservation is high on the list of state goals to be followed locally.

If the proposed site is subject to or has used one or more of the above farmland protection programs or policies, score the site 20 points. If none of the above policies or programs apply to this site, score 0 points.

**5. How close is the site to an urban built-up area?**

| | |
|---|---|
| The site is 2 miles or more from an urban built-up area | 15 points |
| The site is more than 1 mile but less than 2 miles from an urban built-up area | 10 points |
| The site is less than 1 mile from, but is not adjacent to an urban built-up area | 5 points |
| The site is adjacent to an urban built-up area | 0 points |

This factor is designed to evaluate the extent to which the proposed site is located next to an existing urban area. The urban built-up area must be 2500 population. The measurement from the built-up area should be made from the point at which the density is 30 structures per 40 acres and with no open or non-urban land existing between the major built-up areas and this point. Suburbs adjacent to cities or urban built-up areas should be considered as part of that urban area.

For greater accuracy, use the following chart to determine how much protection the site should receive according to its distance from an urban area. See chart below:

| Distance From Perimeter of Site to Urban Area | Points |
|---|---|
| More than 10,560 feet | 15 |
| 9,860 to 10,559 feet | 14 |
| 9,160 to 9,859 feet | 13 |
| 8,460 to 9,159 feet | 12 |
| 7,760 to 8,459 feet | 11 |
| 7,060 to 7,759 feet | 10 |
| 6,360 to 7,059 feet | 9 |
| 5,660 to 6,359 feet | 8 |
| 4,960 to 5,659 feet | 7 |
| 4,260 to 4,959 feet | 6 |
| 3,560 to 4,259 feet | 5 |
| 2,860 to 3,559 feet | 4 |
| 2,160 to 2,859 feet | 3 |
| 1,460 to 2,159 feet | 2 |
| 760 to 1,459 feet | 1 |
| Less than 760 feet (adjacent) | 0 |

**6. How close is the site to water lines, sewer lines and/or other local facilities and services whose capacities and design would promote nonagricultural use?**

| | |
|---|---|
| None of the services exist nearer than 3 miles from the site | 15 points |
| Some of the services exist more than one but less than 3 miles from the site | 10 points |
| All of the services exist within 1/2 mile of the site | 0 points |

This question determines how much infrastructure (water, sewer, etc.) is in place which could facilitate nonagricultural development. The fewer facilities in place, the more difficult it is to develop an area. Thus, if a proposed site is further away from these services (more than 3 miles distance away), the site should be awarded the highest number of points (15). As the distance of the parcel of land to services decreases, the number of points awarded declines as well. So, when the site is equal to or further than 1 mile but less than 3 miles away from services, it should be given 10 points. Accordingly, if this distance is 1/2 mile to less than 1 mile, award 5 points; and if the distance from land to services is less than 1/2 mile, award 0 points.

Distance to public facilities should be measured from the perimeter of the parcel in question to the nearest site(s) where necessary facilities are located. If there is more than one distance (i.e. from site to water and from site to sewer), use the average distance (add all distances and then divide by the number of different distances to get the average).

Facilities which could promote nonagricultural use include:

Water lines
Sewer lines
Power lines
Gas lines
Circulation (roads)
Fire and police protection
Schools

**7. Is the farm unit(s) containing the site (before the project) as large as the average-size farming unit in the county? (Average farm sizes in each county are available from the NRCS field offices in each state. Data are from the latest available Census of Agriculture, Acreage of Farm Units in Operation with $1,000 or more in sales.)**

| | |
|---|---|
| As large or larger: | 10 points |
| Below average: Deduct 1 point for each 5 percent below the average, down to 0 points if 50 percent or more is below average | 9 to 0 points |

This factor is designed to determine how much protection the site should receive, according to its size in relation to the average size of farming units within the county. The larger the parcel of land, the more agricultural use value the land possesses, and vice versa. Thus, if the farm unit is as large or larger than the county average, it receives the maximum number of points (10). The smaller the parcel of land compared to the county average, the fewer number of points given. Please see below:

| Parcel Size in Relation to Average County Size | Points |
|---|---|
| Same size or larger than average (l00 percent) | 10 |
| 95 percent of average | 9 |
| 90 percent of average | 8 |
| 85 percent of average | 7 |
| 80 percent of average | 6 |
| 75 percent of average | 5 |
| 70 percent of average | 4 |
| 65 percent of average | 3 |
| 60 percent of average | 2 |
| 55 percent of average | 1 |
| 50 percent or below county average | 0 |

State and local Natural Resources Conservation Service offices will have the average farm size information, provided by the latest available Census of Agriculture data

**8. If this site is chosen for the project, how much of the remaining land on the farm will become non-farmable because of interference with land patterns?**

| | |
|---|---|
| Acreage equal to more than 25 percent of acres directly converted by the project | 10 points |
| Acreage equal to between 25 and 5 percent of the acres directly converted by the project | 9 to 1 point(s) |
| Acreage equal to less than 5 percent of the acres directly converted by the project | 0 points |

This factor tackles the question of how the proposed development will affect the rest of the land on the farm The site which deserves the most protection from conversion will receive the greatest number of points, and vice versa. For example, if the project is small, such as an extension on a house, the rest of the agricultural land would remain farmable, and thus a lower number of points is given to the site. Whereas if a large-scale highway is planned, a greater portion of the land (not including the site) will become non-farmable, since access to the farmland will be blocked; and thus, the site should receive the highest number of points (10) as protection from conversion

Conversion uses of the Site Which Would Make the Rest of the Land Non-Farmable by Interfering with Land Patterns

Conversions which make the rest of the property nonfarmable include any development which blocks accessibility to the rest of the site Examples are highways, railroads, dams or development along the front of a site restricting access to the rest of the property.

The point scoring is as follows:

| Amount of Land Not Including the Site Which Will Become Non-Farmable | Points |
|---|---|
| 25 percent or greater | 10 |
| 23 - 24 percent | 9 |
| 21 - 22 percent | 8 |
| 19 - 20 percent | 7 |
| 17 - 18 percent | 6 |
| 15 - 16 percent | 5 |
| 13 - 14 percent | 4 |
| 11 - 12 percent | 3 |
| 9 - 11 percent | 2 |
| 6 - 8 percent | 1 |
| 5 percent or less | 0 |

**9. Does the site have available adequate supply of farm support services and markets, i.e., farm suppliers, equipment dealers, processing and storage facilities and farmer's markets?**

| | |
|---|---|
| All required services are available | 5 points |
| Some required services are available | 4 to 1 point(s) |
| No required services are available | 0 points |

This factor is used to assess whether there are adequate support facilities, activities and industry to keep the farming business in business. The more support facilities available to the agricultural

landowner, the more feasible it is for him or her to stay in production. In addition, agricultural support facilities are compatible with farmland. This fact is important, because some land uses are not compatible; for example, development next to farmland cam be dangerous to the welfare of the agricultural land, as a result of pressure from the neighbors who often do not appreciate the noise, smells and dust intrinsic to farmland. Thus, when all required agricultural support services are available, the maximum number of points (5) are awarded. When some services are available, 4 to 1 point(s) are awarded; and consequently, when no services are available, no points are given. See below:

| Percent of Services Available | Points |
|---|---|
| 100 percent | 5 |
| 75 to 99 percent | 4 |
| 50 to 74 percent | 3 |
| 25 to 49 percent | 2 |
| 1 to 24 percent | 1 |
| No services | 0 |

**10. Does the site have substantial and well-maintained on farm investments such as barns, other storage buildings, fruit trees and vines, field terraces, drainage, irrigation, waterways, or other soil and water conservation measures?**

| | |
|---|---|
| High amount of on-farm investment | 20 points |
| Moderate amount of non-farm investment | 19 to 1 point(s) |
| No on-farm investments | 0 points |

This factor assesses the quantity of agricultural facilities in place on the proposed site. If a significant agricultural infrastructure exists, the site should continue to be used for farming, and thus the parcel will receive the highest amount of points towards protection from conversion or development. If there is little on farm investment, the site will receive comparatively less protection. See-below:

| **Amount of On-farm Investment** As much or more than necessary to maintain production (100 percent) | **Points** 20 |
|---|---|
| 95 to 99 percent | 19 |
| 90 to 94 percent | 18 |
| 85 to 89 percent | 17 |
| 80 to 84 percent | 16 |
| 75 to 79 percent | 15 |
| 70 to 74 percent | 14 |
| 65 to 69 percent | 13 |
| 60 to 64 percent | 12 |
| 55 to 59 percent | 11 |
| 50 to 54 percent | 10 |
| 45 to 49 percent | 9 |
| 40 to 44 percent | 8 |
| 35 to 39 percent | 7 |
| 30 to 34 percent | 6 |
| 25 to 29 percent | 5 |
| 20 to 24 percent | 4 |
| 15 to 19 percent | 3 |
| 10 to 14 percent | 2 |
| 5 to 9 percent | 1 |
| 0 to 4 percent | 0 |

**11. Would the project at this site, by converting farmland to nonagricultural use, reduce the support for farm support services so as to jeopardize the continued existence of these support services and thus, the viability of the farms remaining in the area?**

| | |
|---|---|
| Substantial reduction in demand for support services if the site is converted | 10 points |
| Some reduction in demand for support services if the site is converted | 9 to 1 point(s) |
| No significant reduction in demand for support services if the site is converted | 0 points |

This factor determines whether there are other agriculturally related activities, businesses or jobs dependent upon the working of the pre-converted site in order for the others to remain in production. The more people and farming activities relying upon this land, the more protection it should receive from conversion. Thus, if a substantial reduction in demand for support services were to occur as a result of conversions, the proposed site would receive a high score of 10; some reduction in demand would receive 9 to 1 point(s), and no significant reduction in demand would receive no points.

Specific points are outlined as follows:

| Amount of Reduction in Support Services if Site is Converted to Nonagricultural Use | Points |
|---|---|
| Substantial reduction (100 percent) | 10 |
| 90 to 99 percent | 9 |
| 80 to 89 percent | 8 |
| 70 to 79 percent | 7 |
| 60 to 69 percent | 6 |
| 50 to 59 percent | 5 |
| 40 to 49 percent | 4 |
| 30 to 39 percent | 3 |
| 20 to 29 percent | 2 |
| 10 to 19 percent | 1 |
| No significant reduction (0 to 9 percent) | 0 |

**12. Is the kind and intensity of the proposed use of the site sufficiently incompatible with agriculture that it is likely to contribute to the eventual conversion of the surrounding farmland to nonagricultural use?**

| | |
|---|---|
| Proposed project is incompatible with existing agricultural use of surrounding farmland | 10 points |
| Proposed project is tolerable of existing agricultural use of surrounding farmland | 9 to 1 point(s) |
| Proposed project is fully compatible with existing agricultural use of surrounding farmland | 0 points |

Factor 12 determines whether conversion of the proposed agricultural site will eventually cause the conversion of neighboring farmland as a result of incompatibility of use of the first with the latter. The more incompatible the proposed conversion is with agriculture, the more protection this site receives from conversion. Therefor-, if the proposed conversion is incompatible with agriculture, the site receives 10 points. If the project is tolerable with agriculture, it receives 9 to 1 points; and if the proposed conversion is compatible with agriculture, it receives 0 points.

## CORRIDOR - TYPE SITE ASSESSMENT CRITERIA

The following criteria are to be used for projects that have a linear or corridor - type site configuration connecting two distant points, and crossing several different tracts of land. These include utility lines, highways, railroads, stream improvements, and flood control systems. Federal agencies are to assess the suitability of each corridor-type site or design alternative for protection as farmland along with the land evaluation information.

For Water and Waste Programs, corridor analyses are not applicable for distribution or collection networks. Analyses are applicable for transmission or trunk lines where placement of the lines are flexible.

(1) How much land is in nonurban use within a radius of 1.0 mile form where the project is intended?

| | | | |
|---|---|---|---|
| (2) | More than 90 percent | (3) | 15 points |
| (4) | 90 to 20 percent | (5) | 14 to 1 point(s). |
| (6) | Less than 20 percent | (7) | 0 points |

(2) How much of the perimeter of the site borders on land in nonurban use?

| | | |
|---|---|---|
| (3) | More than 90 percent | (4) 10 point(s) |
| (5) | 90 to 20 percent | (6) 9 to 1 points |
| (7) | less than 20 percent | (8) 0 points |

(3) How much of the site has been farmed (managed for a scheduled harvest or timber activity) more than five of the last 10 years?

| | | |
|---|---|---|
| (4) | More than 90 percent | (5) 20 points |
| (6) | 90 to 20 percent | (7) 19 to 1 point(s) |
| (8) | Less than 20 percent | (9) 0 points |

(4) Is the site subject to state or unit of local government policies or programs to protect farmland or covered by private programs to protect farmland?

| | |
|---|---|
| Site is protected | 20 points |
| Site is not protected | 0 points |

(5) Is the farm unit(s) containing the site (before the project) as large as the average - size farming unit in the County? (Average farm sizes in each county are available from the NRCS field offices in each state. Data are from the latest available Census of Agriculture, Acreage of Farm Units in Operation with $1,000 or more in sales.)

| | |
|---|---|
| As large or larger | 10 points |
| Below average deduct 1 point for each 5 percent below the average, down to 0 points if 50 percent or more below average | 9 to 0 points |

(6) If the site is chosen for the project, how much of the remaining land on the farm will become non-farmable because of interference with land patterns?

| | |
|---|---|
| Acreage equal to more than 25 percent of acres directly converted by the project | 25 points |
| Acreage equal to between 25 and 5 percent of the acres directly convened by the project | 1 to 24 point(s) |
| Acreage equal to less than 5 percent of the acres directly converted by the project | 0 points |

(7) Does the site have available adequate supply of farm support services and markets, i.e., farm suppliers, equipment dealers, processing and storage facilities and farmer's markets?

| | |
|---|---|
| All required services are available | 5 points |
| Some required services are available | 4 to 1 point(s) |
| No required services are available | 0 points |

(8) Does the site have substantial and well-maintained on-farm investments such as barns, other storage building, fruit trees and vines, field terraces, drainage, irrigation, waterways, or other soil and water conservation measures?

| | |
|---|---|
| High amount of on-farm investment | 20 points |
| Moderate amount of on-farm investment | 19 to 1 point(s) |
| No on-farm investment | 0 points |

(9) Would the project at this site, by converting farmland to nonagricultural use, reduce the demand for farm support services so as to jeopardize the continued existence of these support services and thus, the viability of the farms remaining in the area?

| | |
|---|---|
| Substantial reduction in demand for support services if the site is convened | 25 points |
| Some reduction in demand for support services if the site is convened | 1 to 24 point(s) |
| No significant reduction in demand for support services if the site is converted | 0 points |

(10) Is the kind and intensity of the proposed use of the site sufficiently incompatible with agriculture that it is likely to contribute to the eventual conversion of surrounding farmland to nonagricultural use?

| | |
|---|---|
| Proposed project is incompatible to existing agricultural use of surrounding farmland | 10 points |
| Proposed project is tolerable to existing agricultural use of surrounding farmland | 9 to 1 point(s) |
| Proposed project is fully compatible with existing agricultural use of surrounding farmland | 0 points |

# SUMMARY OF ENVIRONMENTAL REVIEW REQUIREMENTS

**Under 24 CFR Part 58**

**ENVIRONMENTAL REVIEW PROCEDURES FOR ENTITIES ASSUMING HUD ENVIRONMENTAL REVIEW REPSONSIBILITIES**

**October, 2004**

Docname: summary.e.r.requirements.part.58.1

## FEDERAL ENVIRONMENTAL LAWS AND AUTHORITIES

Page. 1

Applicable to Reviews by HUD Grant Recipients and Responsible Entities

**National Environmental Policy Act of 1969** (NEPA)

Created Council on Environmental Quality (CEQ)
CEQ regulations at 24 CFR Part 1500-1508 establish general procedures,
including Environmental Impact Statements, Environmental Assessments, and Categorical Exclusions

**Housing and Community Development Act of 1974, as amended**

Decent housing in a suitable living environment
Energy conservation
Delegation of environmental responsibilities to local and state government
Sec. 104(g) Request for Release of Funds (RROF)

**Executive Orders 11988 and 11990** (1977) (Floodplain Management and Protection of Wetlands)

Water Resources Council Floodplain Management Guidelines (1978)
(8 Step Process)

**Multifamily Housing Property Disposition Reform Act of 1994**

Permits states and general local governments to assume environmental review responsibilities for certain non-governmental or quasi-governmental recipients
(non-profits, public housing agencies, housing finance agencies, etc.)

**HUD Environmental Review Procedures at 24 CFR Part 58**

incorporates CEQ regulations
applicable to many programs
establishes thresholds and guidelines for EIS and Environmental Assessments
defines Categorical Exclusions and Exemptions
defines procedures for Request for Release of Funds
defines assumption procedures for Responsible Entities

**Sec. 58.5 Other Federal Laws and Authorities**

Historic Properties
Floodplain Management* and Wetland Protection
Coastal Zone Management
Sole Source Aquifers
Endangered Species
Wild and Scenic Rivers
Air Quality
Farmlands Protection
HUD Environmental Standards: 24 CFR Part 51
- Noise Abatement and Control [51(B)]
- Explosive or Flammable Hazards [51(C)]
- Siting in Airport Clear Zones [51(D)]
- Toxic or Radioactive Sites (HUD Notice 79-33)

Environmental Justice (Executive Order 12898)

**Sec. 58.6 Other Requirements**

Flood Insurance
Coastal Barriers
Runway Clear Zone Notification

* HUD implementing regulations published at 24 CFR Parts 50, 55, 58 & 200

# ENVIRONMENTAL REVIEW PROCEDURES



Reviews by Grant Recipients that are Responsible Entities

## Summary of Environmental Review Procedures

58.32 Define project considering aggregation, non-HUD funding, and cumulative effects
Conduct an appropriate level of review (including determination of exemptions)
Revise or mitigate project actions, if necessary
58.15 Consider tiering (i.e. multi-year community-wide housing rehabilitation project)

58.38 Document review in public Environmental Review Record (ERR)
If necessary, disseminate and post or publish public Notice (RROF or RROF and FONSI)
Submit a HUD-7015.15, Request for Release of Funds and Certification (RROF/C) (when required)

58.22 Do not commit or spend funds [except for exempt or 58.35(b) activities] until RROF/C is approved by HUD (or State). Do not commit non-HUD funds if activity would have adverse environmental impact or limit choice of alternatives.

58.47 & 58.32(d)(2) Revise or update review, if necessary
(New Public Notice, FONSI & RROF may be needed)

## Level of Review Required

58.34(a) Exempt (i.e., administration, planning, public services)
- requires compliance with 58.6
(Request for Release of Funds not required)

58.35(b) Categorically Excluded, not subject to 58.5 (pre-determined by HUD)
- requires compliance with 58.6
(Request for Release of Funds not required)

58.34(a)(12) Categorically Excluded, determined to be Exempt
- no circumstances requiring compliance with 58.5 laws and authorities documented
- requires compliance with 58.6
(Request for Release of Funds not required)

58.35(a) Categorically Excluded (from NEPA requirement for Environmental Assessment or EIS)
- requires review of 58.5 Other Laws and Authorities
- requires compliance with 58.6
- requires Request for Release of Funds

58.36 Environmental Assessment (leads to FONSI or EIS)
- includes 58.5 review and 58.6 compliance
- requires FONSI & Request for Release of Funds
(FONSI & NOI/RROF may be combined)

58.37 Environmental Impact Statement
- high thresholds, e.g. construction of 2,500 or more housing units
- includes 58.5 review and 58.6 compliance
- requires publication of various notices, draft & final EIS, etc.
- requires Request for Release of Funds

# ENVIRONMENTAL REVIEW PROCEDURES

Page 3

Reviews by Grant Recipients that are Responsible Entities

## Request for Release of Funds and Certification

58.22 HUD approval of RROF required before commitment of HUD or non-HUD funds
Exceptions: Exempt activities [58.34(a)]
Categorically Excluded activities not subject to 58.5 [58.35(b)]
Categorically Excluded activities determined to be exempt [58.34(a)(12)]
Non-HUD funds that would not have adverse environmental impact or limit choice of alternatives

58.43 Disseminate and post or publish NOI/RROF, FONSI, or combined FONSI/NOI/RROF
Send notices to: interested individuals and groups
local news media
appropriate tribal, local, State & Federal agencies
Regional Office of EPA
HUD Field Office
Newspaper publication optional
If no publication, send Notices as above and display them:
in public buildings
in project area
(or as determined by citizen participation process)

58.45 Minimum Public Comment Periods*
FONSI: 15 days if published
18 days if posted
NOI/RROF 7 days if published
10 days if posted
Concurrent/combined FONSI and NOI/RROF: Same as FONSI Notice
A FONSI and NOI/RROF are usually combined, with a 15 (if published) or 18 (if posted) day local comment period. If a FONSI is published before the NOI/RROF, a 15 or 18-day comment period is required, **and** the subsequent NOI/RROF then requires an **additional** 7 (if published) or 10 (if posted)-day comment period before submission of the RROF. Unless otherwise specified, the Responsible Entity is to use an RROF/C form (HUD-7015.15).

58.46 FONSI requires 30-day comment period for exceptional circumstances

58.43(c) Consider comments (and make modifications, if appropriate) before submission of RROF /C

58.71 Submit RROF/C signed by Certifying Officer along with a copy of the environmental Notice as published/posted (RROF package) to HUD (or State) at least one day after local comment period ends

58.73 Statutory Objection Period (HUD/State): The later of date in Notice, or 15 days after receipt of RROF*

58.32(d) Multi-Year projects: one submission of RROF/C

58.33 Emergencies (Presidentially-declared disasters): FONSI/NOI/RROF may be submitted to HUD (or State) simultaneously with dissemination and posting or publishing public Notice

58.72-- HUD Field Office (or State) issues Release of Funds to Recipient after end of the
58.77 Objection Period

*Per 58.21: the date of posting/publication in a newspaper is not counted as one of the days in the "comment" period; and, the date an RROF/C is received by HUD (or State) is not counted in the 15-day "objection" period

## A-36: COMMUNITY DEVELOPMENT PLAN

**COMMUNITY DEVELOPMENT PLAN** **1. Period of Applicability**

**Grantee: _____** **FROM: _____ TO: _____**

**2. Community Development and Housing Needs:**
**(Provide a brief narrative in accordance with instructions for each listed area)**

**A. NEIGHBORHOOD REVITALIZATION NEEDS**
*(Describe all needs. All needs listed may or may not be resolved with the current LCDBG Grant.)*

_____
_____
_____
_____

**B. COMMUNITYWIDE HOUSING NEEDS**
*(Describe all needs. All needs listed may or may not be resolved with the current LCDBG Grant.)*

_____
_____
_____
_____

**C. COMMUNITYWIDE NEEDS FOR PUBLIC FACILITIES AND IMPROVEMENTS**
*(Describe all needs. All needs listed may or may not be resolved with the current LCDBG Grant.)*

_____
_____
_____
_____

**D. ECOMONIC DEVELOPMENT NEEDS**
*(Describe all needs. All needs listed may or may not be resolved with the current LCDBG Grant.*
*Additionally, identify any population group(s) with high unemployment or a statement that there is no high unemployment population group(s).)*

_____
_____
_____
_____

_____ Check here if continued on additional pages.

**3. Data Sources**

**COMMUNITY DEVELOPMENT PLAN (Continued) Grantee: _____**

**4. Comprehensive Strategy:**
**(Provide a narrative in accordance with instructions for each listed area.)**

**A. NEIGHBORHOOD REVITALIZATION STRATEGY**

*(State how the needs listed in 2A will be addressed to include objectives, activities, timing, monetary amounts and funding sources.)*

_____
_____
_____
_____

**B. COMMUNITY-WIDE HOUSING STRATEGY**

*(State how the needs listed in 2B will be addressed to include objectives, activities, timing, monetary amounts and funding sources.)*

_____
_____
_____
_____

**C. STRATEGY FOR PROVIDING COMMUNITYWIDE PUBLIC FACILITIES IMPROVEMENTS**

*(State how the needs listed in 2C will be addressed to include objectives, activities, timing, monetary amounts and funding sources.)*

_____
_____
_____
_____

**D. ECONOMIC DEVELOPMENT STRATEGY**

*(State how the needs listed in 2D will be addressed to include objectives, activities, timing, monetary amounts and funding sources.)*

_____
_____
_____
_____

**_____ Check here if continued on additional pages.**

NOTE: 1) Borders are not recommended.
2) Do not submit a CD Plan in ALL CAPS.
3) See *Program Administration*, *Community Development Plan* for further clarification.
4) Font size 12 and single spacing is recommended.

# Community Development Plan Form Instructions

Item 1: Enter the beginning and completion dates for the three-year period covered by the Community Development Plan. It is acceptable to enter the date of the Authorization to Incur Costs letter for the beginning date.

Item 2: Community Development and Housing Needs - Briefly describe your major community development and housing needs, with particular emphasis on the needs of low-moderate income households and any special needs of identifiable segments of the total group of lower-income persons. This description shall include the following categories, headed as shown and in the following order:

Neighborhood Revitalization Needs. Briefly describe your major needs for maintaining viable neighborhoods and upgrading neighborhoods affected by housing, public facilities and improvements, and other related neighborhood needs. To the extent feasible, this description should present a neighborhood by neighborhood analysis of those areas having significant concentrations of low-moderate income persons and/or substandard and deteriorated housing.

Community-wide Housing Needs. Briefly describe your major community-wide housing needs regarding the general supply and maintenance of housing, increasing the choice and availability of housing for low-moderate income persons, and providing fair housing opportunities.

Community-wide Needs for Public Facilities and Improvements. If you have any major community-wide needs for public facilities and improvements which are eligible for assistance with Community Development Block Grant funds which will serve the overall community, briefly describe those needs here.

In contrast, public facilities and improvements which will serve a particular neighborhood should be described under "Neighborhood Revitalization Needs."

Economic Development Needs. Briefly describe your major economic development needs. This description should include a discussion of the needs of identifiable population groups experiencing significant unemployment or under-employment, **and at a minimum must identify these population groups or state that there are no identifiable groups**.

Item 3: Data Sources - Indicate the data sources on which you based your summary of community development and housing needs (i.e., census data, capital improvement program, special local surveys, studies or plans, etc.).

Item 4: Comprehensive Strategy - Describe how you propose to meet the community development and housing needs identified above and in particular the needs of low-moderate income households residing in the community. Include any special needs of identifiable segments of the total groups of lower income persons (e.g., minority groups or female-headed households). This narrative description should include the categories described below in the order shown. In describing how you propose to provide improved community facilities and public improvements (including the provision of supporting health, social and similar services where necessary and appropriate), indicate how the handicapped will benefit from those actions.

Neighborhood Revitalization Strategy. Describe your strategy for maintaining and preserving viable neighborhoods and for upgrading neighborhoods affected by blight and deterioration. Emphasize actions to be taken that will improve conditions for low-moderate income persons residing in the community. You must address at least one of the two areas described below, based on the program of activities that you have selected.

(1) Defined concentrated areas. Identify as defined concentrated areas those areas in which you plan to concentrate sufficient community development and other resources to produce substantial long-term improvements within a reasonable period of time. Your discussion of defined concentrated areas should include:

(a) the objectives to be achieved, both long-term and short-term,

(b) the physical improvement programs to be carried out with block grant funds, such as code enforcement, rehabilitation, acquisition, demolition, or public improvements,

(c) any related programs proposed such as Section 8 Substantial Rehabilitation Special Procedures,

(d) public services to be carried out in support of the physical improvements projects, if any,

(e) the coordination of block grant funded activities and local community development actions,

(f) the anticipated resources, including block grant funds, other Federal, State, parish, local funds, or private investment, and

(g) the role of any neighborhood organization(s).

(2) Other neighborhood improvement efforts. Describe neighborhood improvement efforts other than those planned for defined concentrated areas. This strategy should include specific actions designed to prevent or eliminate slums and blight. It should also include actions designed to provide improved community facilities and public improvements to neighborhoods principally occupied by persons of low and moderate income. The strategy shall describe:

(a) the objectives to be accomplished (short and long-term),

(b) the activities to be carried out that will meet the listed objectives,

(c) the anticipated timing needed to complete the activities, and

(d) the amount of the block grant and/or other funds if applicable.

B. Communitywide Housing Strategy. Describe your communitywide strategy for improving housing assistance needs that have been identified.

(1) Describe a strategy for any housing programs to be carried out on a communitywide basis, such as provision of rehabilitation financing for low-moderate income persons. It should also include the goals to be accomplished, a timetable of actions to be taken, and the amount of block grant and/or other funds if applicable.

(2) Identify any regulatory or other actions proposed to foster housing maintenance and improvements (e.g., actions to eliminate redlining with respect to property insurance and the availability of credit for the purchase and rehabilitation of housing, or actions such as provision of tax incentives to promote investment in restoration of deteriorated or abandoned housing).

(3) Describe your strategy for increasing the choice of housing opportunities for low-moderate income persons, (including members of minority groups and female-headed households), efforts to achieve expanded housing opportunities and actions to affirmatively further fair housing.

(4) Identify any community facilities and improvements to be provided which are intended to further your housing strategy.

(5) Identify where displacement or other hardships to low-moderate income persons will result from Community Development Block Grant funded acquisition, demolition, code enforcement, or rehabilitation. The strategy shall describe what steps will be taken to minimize involuntary displacement and to enable displaced persons to remain in the same neighborhood when desired.

C. Strategy for Providing Community-wide Public Facilities and Improvements. Describe your strategy for meeting the identified needs for public facilities and improvements which serve the community in general, such as certain senior citizen centers and centers for the handicapped. You should also describe;

(1) the objectives to be accomplished,

(2) the activities to be carried out that will meet the listed objectives,

(3) the anticipated timing needed to complete the activities, and

(4) the amount of the block grant and/or other funds if applicable.

D. Economic Development Strategy. (A description of a strategy for economic development is required **only** from those applicants who propose block grant funded economic development activities. If no Economic Development activities are proposed, indicate 'not applicable' here.) The strategy shall include;

(1) a description of the activities proposed to further economic development and to attract investment, including the coordination of block grant funded activities with other local actions, and a timetable for provision of additional Federal, State or other resources.

(2) the number and types of permanent jobs expected to result from economic development projects, particularly jobs for unemployed or underemployed population groups and low-moderate income persons and the types and extent of any job training or other efforts to assist such residents, and

(3) evidence of commitments or interest on the part of developers for new or expanded employment facilities, if any.

## A-37: FEDERAL PROCUREMENT REGULATIONS (24 CFR 85.36)

PROCUREMENT

TITLE 24--HOUSING AND URBAN DEVELOPMENT

PART 85--ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE, LOCAL AND FEDERALLY RECOGNIZED INDIAN TRIBAL GOVERNMENTS—

Table of Contents

Subpart C--Post-Award Requirements

Sec. 85.36 Procurement.

(a) States. When procuring property and services under a grant, a State will follow the same policies and procedures it uses for procurements from its non-Federal funds. The State will ensure that every purchase order or other contract includes any clauses required by Federal statutes and executive orders and their implementing regulations. Other grantees and subgrantees will follow paragraphs (b) through (i) in this section.

(b) Procurement standards.

(1) Grantees and subgrantees will use their own procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this section.

(2) Grantees and subgrantees will maintain a contract administration system which ensures that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

(3) Grantees and subgrantees will maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts. No employee, officer or agent of the grantee or subgrantee shall participate in selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

(i) The employee, officer or agent,

(ii) Any member of his immediate family,

(iii) His or her partner, or

(iv) An organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award. The grantee's or subgrantee's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to subagreements. Grantee and subgrantees may set minimum rules where the

financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value. To the extent permitted by State or local law or regulations, such standards or conduct will provide for penalties, sanctions, or other disciplinary actions for violations of such standards by the grantee's and subgrantee's officers, employees, or agents, or by contractors or their agents. The awarding agency may in regulation provide additional prohibitions relative to real, apparent, or potential conflicts of interest.

(4) Grantee and subgrantee procedures will provide for a review of proposed procurements to avoid purchase of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

(5) To foster greater economy and efficiency, grantees and subgrantees are encouraged to enter into State and local intergovernmental agreements for procurement or use of common goods and services.

(6) Grantees and subgrantees are encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.

(7) Grantees and subgrantees are encouraged to use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost.

(8) Grantees and subgrantees will make awards only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

(9) Grantees and subgrantees will maintain records sufficient to detail the significant history of a procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

(10) Grantees and subgrantees will use time and material type contracts only--

(i) After a determination that no other contract is suitable, and

(ii) If the contract includes a ceiling price that the contractor exceeds at its own risk.

(11) Grantees and subgrantees alone will be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to source evaluation, protests, disputes, and claims. These standards do not relieve the grantee or subgrantee of any contractual responsibilities under its contracts. Federal agencies will not substitute their judgment for that of the grantee or subgrantee unless the matter is primarily a Federal concern. Violations of law will be referred to the local, State, or Federal authority having proper jurisdiction.

(12) Grantees and subgrantees will have protest procedures to handle and resolve disputes relating to their procurements and shall in all instances disclose information regarding the protest to the awarding agency. A protestor must exhaust all administrative remedies with the grantee and subgrantee before pursuing a protest with the Federal agency. Reviews of protests by the Federal agency will be limited to:

(i) Violations of Federal law or regulations and the standards of this section (violations of State or local law will be under the jurisdiction of State or local authorities) and

(ii) Violations of the grantee's or subgrantee's protest procedures for failure to review a complaint or protest. Protests received by the Federal agency other than those specified above will be referred to the grantee or subgrantee.

(c) Competition.

(1) All procurement transactions will be conducted in a manner providing full and open competition consistent with the standards of Sec. 85.36. Some of the situations considered to be restrictive of competition include but are not limited to:

(i) Placing unreasonable requirements on firms in order for them to qualify to do business,

(ii) Requiring unnecessary experience and excessive bonding,

(iii) Noncompetitive pricing practices between firms or between affiliated companies,

(iv) Noncompetitive awards to consultants that are on retainer contracts,

(v) Organizational conflicts of interest,

(vi) Specifying only a brand name product instead of allowing an equal product to be offered and describing the performance of other relevant requirements of the procurement, and

(vii) Any arbitrary action in the procurement process.

(2) Grantees and subgrantees will conduct procurements in a manner that prohibits the use of statutorily or administratively imposed in-State or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts State licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criteria provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

(3) Grantees will have written selection procedures for procurement transactions. These procedures will ensure that all solicitations:

(i) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description shall not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured, and when necessary,
shall set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is

impractical or uneconomical to make a clear and accurate description of the technical requirements, a brand name or equal description may be used as a means to define the performance or other salient requirements of a procurement. The specific features of the named brand which must be met by offerors shall be clearly stated; and

(ii) Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

(4) Grantees and subgrantees will ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, grantees and subgrantees will not preclude potential bidders from qualifying during the solicitation period.

(d) Methods of procurement to be followed.

(1) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the simplified acquisition threshold fixed at 41 U.S.C. 403(11) (currently set at $100,000). If small purchase procedures are used, price or rate quotations shall be obtained from an adequate number of qualified sources.

(2) Procurement by sealed bids (formal advertising). Bids are publicly solicited and a firm-fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in Sec. 85.36(d)(2)(i) apply.

(i) In order for sealed bidding to be feasible, the following conditions should be present:

(A) A complete, adequate, and realistic specification or purchase description is available;

(B) Two or more responsible bidders are willing and able to compete effectively and for the business; and

(C) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

(ii) If sealed bids are used, the following requirements apply:

(A) The invitation for bids will be publicly advertised and bids shall be solicited from an adequate number of known suppliers, providing them sufficient time prior to the date set for opening the bids;

(B) The invitation for bids, which will include any specifications and pertinent attachments, shall define the items or services in order for the bidder to properly respond;

(C) All bids will be publicly opened at the time and place prescribed in the invitation for bids;

(D) A firm fixed-price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs shall be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and

(E) Any or all bids may be rejected if there is a sound documented reason.

(3) Procurement by competitive proposals. The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed-price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

(i) Requests for proposals will be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals shall be honored to the maximum extent practical;

(ii) Proposals will be solicited from an adequate number of qualified sources;

(iii) Grantees and subgrantees will have a method for conducting technical evaluations of the proposals received and for selecting awardees;

(iv) Awards will be made to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and

(v) Grantees and subgrantees may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

(4) Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate.

(i) Procurement by noncompetitive proposals may be used only when the award of a contract is infeasible under small purchase procedures, sealed bids or competitive proposals and one of the following circumstances applies:

(A) The item is available only from a single source;

(B) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;

(C) The awarding agency authorizes noncompetitive proposals; or

(D) After solicitation of a number of sources, competition is determined inadequate.

(ii) Cost analysis, i.e., verifying the proposed cost data, the projections of the data, and the evaluation of the specific elements of costs and profits, is required.

(iii) Grantees and subgrantees may be required to submit the proposed procurement to the awarding agency for pre-award review in accordance with paragraph (g) of this section.

(e) Contracting with small and minority firms, women's business enterprise and labor surplus area firms.

(1) The grantee and subgrantee will take all necessary affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used when possible.

(2) Affirmative steps shall include:

(i) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;

(ii) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;

(iii) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises;

(iv) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises;

(v) Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce; and

(vi) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (e)(2) (i) through (v) of this section.

(f) Contract cost and price. (1) Grantees and subgrantees must perform a cost or price analysis in connection with every procurement action including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, grantees must make independent estimates before receiving bids or proposals. A cost analysis must be performed when the offeror is required to submit the elements of his estimated cost, e.g., under professional, consulting, and architectural engineering services contracts. A cost analysis will be necessary when adequate price competition is lacking, and for sole source procurements, including contract modifications or change orders, unless price reasonableness can be established on the basis of a catalog or market price of a commercial product sold in substantial quantities to the general public or based on prices set by law or regulation. A price analysis will be used in all other instances to determine the reasonableness of the proposed contract price.

(2) Grantees and subgrantees will negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration will be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

(3) Costs or prices based on estimated costs for contracts under grants will be allowable only to the extent that costs incurred or cost estimates included in negotiated prices are consistent with Federal cost principles (see Sec. 85.22). Grantees may reference their own cost principles that comply with the applicable Federal cost principles.

(4) The cost plus a percentage of cost and percentage of construction cost methods of contracting shall not be used.

(g) Awarding agency review.

(1) Grantees and subgrantees must make available, upon request of the awarding agency, technical specifications on proposed procurements where the awarding agency believes such review is needed to ensure that the item and/or service specified is the one being proposed for purchase. This review generally will take place prior to the time the specification is incorporated into a solicitation document. However, if the grantee or subgrantee desires to have the review accomplished after a solicitation has been developed, the awarding agency may still review the specifications, with such review usually limited to the technical aspects of the proposed purchase.

(2) Grantees and subgrantees must on request make available for awarding agency pre-award review procurement documents, such as requests for proposals or invitations for bids, independent cost estimates, etc. when:

(i) A grantee's or subgrantee's procurement procedures or operation fails to comply with the procurement standards in this section; or

(ii) The procurement is expected to exceed the simplified acquisition threshold and is to be awarded without competition or only one bid or offer is received in response to a solicitation; or

(iii) The procurement, which is expected to exceed the simplified acquisition threshold, specifies a ``brand name'' product; or

(iv) The proposed award is more than the simplified acquisition threshold and is to be awarded to other than the apparent low bidder under a sealed bid procurement; or

(v) A proposed contract modification changes the scope of a contract or increases the contract amount by more than the simplified acquisition threshold.

(3) A grantee or subgrantee will be exempt from the pre-award review in paragraph (g)(2) of this section if the awarding agency determines that its procurement systems comply with the standards of this section.

(i) A grantee or subgrantee may request that its procurement system be reviewed by the awarding agency to determine whether its system meets these standards in order for its system to be certified. Generally, these reviews shall occur where there is a continuous high-dollar funding, and third-party contracts are awarded on a regular basis.

(ii) A grantee or subgrantee may self-certify its procurement system. Such self-certification shall not limit the awarding agency's right to survey the system. Under a self-certification procedure, awarding agencies may wish to rely on written assurances from the grantee or subgrantee that it is complying with these standards. A grantee or subgrantee will cite specific procedures, regulations, standards, etc., as being in compliance with these requirements and have its system available for review.

(h) Bonding requirements. For construction or facility improvement contracts or subcontracts exceeding the simplified acquisition threshold, the awarding agency may accept the bonding policy and requirements of the grantee or subgrantee provided the awarding agency has made a determination that the awarding agency'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 will, 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 law of all persons supplying labor and material in the execution of the work provided for in the contract.

(i) Contract provisions. A grantee's and subgrantee's contracts must contain provisions in paragraph (i) of this section. Federal agencies are permitted to require changes, remedies, changed conditions, access and records retention, suspension of work, and other clauses approved by the Office of Federal Procurement Policy.

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

(2) Termination for cause and for convenience by the grantee or subgrantee including the manner by which it will be effected and the basis for settlement. (All contracts in excess of $10,000)

(3) Compliance with Executive Order 11246 of September 24, 1965, entitled ``Equal Employment Opportunity,'' as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 CFR chapter 60). (All construction contracts awarded in excess of $10,000 by grantees and their contractors or subgrantees)

(4) Compliance with the Copeland ``Anti-Kickback'' Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR part 3). (All contracts and subgrants for construction or repair)

(5) Compliance with the Davis-Bacon Act (40 U.S.C. 276a to 276a-7) as supplemented by Department of Labor regulations (29 CFR part 5). (Construction contracts in excess of $2000 awarded by grantees and subgrantees when required by Federal grant program legislation)

(6) Compliance with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor regulations (29 CFR part 5). (Construction contracts awarded by grantees and subgrantees in excess of $2000, and in excess of $2500 for other contracts which involve the employment of mechanics or laborers)

(7) Notice of awarding agency requirements and regulations pertaining to reporting.

(8) Notice of awarding agency requirements and regulations pertaining to patent rights with respect to any discovery or invention which arises or is developed in the course of or under such contract.

(9) Awarding agency requirements and regulations pertaining to copyrights and rights in data.

(10) Access by the grantee, the subgrantee, the Federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records of the contractor which are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions.

(11) Retention of all required records for three years after grantees or subgrantees make final payments and all other pending matters are closed.

(12) Compliance with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15). (Contracts, subcontracts, and subgrants of amounts in excess of $100,000)

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

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

## A-38: SAMPLE PROCUREMENT POLICY

**SAMPLE**

(This is a sample only. Each local government should revise the Policy to reflect its own specific needs/criteria.)

# PROCUREMENT POLICY

These procedures are intended to serve as guidelines for the procurement of supplies, equipment, construction services and professional services for the LCDBG Program. These guidelines meet the standards established in 24 CFR 85.36 and state requirements.

CODE OF CONDUCT

No employee, officer, or agent of the _____(City/Parish)_____ shall participate in the selection or in the award or administration of a contract supported by LCDBG funds if a conflict of interest, real or apparent, would be involved. Such a conflict could arise if the employee, officer or agent; any member of his/her immediate family; his/her partner; or an organization which employs or is about to employ any of the above, has a financial or other interest in the firm selected for award.

No officer, employee or agent of the _____(City/Parish)_____ shall solicit or accept gratuities, favors or anything of monetary value from contractors or firms, potential contractors or firms, or parties to sub-agreements, except where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value.

Any alleged violations of these standards of conduct shall be referred to the _____(City/Parish)_____ Attorney. Where violations appear to have occurred, the offending employee, officer or agent shall be subject to disciplinary action, including but not limited to dismissal or transfer; where violations or infractions appear to be substantial in nature, the matter may be referred to the appropriate officials for criminal investigation and possible prosecution.

PROCUREMENT PROCEDURES

The director or supervisor of each department or agency of the _____(City/Parish)_____ responsible for procurement of services, supplies, equipment, or construction obtained with LCDBG funds shall review all proposed procurement actions to avoid the purchase of unnecessary or duplicative items. Such reviews shall consider consolidation or breaking out to obtain a more economical purchase. When determined appropriate by the Director or Supervisor, an analysis to determine which approach would be the most economical shall be undertaken.

The _____(City/Parish)_____ shall take affirmative steps to assure that small and minority firms, women's business enterprises, and labor surplus firms are solicited whenever they are potential qualified sources. The _____(City/Parish)_____ shall also consider the feasibility of dividing total requirements into smaller tasks or quantities so as to permit maximum participation by small and minority firms, women's business enterprises, and labor

surplus firms. Where permitted by regulations, delivery schedules will be developed which will include participation by such businesses.

The _____(City/Parish)_____ shall assist the prime contractor whenever possible by providing copies of lists which identify qualified small and minority firms, women's business enterprises, and labor surplus area firms.

SELECTION PROCEDURES

ALL procurement carried out with LCDBG funds, where _____(City/Parish)_____ is a direct party, shall be carried out in a manner that provides maximum free and open competition. Procurement procedures will not restrict or eliminate competition. _____(City/Parish)_____ shall not place unreasonable requirements on firms in order for them to qualify to do business. Nor will _____(City/Parish)_____ encourage or participate in noncompetitive practices among firms. The _____(City/Parish)_____ is alert to organizational conflicts which would jeopardize the negotiation process and limit competition. _____(City/Parish)_____ will not require unnecessary experience or bonding requirements.

Pursuant to state law, all solicitations of offers shall incorporate a clear accurate description of the technical requirements for the material, service, or product to be procured. In competitive procurements, these descriptions shall not contain features which unduly limit competition. The description may include a statement of the qualitative nature of the material, product, or service and the minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications shall be avoided whenever possible. A "brand name or equal" description may be used to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offerers shall be clearly stated.

All solicitations of offers shall clearly set forth all requirements which offerers must fulfill and all other factors to be used in evaluating bids, proposals, or statements of qualifications.

Contracts shall be awarded only to responsible contractors/firms that possess the potential ability to perform successfully under the terms and conditions of the proposed procurement.

Consideration shall be given to such factors as the contractor's/firm's capacity, integrity, compliance with public policy, record of past performance, and financial and technical resources.

METHODS OF PROCUREMENT

Direct procurement by the _____(City/Parish)_____ shall be made by using one of the following methods depending on the type of service to be procured.

Small Purchase Procedures. Relatively simple, informal procurement procedures will be used where the purchase of materials, supplies, equipment, and/or other property will not cost in the

aggregate more than $30,000, and for construction with a cost of less than $100,000, except where further limited by state law or LCDBG policy. The small purchase procedure can also be utilized to procure administrative consulting and other professional services costing less than $100,000. The only exception to professional services is for architectural/engineering services that must be procured through competitive negotiation. The procurement officer must obtain a minimum of three oral or written price or rate quotations from qualified sources. Documentation on all quotations received (whether oral or written) shall be made a part of the file.

Competitive Sealed Bids/Formal Advertising. Under this procedure bids are publicly advertised in accordance with the state's Public Bid Law. A firm fixed price contract (either lump sum or unit price) shall be awarded to the responsible bidder whose bid is lowest in price and that conforms to all the material terms and conditions of the advertisement for bids.

Competitive sealed bids can be used ONLY when the following criteria are met: (1) there are complete, adequate, and realistic specifications or purchase descriptions; (2) there are two or more responsible bidders who are willing and able to compete effectively; (3) the procurement can be made on a firm fixed-price contract and selection of the successful bidder can appropriately be made principally on the basis of price.

When formal advertising is used the following conditions shall be met.

i. The advertisement for bids shall be publicly advertised in accord with state law.
ii. The advertisement for bids, including the specifications and pertinent attachments, shall clearly define the items or services needed in order for the bidders to properly respond to the advertisement.
iii. All bids shall be opened publicly at the time and place specified in the advertisement for bids.
iv. A firm fixed-price contract award shall be made by written notice to the lowest responsible bidder whose bid conforms to the advertisement for bids. Where specified in the bid documents, factors such as discounts, transportation costs, and life cycle costs shall be considered in determining which bid is lowest. Payment discounts shall only be used to determine low bid when prior experience indicates that such discounts are generally taken.
v. Notwithstanding the above, any or all bids may be rejected when there are sound documented business reasons in the best interest of the LCDBG Program.

Competitive Negotiation: Requests for Proposals/Qualification Statements. This method may be used when formal advertising is not appropriate. Architectural and engineering services must be procured via requests for qualification statements; administrative consulting services must be procured via requests for proposals. Other professional services may also be procured by requests for proposals. The following procedures will be used for competitive negotiation:

i. Requests for proposals or qualification statements must be advertised in a newspaper in the nearest metropolitan area in accordance with the rules of the state's LCDBG Program. All submittals will be honored and entered into the competition.

ii. The package for proposals or qualification statements shall identify all significant evaluation factors or selection criteria, including the corresponding point system that will be used to rate the proposals/qualification statements.

iii. The selecting official (or committee, if one is designated) shall review all proposals and statements received and make a technical evaluation of each. This shall also include a written statement that identifies the basis upon which the selection was made.

iv. Contract award will be made to the responsible offerer whose submission is deemed most appropriate to the _____(City/Parish)_____ with consideration for price, qualifications, and other factors set by the local government. Unsuccessful offerers shall be notified in writing within ten working days of contract award. Documentation of notification shall be maintained in the contract selection file for the individual project.

v. Following the review of the qualification statements received, the most qualified competitor will be selected to enter into contract negotiation. This shall always include negotiation of price to insure cost reasonableness. At the conclusion of successful negotiation, the competitor shall be invited to enter into a contract.

Noncompetitive Negotiation/Sole Source. Noncompetitive negotiation shall be used when small purchase, formal advertising, or competitive negotiation procedures are not feasible. Noncompetitive negotiation will involve solicitations of a proposal from only one source. This can also occur if solicitations under the competitive negotiation procedures result in only one proposal or qualification statement. Noncompetitive negotiation shall only be used when written authorization has been obtained from the state's Office of Community Development, with the one exception noted. In order to qualify for this type of procurement, one of the following circumstances must apply:

i. The item or service is available only from a single source;

ii. It is determined that a public urgency or emergency exists and the urgency will not permit the delay beyond the time needed to employ one of the other three methods of procurement.

iii. After solicitation of a number of sources, competition is determined to be inadequate.

CONTRACT PRICING

Cost plus percentage of cost and percentage of construction cost methods of contracting MUST NOT be used. _____(City/Parish)_____ shall perform cost or pricing analysis in connection with EVERY procurement action including contract modifications. Costs or prices based on estimated costs for LCDBG projects shall be allowed only to the extent that the costs incurred or the cost estimates included in negotiated prices are consistent with federal cost principals. Cost reimbursement, fixed price, per diem contracts, or a combination thereof may be utilized as appropriate.

A cost reimbursement type contract is most appropriate when the scope and extent of the work to be performed are not clearly defined. A cost reimbursement contract MUST clearly establish a cost ceiling which may not be exceeded without formally amending the contract, and must

identify a fixed dollar profit that may not be increased unless there is a contract amendment that increases the scope of the work.

A fixed price contract is appropriate when the scope of work is very well defined and product oriented. A fixed price contract MUST establish a guaranteed price that may not increase unless there is a contract amendment that increases the scope of the work.

A per diem contract expected to exceed $10,000 will not be considered unless ___(City/Parish)___ has determined that a cost reimbursable or fixed price contract is not appropriate. Cost and profit included in the per diem rate MUST be specifically negotiated and shown separately in the proposal. The contract must clearly establish a ceiling price that may not be exceeded without formally amending the contract.

The _____(City/Parish)_____ may use a multiplier type of compensation under either the cost reimbursement or fixed price contract. The multiplier and the portions of the multiplier applicable to overhead and profit must be specifically negotiated and separately identified in the contract.

PROCUREMENT RECORDS

The _____(City/Parish)_____ shall maintain records sufficient to detail the history of the procurement. The records shall include the following contract provisions and conditions:

i. Contracts other than small purchase shall contain provisions that allow for administrative, contractual, or legal remedies if contractors violate or breach contract terms, and provide for sanctions and penalties as appropriate.

ii. All contracts in excess of $10,000 shall provide for termination for cause and for convenience by the _____(City/Parish)_____ including the manner in which it will be done and the basis for settlement.

iii. All construction contracts and subcontracts in excess of $10,000 shall include provisions which require compliance with Executive Order 11246, Equal Employment Opportunity, as amended by Executive Order 11375, and as supplemented in DOL regulations (41 CFR Part 60).

iv. All contracts and subcontracts for construction or repair shall include a provision for compliance with the Copeland "Anti-Kick-Back" Act (18 USC 874) as supplemented by DOL regulations (29 CFR Part 3).

v. All contracts or subcontracts in excess of $2,000 for construction or repair shall include a provision for compliance with the Davis-Bacon Act (40 USC 276a to a-7) as supplemented by DOL regulations (29 CFR Part 5).

vi. All construction or repair contracts or subcontracts in excess of $2,000, which involve the employment of mechanics or laborers, shall include a provision for compliance with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 USC 327-333) as supplemented by DOL regulations (29 CFR Part 5).

vii. Each contract shall include a notice of state requirements and regulations pertaining to reporting and patent rights under any contract involving respect to any discovery or invention which arises or is developed in the course of or under such contract, and of the state requirements pertaining to copyrights and rights in data.

viii. All negotiated contracts shall include a provision that makes it possible for the state, HUD, the Comptroller General of the United States, or any of their duly authorized representatives, to have access to any books, documents, papers, or records of the contractor/firm that are directly pertinent to the contract, for the purpose of making audit examination excerpts and transcriptions. Further, the contract must include a provision that all required records will be maintained by the contractor/firm for a period of four years after the _____(City/Parish)_____formally closes out each LCDBG program.

ix. All contracts, subcontracts, and subgrants in amounts in excess of $100,000 shall contain a provision which requires compliance with the requirements of Section 306 of the Clean Air Act (42 USC 1857 h), Section 508 of the Clean Water Act (33 USC 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15).

x. Contracts shall recognize mandatory standards and policies relating to energy efficiency that are contained in the State Energy Conservation Plan issued in compliance with the Energy Policy and Conservation Act (P.L. 94-163).

xi. The _____(City/Parish)_____ will be permitted to require changes, remedies, changed conditions, access and record retention, and suspension of work clauses approved by the state.

xii. Retention of all required records for three years after the State closes its grant with HUD.

xiii. Section 3 of the Housing and Community Development Act of 1968, as amended – the provision of training, employment and business opportunities clauses.

xiv. Pursuant to LRS 38:2227, effective 7/2/10, public entities are required to obtain an attestation regarding past criminal convictions, if any, from each bidding entity responding to advertisements and letting for bids for public works contracts. The Past Criminal Convictions of Bidders form must be included in all bid documents and contracts for public works.

## CONTRACT ADMINISTRATION

The _____(City/Parish)_____ shall maintain contract administration systems that insure contractors/firms perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. The accepted performance of contractors/ firms will be a factor in subsequent contract negotiations and award. Remedial action by the _____(City/Parish)_____ through legal processes shall be considered in instances of identified significant nonperformance.

## A-39: CONFLICT OF INTEREST

§ 570.611 Conflict of interest.

*Applicability.*
In the procurement of supplies, equipment, construction, and services by recipients, and by subrecipients (including those specified at § 570.204(c)), the conflict of interest provisions in 24 CFR 85.36 and OMB Circular A-110, respectively, shall apply.
In all cases not governed by 24 CFR 85.36 and OMB Circular A-110, the provisions of this section shall apply. Such cases include the acquisition and disposition of real property and the provision of assistance by the recipient, by its subrecipients, or to individuals, businesses or other private entities under eligible activities which authorize such assistance (e.g., rehabilitation, preservation, and other improvements of private properties or facilities pursuant to § 570.202, or grants, loans and other assistance to businesses, individuals and other private entities pursuant to § 570.203, § 570.204 or § 570.455).
*Conflicts prohibited.* Except for the use of CDBG funds to pay salaries and other related administrative or personnel costs, the general rule is that no persons described in paragraph (c) of this section who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted under this part, or who are in a position to participate in a decision making process or to gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to a CDBG-assisted activity, or with respect to the proceeds of the CDBG-assisted activity, either for themselves or those with who they have family or business ties, during their tenure or for one year thereafter. For the UDAG program, the above-stated restriction shall apply to all activities that are a part of the UDAG project, and shall cover any financial interest or benefit during, or at any time after, the person's tenure.
(c) *Persons covered.* The conflict of interest provisions of paragraph (b) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the recipient, or of any designated public agencies, or subrecipients which are receiving funds under this part.
(d) *Exceptions: threshold requirements.* Upon the written request of the recipient, HUD may grant an exception to the provisions of paragraph (b) of this section on a case-by-case basis when it determines that such an exception will serve to further the purposes of the Act and the effective and efficient administration of the recipient's program or project. An exception may be considered only after the recipient has provided the following:
A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and
(2) An opinion of the recipient's attorney that the interest for which the exception is sought would not violate State or local law.

(e) *Factors to be considered for exceptions.* In determining whether to grant a requested exception after the recipient has satisfactorily met the requirements of paragraph (d) of this section, HUD shall consider the cumulative effect of the following factors, where applicable:

Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project which would otherwise not be available;

Whether an opportunity was provided for open competitive bidding or negotiation;

Whether the person affected is a member of a group or class of low- or moderate-income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;

Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision making process with respect to the specific assisted activity in question;

Whether the interest or benefit was present before the affected person was in a position as described in paragraph (b) of this section;

Whether undue hardship will result either to the recipient or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and

Any other relevant considerations.

## A-40: SAMPLE ADVERTISEMENT REQUESTING PROPOSALS

### SAMPLE ADVERTISEMENT*

**REQUEST FOR PROPOSALS FOR**
**ADMINISTRATIVE CONSULTING SERVICES**

The _____(City/Parish)_____ is applying for a grant under the *FY 20xx/20xx* Louisiana Community Development Block Grant (LCDBG) Program for the purpose of _(identify the specific type of project for which funds will be requested)_____. _____(City/Parish)_____ is interested in procuring the services of an administrative consulting firm to prepare the application package and to administer and implement the project if it is successful in being funded.

The procedures for the selection of this firm will be in accordance with the procurement requirements of the LCDBG Program. All responses received will be evaluated in accordance with the selection criteria and corresponding point system that is identified in the request for proposals package. That package also identifies the scope of services to be performed by the selected firm.

The _____(City/Parish) will **_____

_____

_____

_____

Interested parties are invited to secure a proposal package from ___(name of person)_____ at _____(address and telephone number)_____. The response to this request must be hand-delivered or mailed to the above named person at the above named address in such a manner that it is received no later than ___(time)_____ on _____(date)_____.

The _____(City/Parish)_____is an Equal Opportunity Employer. We encourage all small and minority-owned firms and women's business enterprises to apply.

---

*This is a sample notice soliciting proposals for an administrative consulting firm. Each local government must prepare a request for proposals that is specific to its own needs. Refer to the sample request for qualifications for a similar, acceptable format. This notice may also be revised as a combined notice requesting qualification statements from engineering/architectural firms and requesting proposals from administrative consulting firms.

**The local government must state one of the following:
a) award the contract to the respondent obtaining the highest score in the evaluation process; or,
b) conduct oral interviews with those firms receiving points within the range of ___ to ___ for the purpose of obtaining a "best and final offer"; following those interviews the proposals will be re-scored and the highest scoring firm will be selected.

## A-41: SAMPLE REQUEST FOR PROPOSALS FOR AN ADMINISTRATIVE CONSULTANT

**SAMPLE**

(This is only a sample. Each governing body must prepare a request for proposals that is specific to its own needs.)

**REQUEST FOR PROPOSALS FOR AN ADMINISTRATIVE CONSULTANT**

The _____(City/Parish)_____is accepting proposals from consultants for management and administrative services required by the _____(City/Parish)_____ for the preparation of a Louisiana Community Development Block Grant (LCDBG) Program and subsequent administration/implementation of that program if funded by the state. The project for which funds will be requested consists of

_____

_____

_____

**PART ONE**: MANAGEMENT AND ADMINISTRATION

The level and scope of services, if any, will be determined by the _____(City/Parish)____. A fixed sum contract on a cost reimbursement basis will be negotiated with the actual fees for services subject to approval by and funding from the state. Local funds will be used to pay for costs, if any, for applications that are not funded under the LCDBG Program. If the application is not funded by the state, no services beyond the application stage will be required. Therefore, neither the state nor the local government will be liable for any other expenditure under the contract. If the application is funded, LCDBG funds can be utilized for the payment of pre-agreement costs and overall program administration costs that are associated with the funded LCDBG program; such costs must be within the amounts allowed under the LCDBG Program. The scopes of services that the consultant must be prepared and qualified to provide are as follows:

a. Prepare the *FY 20xx/20xx* LCDBG Application. If a fee will be charged for the preparation of the application, then a separate cost must be identified for pre-agreement services.

b. Prepare Environmental Review Record and submit all other items required to clear the contract conditions. All contract conditions must be cleared within six months of the date of the "Authorization to Incur Costs" letter from the state.

c. Prepare the Requests for Payment to ensure consistency with the procedures established for the LCDBG Program.

d. Ensure that the *City/Parish* has an acceptable financial management system as it pertains to finances of the LCDBG program. An acceptable system includes, but is not limited to,

cash receipts and disbursements journal and accompanying ledgers, and should conform to generally accepted principles of municipal accounting.

e. Establish project files in the local government's office. These files must demonstrate compliance with all applicable state, local, and federal regulations. The project files must be monitored throughout the program to ensure that they are complete and that all necessary documentation is being retained in the community's files.

f. With the assistance of the community, help conduct public hearings. This includes, but is not limited to, such things as assisting with public notices, conducting hearings, etc.

g. Assist *City/Parish* in complying with regulations governing land acquisition (real property, easements, rights of ways, donation of property, etc).

h. Assist the project engineer in the preparation of bid documents and supervise the bidding process consistent with state and federal regulations.

i. Secure the Department of Labor's federal wage decision and include it in the bid documents.

j. Prepare construction contracts which comply with state and federal regulations. Examples are Conflict of Interest, Access to Records, Copeland Anti-Kickback Act, Safety Standards, Architectural Barriers, Flood Insurance, Clean Air and Water Act (for contracts over $100,000), HUD Handbook (6500.3), 24 CFR 85.36, EO 11246 (for contracts over $10,000).

k. Obtain contractor clearance(s) from the state.

l. Check weekly payrolls to ensure compliance with federal wage decision(s). Conduct on-site interviews and compare the results with the appropriate payrolls.

m. Monitor construction to ensure compliance with equal opportunity and labor standards provisions.

n. Make progress inspections and certify partial payment requests.

o. Attend and assist the *City/Parish* during the state's monitoring visit(s). Prepare *City/Parish's* response to all monitoring findings.

p. Assist in a final inspection of the project and in the issuance of a final acceptance of work.

q. Prepare the Section 504 self-evaluation and transition plan, if applicable.

r. Prepare analysis of impediments to fair housing.

s. Assist *City/Parish* in meeting the state's financial reporting requirements.

t. Prepare close-out documents.

**PART TWO**: PROPOSALS

Proposals will be considered by the *City/Parish* at a meeting to be held at _____(a.m./p.m.) on the _____ day of _____, 20xx. In order to be considered, proposals must be received by the *City/Parish* prior to _____ (a.m./p.m.) on the ___ _____ day of _____, 20xx. The *City/Parish* reserves the right to reject any or all proposals.

All proposals should be sealed and identified on the outside as;

*FY 20xx/20xx* LCDBG APPLICATION

Preparation and Implementation Proposal

Administrative Consultant

All proposals will be scored and ranked with the highest rated firm being awarded a contract.*

The proposal must include a brief history of the firm and a resume of each person in the firm who will be assigned to the project. The proposal must also include a list of local governing bodies for which the firm has been under contract with for LCDBG administration during the last four calendar years; this list will be used for reference purposes. All references must indicate excellent program performance.

Two copies of the proposal and the required supplemental information should be provided.

**PART THREE**: SELECTION CRITERIA**

All responses to the proposal will be evaluated according to the following criteria and corresponding point system. The proposals will be evaluated on the basis of written materials. Sufficient information must be included in the proposal to assure that the correct number of points is assigned. Incomplete or incorrect information may result in a lower score.

- REQUIRED PRICE CONSIDERATION*** _____ **pts.**

The lowest proposal will receive the maximum points. Other, more expensive proposals will receive reduced points based on the following formula with rounding to the nearest tenth:

***If a competitive range and oral interviews will be held, then the package must state that procedure*.

_____Lowest Proposal_____ x Total Possible Price Points = Points allocated to a more More expensive proposal expensive proposal

*Example:*

100 points is the total possible points. (Other point scales may be chosen.)
10% of total possible points are the price consideration. (Percents greater than 10% may be chosen.)

Proposal 1 is for $ 27,000
Proposal 2 is for $ 20,000
Proposal 3 is for $ 30,000

Step 1: Determine points allocated for price -- 100 x 10% = 10 points
Step 2: Award ten points to the lowest priced proposal (Proposal 2 is awarded **10 points**)

Step 3: Allocate a proportionally reduced amount of points to the higher proposals

Proposal 1 $\frac{20,000}{27,000} \times 10 =$ **7.4 points** Proposal 3 $\frac{20,000}{30,000} \times 10 =$ **6.7 points**

OPTIONAL CONSIDERATIONS: (These are sample criteria and may be modified.)

Educational background of project manager who will be assigned to project - the highest level attained will receive the assigned number of points shown for that level:

High school diploma _____ pts.
College degree _____ pts.
Masters or PhD _____pts.

Firm's experience in administering LCDBG projects during the last four calendar years; name of locality under contract with the firm and type of project administered:

Administered no LCDBG projects _____ pts.
Administered 1-5 LCDBG projects _____ pts.
Administered more than 5 LCDBG projects _____ pts.

Length of time the firm has been in business:

less than 5 years _____ pts.
5 to 10 years _____ pts.
Over 10 years _____ pts.

Firm is a certified Section 3 Business _____ pts.

Firm is a Minority Business Enterprise _____ pts.

**Total Points for Required and Optional Considerations** _____ pts.

Questions concerning this proposal should be addressed to _____(city clerk/parish administrator)_____ at _(phone number)_____. Proposals should be hand-delivered to (city clerk/parish administrator)____, at the _____(city hall/parish office)_____ at _____(address)_____or mailed to _____(city clerk/ parish administrator)_____, at the _____(city hall/parish office)_____ at _____(address)_____.

---

*If a competitive range and oral interviews will be held, then this procedure must be stated.

**These are sample criteria only. Each local government must develop its own criteria and identify those along with the corresponding point system (including ranges) which will be used to evaluate the proposals received.

***Price must be one of the criteria utilized in evaluating proposals and must be evaluated using a point system which allocates at least ten percent of the total possible points to price consideration.

## A-42: SAMPLE REQUEST FOR QUALIFICATION STATEMENTS FOR ENGINEERING SERVICES

**SAMPLE**

(This is only a sample. Each city/parish must prepare a request for qualification statements that is specific to its own needs.)

**REQUEST FOR QUALIFICATION STATEMENTS FOR ENGINEERING SERVICES**

The _____(City/Parish)_____ is seeking assistance for engineering services needed to prepare the application for *FY 20xx/20xx* LCDBG funds and subsequent implementation of that program, if funded by the state. The type of project involved is _____ _____ _____.

The _____(City/Parish)_____ is soliciting qualification statements for engineering services to assist the _____(City/Parish)_____ with preliminary engineering, design engineering, and inspections of this project in compliance with LCDBG Program requirements. The agreement will be on a lump sum, fixed price basis (or cost reimbursement "not to exceed" basis), with payment terms to be negotiated with the selected offerer. Reimbursement for services will be contingent on the _____(City/Parish)_____ receiving funding from the state. Local funds will be used to pay for costs, if any, for applications that are not funded under the LCDBG Program. If the application is not funded by the state, then no services beyond the application stage will be required. Therefore, neither the state nor the local government will be liable for any other expenditure under the contract. The maximum amount of pre-agreement and program implementation engineering fees that can be paid for implementation with LCDBG funds will be determined by the state and may require adjustments in the proposed contract amount.

The services to be provided will include, but not be limited to:

Assisting in the preparation of the application package (pre-agreement costs).

Designing system improvements and construction engineering. The preliminary plans and specifications must be completed within six months of the _____(City/Parish)____receipt of the "Authorization to Incur Costs" letter from the state's Office of Community Development. Submit plans and specifications to the Louisiana Department of Health and Hospitals, if applicable, and to the Office of Community Development within the aforementioned six month period.

Assisting the administrative consultant with the construction bid package in conformance with applicable federal requirements and supervising the bid advertising, tabulation, and award process, including preparing the advertisements for bid solicitation, conducting the bid opening, and issuing the notice to proceed. The first advertisement for bid must appear within 30 days of receiving authorization to advertise for bids from the state.

Assist in conducting the preconstruction conference.

Field staking, on-site supervision of construction work, and preparing inspection reports.

Reviewing and approving all contractor requests for payment and submitting approved requests to the governing body.

Providing reproducible plan drawings to the (City/Parish) upon project completion.

Conducting final inspection and testing.

Respondents will be evaluated on the basis of the written materials submitted and according to the following factors: *

1) Experience of the firm with this type of construction project under the LCDBG Program during past five calendar years

   No previous experience _____ pts.

   Under contract with 1-5 grantees during past five calendar years (identify grantee and type of project) _____ pts.

   Under contract with 6-10 grantees during past five calendar years (identify grantee and type of project) _____ pts.

   Under contract with more than 10 grantees during past 5 calendar years (identify grantee and type of project) _____pts.

2) Proximity of firm to local government**

   Less than 60 miles away _____ pts.

   More than 60 miles away _____ pts.

3) Length of time the firm or project engineer has been in business:

   Less than 5 years _____ pts.
   5 to 10 years _____ pts.
   Over 10 years _____ pts..

In the event of a tie, oral interviews will be held with those firms. As a result of the interviews, the (City/Parish) will determine which firm will be selected to enter into contract negotiations. Unsuccessful firms will be notified as soon as possible.

Questions should be addressed to (city clerk/parish administrator) at (phone number). Responses should be hand-delivered to (city clerk/parish administrator), at the (city hall/parish office) at (address) or mailed to (city clerk/ parish administrator) at the (city hall/parish office) at (address).

Responses must be received no later than (date). Please state "*FY 20xx/20xx* LCDBG Qualifications Statement-Engineering Services" on the cover.

---

*The corresponding point system and breakdown of points must be specifically identified.
**Geographic preference may be used as a selection factor for engineering services if adequate competitions (two or more firms that are responsive and responsible) are located within the distances identified.

## A-43: COST AND PRICE DETAIL FORM

# Cost and Price Form

| | |
|---|---|
| Name: | Date: |
| Address: | Federal ID Number: |
| City, State, Zip: | Total Price: $ |

A. Direct Labor (*specify personnel by name*):
Attach a copy of the scope of services identified in the contract. Each task identified in the scope of services should be assigned an estimated amount of time for completion. The total amount of time identified on the scope of services should correspond to the estimate in this section.

| Estimate # of Days | Daily Rate | Estimated Cost |
|---|---|---|
| 1. | | |
| 2. | | |
| 3. | | |
| 4. | | |
| 5. Total Direct Labor: | | |

| B. Overhead/Indirect Costs: | Rate | Base | Estimated Cost |
|---|---|---|---|
| | | | |

| C. Other Direct Costs: | | Estimated Cost |
|---|---|---|
| 1. Transportation | _____# of on-site visits | $ |
| 2. | _____# of days @ $_____/day | $ |
| 3. Reproduction | _____# of pages @ $_____/page | $ |
| 4. Other (*specify*) | | $ |
| a. | | $ |
| b. | | $ |
| c. | | $ |
| d. | | $ |
| 5. Total Other Direct Costs: | | $ |

D. Subcontracts

| Name of Subcontractor(s) | # of days of effort | Estimated Cost |
|---|---|---|
| 1. | | $ |
| 2. | | $ |
| 3. Total Subcontractor Cost: | | $ |
| Total Estimated Costs (Line A5+B+C5+D3): | | $ |
| Profit: | | $ |
| Total Price: | | $ |

# CERTIFICATIONS

**Contractor**

A. Has a federal agency or a federally certified state or local agency performed any review of your accounts or records in connection with any other federal grant or contract within the past 12 months? _____ YES _____ NO

If yes, give name, address, and telephone number of the reviewing office:

_____

_____

B. This summary conforms to the applicable cost principals.

C. This proposal is submitted for use in connection with and in response to _____. This is to certify that to the best of my knowledge and belief the cost and pricing data summarized herein are complete, current, and accurate as of _____ and that a financial management capability exists to fully and accurately account for the financial transactions under this project. I further certify that I understand that the sub agreement price may be subject to downward renegotiation and/or recoupment where the above costs and pricing data have been determined, as a result of audit, not to have been current complete and accurate as of the day above.

_____ _____

Date of Execution Signature and Title of Proposer

**Grantee Reviewer**

I certify that I have reviewed the cost/price summary set forth herein and the proposed costs/price appears acceptable for sub-agreement award.

_____ _____

Date of Execution Signature and Title of Reviewer

**Additional Reviewer, if needed**

_____ _____

Date of Execution Signature and Title of Reviewer

## A-44: SAMPLE CONTRACT FOR PROFESSIONAL SERVICES

SAMPLE

(This is a sample; each local government must prepare a contract that is specific to its needs.)

**CONTRACT FOR PROFESSIONAL SERVICES**

PART I -- AGREEMENT

This Agreement for professional services is by and between the _____(City/Parish)_____, State of Louisiana (hereinafter called the "City/Parish"), acting herein by _____(chief elected official), hereunto duly authorized, and _(administrative consulting firm)_____, a corporation organized under the laws of the State of Louisiana (hereinafter called the "CONSULTANT"), acting herein by _____(name)_____, President, hereunto duly authorized;

WITNESSETH THAT:

WHEREAS, the _____(City/Parish)__ intends to apply for and possibly receive funding under the *FY 20xx/20xx* Louisiana Community Development Block Grant (LCDBG) Programs pursuant to Title I of the Housing and Community Development Act of 1974, as amended; and,

WHEREAS, the _____(City/Parish)__ desires to engage the CONSULTANT to render certain technical assistance services in connection with its Community Development Program:

NOW, THEREFORE, the parties do mutually agree as follows:

Employment of CONSULTANT

The ___(City/Parish)__ hereby agrees to engage the CONSULTANT on a contingency basis, and the CONSULTANT hereby agrees to perform the Scope of Services set forth herein under the terms and conditions of this agreement.

1) Scope of Services
   The CONSULTANT shall, in a satisfactory and proper manner, perform the following services:

   a. Prepare the FY *20xx/20xx* LCDBG Application.

   b. Prepare the Environmental Review Record and submit all other required items within six months of the “Authorization to Incur Costs” letter..

   c. Prepare the Requests for Payments to ensure consistency with the procedures established for the LCDBG Program.

d. Ensure that the *(City/Parish)* has an acceptable financial management system as it pertains to finances of the LCDBG Program. An acceptable system includes, but is not limited to, cash receipts and disbursements journal, cash control register, property register, and accompanying ledgers, and should conform to generally accepted principles of municipal accounting.

e. Establish project files in the *(City/Parish)* office. These files must demonstrate compliance with all applicable state, local, and federal regulations. Monitor project files throughout the program to ensure they are complete and that all necessary documentation is being retained in the community's files.

f. Assist community in conducting public hearings. This includes but is not limited to such things as assisting in public hearings, preparing public notices, etc.

g. If applicable to the program, assist *(City/Parish)* in complying with regulations governing land acquisition (real property, easements, rights of ways, donation of property, etc).

h. Assist the project engineer in the preparation of all bid documents and the supervision of the bidding process consistent with state and federal regulations.

i. Secure the Department of Labor's federal wage decision and include it in the bid documents.

j. Prepare construction contracts which comply with state and federal regulations.

Examples of the regulations include, but are not limited to, Access to Records, Copeland Anti-Kickback Act, Safety Standards, Architectural Barriers, Flood Insurance, Clean Air and Water Act (if contract over $100,000), HUD Handbook (6500.3), 24 CFR 85.36, Section 3, EO 11246 (if contract over $10,000).

k. Obtain clearance from the state on all “prime” contractors.

l. Check weekly payrolls to ensure compliance with federal wage decision(s). Conduct on-site interviews and compare the results with appropriate payrolls.

m. Monitor construction to ensure compliance with equal opportunity and labor standard provisions.

n. Make progress inspections and certify partial payment requests.

o. Attend and assist the *(City/Parish)* during the state's monitoring visit(s). Prepare *(City/Parish)* response to all monitoring findings.

p. Assist *(City/Parish)* in meeting the state's financial reporting requirements.

q. Assist in a final inspection of the project and in the issuance of a final acceptance of work.

r. Prepare documents and complete actions necessary to comply Section 504 requirements.

s. Prepare analysis of impediments to fair housing.

t. Prepare close out documents.

Services in each of the work areas shall be performed under and at the direction of the chief elected official or their designated representative.

2) Time of Performance

The services of the CONSULTANT shall commence on _____, and be provided on a per-day basis as requested by the chief elected official or his designated representative. Such services shall be continued in such sequence as to assure their relevance to the purposes of this Agreement. The CONSULTANT must take whatever steps are necessary to assure that the _____(City/Parish)'s contract conditions are cleared within six months of the date of the _____(City/Parish)'s "Authorization to Incur Costs" letter. If at the end of the six month calendar period, all contract conditions (with the exception of the preparation of engineering/architectural plans and specifications) are not cleared, $250 per working day will be deducted from the amount of administrative funds contracted to the CONSULTANT. The state reserves the right to grant an extension where the reasons for not meeting the required timeframe were clearly beyond the control of the CONSULTANT. In any event, all of the services required and performed hereunder shall not be completed until the __(City/Parish)__ has received notification of final close out from the state.

3) Access to Information

It is agreed that all information, data, reports, records, and maps as are existing, available, and necessary for the carrying out of the work outlined above, shall be furnished to the CONSULTANT by the _____(City/Parish)__. No charge will be made to the CONSULTANT for such information, and the _____(City/Parish)__ will cooperate with the CONSULTANT in every way possible to facilitate the performance of the work described in this contract.

4) Compensation and Method of Payment

Payment under this contract is contingent upon the ___(City/Parish)__ receiving approval from the state for funds under the *FY 20xx/20xx* LCDBG program. CONSULTANT shall only be paid for services rendered under this agreement from funds allowed by the state for

pre-agreement and administrative costs under the provisions of the grant awarded to the _____(City/Parish)___.

CONSULTANT will not be entitled to any reimbursement for pre-agreement costs and program administration either from the _____(City/Parish)___ or the state, if the _____(City/Parish)___ does not receive a grant award and an authorization to incur costs from the state's Office of Community Development. There will be no charge by the Consultant for pre-agreement services if the __(City/Parish)__ does not receive a grant award. If the grant is awarded, reasonable pre-agreement costs as well as program administration costs will be allowed under the LCDBG Program. Upon the __(City/Parish) _____'s receipt of an award of a grant and an authorization to incur costs letter from the state's Office of Community Development, the amount of compensation and reimbursement to be paid CONSULTANT under this contract for pre-agreement and program administration costs shall not exceed (*Refer to the applicable Action Plan, Section F*) Dollars.

The ___(City/Parish)___ shall retain 10 percent of CONSULTANT's overall program administrative fees until the __(City/Parish)__ receives a letter of conditional close out from the state, whereupon this retainage shall be paid to CONSULTANT. CONSULTANT will be compensated for travel in accordance with the state's Policy and Procedures Memorandum Number 49. The CONSULTANT shall submit invoices to the _____(City/Parish)___ for payment. These invoices shall summarize the number of persons and days provided in performing assigned tasks, the tasks completed, and travel and per diem expenses incurred in the preceding month.

5) Ownership of Documents

All documents, including original drawings, estimates, specifications, field notes, and data are the property of the _(City/Parish)___. The CONSULTANT may retain reproducible copies of drawings and other documents.

6) Professional Liability

The CONSULTANT shall be responsible for the use of reasonable skills and care benefiting the profession in the preparation of the application and in the implementation of the LCDBG Program.

7) Indemnification

The CONSULTANT shall comply with the requirements of all applicable laws, rules and regulations in connection with the services of the CONSULTANT, and shall exonerate, indemnify, and hold harmless the ____(City/Parish)___, its officers, agents, and all employees from and against them, and local taxes or contributions imposed or required under the Social

Security, Workers' Compensation, and Income Tax Laws. Further, the CONSULTANT shall exonerate, indemnify, and hold harmless the __(City/Parish)__ with respect to any damages, expenses, or claims arising from or in connection with any of the work performed or to be performed under this contract by the CONSULTANT. This shall not be construed as a limitation of the CONSULTANT's liability under this Agreement or as otherwise provided by law.

8) Contract Provisions
This Agreement is subject to the provisions titled, "Part II, Contract Provisions", attached hereto and incorporated by reference herein.

9) Address of Notices and Communications

| | |
|---|---|
| (Chief Elected Official) | (Consultant's name) |
| (City/Parish address) | (Consultant's address) |

10) Captions
Each paragraph of this Contract has been supplied with a caption to serve only as a guide to the contents. The caption does not control the meaning of any paragraph or in any way determine its interpretation or application.

11) Authorization
This Agreement is authorized by _____(City/Parish)__, Resolution _____ _____, adopted_____, copies of which are attached hereto and made a part hereof.

ATTEST: _____(City/Parish)_____
By:___(Chief Elected Official)_____

Date:_____

_____(Consultant's Firm)_____

By: ___(Consultant)_____

PART II -- CONTRACT PROVISIONS

A. Termination of Contract for Cause.
If, through any cause, the CONTRACTOR shall fail to fulfill in a timely and proper manner his obligations under this Contract, or if the CONTRACTOR shall violate any of the covenants, agreements, or stipulations of this Contract, the ____(City/Parish)____ shall thereupon have the right to terminate this Contract by giving written notice to the CONTRACTOR of such termination and specifying the effective date thereof, at least five days before the effective date of such termination. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, and reports prepared by the CONTRACTOR under this Contract shall, at the option of the ___(City/Parish)____, become its property and the CONTRACTOR shall be entitled to receive just and equitable compensation for any work satisfactorily completed hereunder. Notwithstanding the above, the CONTRACTOR shall not be relieved of liability to the ____(City/Parish)____ for damages sustained by the _____(City/Parish)____ by virtue of any breach of the Contract by the CONTRACTOR, and the ___(City/Parish)____ may withhold any payments to the CONTRACTOR for the purpose of set-off until such time a the exact amount of damages due the ___(City/Parish)____ from the CONTRACTOR is determined.

This contract for pre-agreement (application preparation) services and overall program administration will be automatically terminated if the application(s) is not funded by the state's Office of Community Development. CONTRACTOR will not be entitled to any reimbursement for pre-agreement costs and for program administration either from the ___(City/Parish)____ or the state, if the ___(City/Parish)____ does not receive a grant award and an authorization to incur costs from the state's Office of Community Development.

B. Termination for Convenience of the ____*(City/Parish)*____
The ___(City/Parish)____ may terminate this contract at any time by giving at least 10 days notice in writing to the CONTRACTOR. If the Contract is terminated by the ___(City/Parish)____ as provided herein, the CONTRACTOR will be paid for the time provided and expenses incurred up to the termination date. If this Contract is terminated due to the fault of the CONTRACTOR, paragraph 1 hereof relative to termination shall apply.

This contract for pre-agreement services and program administration will be automatically terminated if the application(s) is not funded by the state's Office of Community Development. CONTRACTOR will not be entitled to any reimbursement for pre-agreement services and program administration either from the ____(City/Parish)____ or the state, if the ___(City/Parish)____ does not receive a grant award and an authorization to incur costs from the state's Office of Community Development.

C. Changes

The ___(City/Parish)____ may, from time to time, request changes in the scope of the services of the CONTRACTOR to be performed hereunder. Such changes, including any increase or decrease in the amount of the CONTRACTOR's compensation, which are mutually agreed upon by and between the __(City/Parish)____ and the CONTRACTOR, shall be incorporated in written amendments to this Contract.

D. Personnel

The CONTRACTOR represents that he has, or will secure at his own expense, all personnel required in performing the services under this Contract. Such personnel shall not be employees of or have any contractual relationship with the ____(City/Parish).

All of the services required hereunder will be performed by the CONTRACTOR or under his supervision and all personnel engaged in the work shall be fully qualified and shall be authorized or permitted under state and local law to perform such services.

None of the work or services covered by this Contract shall be subcontracted without the prior written approval of the _____(City/Parish)____. Any work or services subcontracted hereunder shall be specified by written contract or agreement and shall be subject to each provision of this Contract.

E. Assignability

The CONTRACTOR shall not assign any interest in this Contract, and shall not transfer any interest in the same (whether by assignment or novation), without the prior written consent of the _____(City/Parish)____thereto. Provided, however, that claims for money by the CONTRACTOR from the ___(City/Parish)____ under this Contract may be assigned to a bank, trust company, or other financial institution without such approval. Written notice of any such assignment or transfer shall be furnished promptly to the __(City/Parish)____.

F. Reports and Information

The CONTRACTOR, at such times and in such forms as the _____(City/Parish)____ may require, shall furnish the _____(City/Parish)____ such periodic reports as it may request pertaining to the work or services undertaken pursuant to this Contract, the costs and obligations incurred or to be incurred in connection therewith, and any other matters covered by this Contract.

G. Records and Audits

The CONTRACTOR shall maintain accounts and records, including personnel, property, and financial records, adequate to identify and account for all costs pertaining to the Contract and such other records as may be deemed necessary by the ____(City/Parish)____ to assure proper accounting for all project funds, both federal and non-federal shares. These records will be made available for audit or other financial reporting purposes to the ____(City/Parish)____ or any authorized representative, and will be retained for three years after the grantee has made final payment and all other pending matters are closed.

H. Findings Confidential

All of the reports, information, data, et cetera, prepared or assembled by the CONTRACTOR under this Contract are confidential and the CONTRACTOR agrees that they shall not be made available to any individual or organization without the prior written approval of the _____(City/Parish)____.

I. Copyright

No materials, to include but not limited to reports, maps, or documents produced as a result of this contract, in whole or in part, shall be available to CONTRACTOR for copyright purposes. Any such materials produced as a result of this contract that might be subject to copyright shall be the property of the (City/Parish)___ and all such rights shall belong to the _____(City/Parish), and the _____(City/Parish)____ shall be sole and exclusive entity who may exercise such rights.

J. Compliance with Local Laws

The CONTRACTOR shall comply with all applicable laws, ordinances and codes of the state and local government, and the CONTRACTOR shall hold the _____(City/Parish)____ harmless with respect to any damages arising from any tort done in performing any of the work embraced by this Contract.

K. "Section 3" Compliance in the Provision of Training, Employment and Business Opportunities

a) The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

b) The parties to this contract agree to comply with HUD's regulations in 24 CFR Part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

c) The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each, and the name and location of the person(s) taking applications for each of the positions, and the anticipated date the work shall begin.

d) The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.

e) The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR Part 135.

f) Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

g) With respect to work performed in connection with Section 3 covered Indian housing assistance, Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of Section 3 and Section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with Section 7(b).

L. Interest of Members of the _____*(City/Parish)*____

No member of the governing body of the ___(City/Parish)_____ and no other officer, employee, or agent of the ___(City/Parish)____ who exercises any functions or responsibilities in connection with the planning and carrying out of the program, shall have any personal financial interest, direct or indirect, in this Contract; and the CONTRACTOR shall take appropriate steps to assure compliance.

M. Interest of Other Local Public Officials

No member of the governing body of the locality and no other public official of such locality, who exercises any functions or responsibilities in connection with the planning and carrying out of the program, shall have any personal financial interest, direct or indirect, in this Contract; and the CONTRACTOR shall take appropriate steps to assure compliance.

N. Interest of CONTRACTOR and Employees

The CONTRACTOR covenants that he presently has no interest and shall not acquire interest, direct or indirect, in the project area or any parcels therein or any other interest which would conflict in any manner or degree with the performance of his services hereunder. The

CONTRACTOR further covenants that in the performance of this Contract, no person having any such interest shall be employed.

O. Access to Records

The state grantor agency, the Department of Housing and Urban Development, 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 this specific contract for the purpose of audits, examinations, and making excerpts and transcriptions.

P. Retention of Records

All records connected with this contract will be maintained by the Contractor and will be maintained for a period of 3 years after the grantee has made final payments and all other pending matters are closed.

Q. All contracts, subcontracts, and subgrants in amounts in excexx of $100,000 shall comply with the requirements of Section 306 of the Clean Air Act (42 USC 1827 h), Section 508 of the Clean Water Act (33 USC 1368), Executive order 11738, and Environmental Protection Agency regulations (40 CFR part 15).

R. CONTRACTOR shall recognize mandatory standards and policies relating to energy efficiency that are contained in the State Energy Conservation Plan issued in compliance with the Energy Policy and Conservation Act (P.L. 94-163).

## A-45: VERIFICATION OF PROFESSIONAL SERVICES ELIGIBILITY

# Verification of Professional Services Eligibility

_____
*Date Received by State*

**24 CFR 85.35**

1. Request for Clearance of Professional Services is hereby made by:

Name of Grantee _____

LCDBG Contract Number _____

2. Identification of the professional firm for which clearance is requested:

Name _____

Address _____

City and State _____

Zip Code _____

Phone Number(s) _____

3. Name of the principles of the firm and their title/position are as follows.
(Complete names preferred: Example—John Buford Brown is preferable to John Brown)

| Name of Principals | Title(s) |
|---|---|
| | |
| | |
| | |

4. Description of professional services? _____

5. Signed: _____ Date _____
City/Parish CEO or Representative

6. (*To be completed by the Office of Community Development*)
Upon receipt, OCD will determine eligibility status, complete and fax or mail the form to the Grantee.

Professional firm cleared: Yes _____ No_____ Date_____

Signature, State's LCO _____

Faxed or Mailed To _____

Comments: _____

## A-46: ARCHITECT'S CERTIFICATION: COMPLIANCE WITH MINIMUM STANDARDS FOR ACCESSIBILITY BY THE PHYSICALLY HANDICAPPED

ARCHITECT, ENGINEER, OR CONTRACTOR'S CERTIFICATION

COMPLIANCE WITH MINIMUM STANDARDS FOR

ACCESSIBILITY BY THE PHYSICALLY HANDICAPPED

Contract No.: _____

Project Name: _____
Address: _____

Pursuant to the requirements of the Architectural Barriers Act of 1968, 42 U.S.C. 4151, and the regulations issued subsequent thereto, the undersigned certifies that the design of the above-mentioned project is in conformance with the minimum standards contained in the American Standard Specifications for Making Buildings and Facilities Accessible To and Usable By the Physically Handicapped, Number A-117.lR-1971 (as modified by 41 CFR 101-19.603).

Architect, Engineer or _____
Contractor for the Project:
(Legal Name and Address) _____

_____

_____

Registration Number: _____

Signature: _____
(Print Name)

Chief Elected Official's
Signature: _____
(Print Name)

Date: _____

## A-47: INTERGOVERNMENTAL COOPERATIVE AGREEMENT

# INTERGOVERNMENTAL COOPERATIVE AGREEMENT

BY AND BETWEEN THE

_____ STATE OF LOUISIANA

(Name of Police Jury/Local Government)

PARISH OF _____

AND

_____

(Political subdivision/ Fire, Water, or Sewer District)

THIS AGREEMENT is entered into on this _____ day of _____, 20_____, by and between the ___(police jury/local gov't)___, a political subdivision of the State of Louisiana, existing under the laws of the State of Louisiana, and the (name of fire, water, or sewer district)_____, a (fire, water, or sewer district) existing under and by virtue of the laws of the State of Louisiana, relative to the expenditure of funds on the FY 20_____ Louisiana Community Development Block Grant Program, dealing with the proposed (construction; purchase; maintenance; ownership) of ___(buildings, equipment)_____.

The parties do hereby mutually agree to cooperate in the undertaking or assist in undertaking the essential LCDBG activities as proposed in the above referenced Louisiana Community Development Block Grant Program and specifically, under the authority granted by virtue of Louisiana Revised Statute 33:1321, et seq and particular provisions thereof commonly known as the "Intergovernmental Functions Act:, to wit:

1. The _____(police jury/local gov't)_____ has received a Louisiana Community Development Block Grant to ___(___describe project)_____ in the jurisdiction of (fire, water, sewer district)_____. All of the said project is in the jurisdiction of the (police jury/local gov't) .

2. The _____(police jury/local gov't)_____ does hereby assume responsibility for the proper administration, implementation and payment for the said project in conformity with

and under the authority of the Louisiana Division of Administration, Community Development Block Grant Program.

3. The __(fire, water, sewer district)_____ does hereby agree and authorize the _____(police jury/local gov't)_____ to (construct/purchase) said project in accordance with the plans and specifications prepared by _____(engineering firm)_____ and to use the available land and rights of way as owned by __(fire, water, sewer district)_____.

4. The _____(policy jury/local gov't)_____ shall transfer ownership of the project to _____(fire, water, sewer district)_____ only on the condition that said _(fire, water, sewer district)_____ shall agree to properly operate and maintain said project in accordance with the terms and geographical boundaries as specified in the application approved on behalf of (policy jury/local gov't)___.

5. Specifically, the transfer of ownership shall be limited to the following property and items, to wit: (here the buildings, public facility system, etc. shall be legally described).

6. The _(fire, water, sewer district)_____ also agrees that the items or property listed above will not be transferred between districts or disposed of without LCDBG permission and complying with Federal Regulations concerning disposition of property purchased with LCDBG Funds. ( 24 CFR, Chap. V, Para. 570.489)

THUS DONE AND SIGNED by authority granted as per attached resolutions of the above respective bodies through the undersigned duly authorized officers.

WITNESSES:

_____

_____

_____

_____

_____

_____
(name of police jury/local government)

_____
PRESIDENT/MAYOR

_____
(name of fire, water, sewer district)

_____
PRESIDENT

## A-48: APPLICATION FOR UTILITY LINE CONNECTION ON PRIVATE PROPERTY

### LCDBG PUBLIC FACILITIES PROGRAM HOMEOWNER'S APPLICATION FOR SEWER OR WATER LINE CONNECTION ON PRIVATE PROPERTY

COMMUNITY:_____ CONTRACTOR:_____

PROGRAM YEAR:_____CURRENT DATE:____/_____/_____

### HOMEOWNER'S NOTIFICATION AND PRELIMINARY QUALIFICATION

The _____ has secured grant funds to install/improve a sewer or water system to serve your neighborhood. Once the sewer or water system is installed, it is each homeowner's responsibility to install a service line on your property to connect your house plumbing to the system mains.

However, if your income is less than the amount noted below for the number of people residing in your home, you may qualify to have the _____ install your service line on your property to connect your house plumbing to the sewer or water system.

Check the one that applies based on your total 20____ income, or your current income.

HUD Income Limits for FY _____PARISH _____

The Household's INCOME is:

Please **circle** the number corresponding to the income category and number of persons **living in your household**. The income is determined by computing the total income of all household residents for the last three months and then multiplying that number by four.

| | 1 Person | 2 Persons | 3 Persons | 4 Persons | 5 Persons | 6 Persons | 7 Persons | 8 Persons |
|---|---|---|---|---|---|---|---|---|
| **Moderate – less than** | | | | | | | | |
| **Low – less than** | | | | | | | | |
| **Extremely Low – less than** | | | | | | | | |

If your total household income is greater than the highest annual income listed above for the number of people in your house, you do not qualify for the free service line. You will still be able to connect to the sewer or water system but you will have to pay for the service line on your property and you do not have to complete this form.

If your income is less than the annual income allowed for the number of people in your house, proceed with completing the remainder of this form.

### AGREEMENT FOR FREE SERVICE LINE

In addition to installing all the sewer or water mains in the right-of-way and/or utility easement, the _____ will hire a contractor/plumber to install the service line from the location of the new mains to the location of your house plumbing (including the connection) at no cost to residents who qualify as low-to-moderate income households. The _____ will pay a contractor/plumber to install this service line at no cost to you, if you qualify based on the income limits, and sign and return this form requesting the service line with the proper income documentation.

I am the owner of the listed property and desire the service line to be installed by the _____. I agree to allow the _____ Officials, Engineers, and Contractors access to my property to install the service line and connect it to my house plumbing.

I, as the owner, understand that the Contractor/Plumber is required to dig and install a service line. He will use laborers, equipment, tools, materials, PVC service lines and fittings.

I also know that the property will be disturbed, but the Contractor/Plumber will try and restore the property to as close to its original condition as possible. When the work is finished, I, as the Owner, agree to maintain the service line on my property.

_____ Officials and Engineers will inspect the work to see that the job is done correctly, accept the project when completed, and pay for the service line and connection to my house.

I hereby certify that I am a low-to-moderate income household and that the total annual household income at this address is less than the limits allowed based on the total number of people living in the house and I am providing documentation to support this.

☐ I do qualify for the free service line and have completed Parts A, B and C of this form (including attaching the appropriate supporting information of the household income) and that all of this information is correct and true.

Signature of Homeowner Date

**PART A: TO BE COMPLETED BY ALL RESIDENTS REQUESTING THE FREE SERVICE LINE INSTALLATION**

Print Name of Homeowner

Address Where Service Line is Desired

Mailing Address

Phone Number

**PART B: RESIDENTS REQUESTING A FREE SERVICE LINE MUST PROVIDE AT LEAST ONE OF THE FOLLOWING:**

I am attaching at least one of the following for everyone in my household to document our income:

☐ A copy of a 20___ Federal Income Tax Return for everyone who lives in the house; or

☐ A copy of our latest report on Food Stamps or Social Security Benefits; or

☐ A copy of all of the government checks for everyone who lives in the house; or

☐ A copy of other information such as a W-2 form to document your current income.

**TO BE COMPLETED BY ALL HOUSEHOLDS REQUESTING THE FREE SERVICE LINE**

| **INCOME INFORMATION:** LIST ALL HOUSEHOLD RESIDENTS AND THEIR INCOME | | |
|---|---|---|
| **Resident's Name** | **Income Source** | **Amount ($)** |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

**PART C: RESIDENTS REQUESTING FREE SERVICE LINE CONNECTION MUST PROVIDE THE INFORMATION BELOW**

**Enter Information Regarding the Head of Household Only**

HEAD OF HOUSEHOLD: Racial Category (Check the box for the Head of Household's Racial Category):

☐ African American or Black ☐ African American or Black and White

☐ White ☐ Alaskan Native or American Indian and White

☐ Alaskan Native or American Indian ☐ Alaskan Native or American Indian and Black

☐ Asian ☐ Asian and White

☐ Native Hawaiian or Other Pacific Islander ☐ Other Multi Racial

Please **mark this box if the Head of Household is of the following ethnicity**: ☐ Hispanic or Latino

Please **mark this box if the Head of Household is female.** ☐ Female Head of Household

# LCDBG PUBLIC FACILITIES PROGRAM TENANT'S APPLICATION FOR SEWER OR WATER LINE CONNECTION ON PRIVATE PROPERTY

COMMUNITY:_____ CONTRACTOR:_____

PROGRAM YEAR:_____CURRENT DATE:____/_____/_____

## TENANT'S NOTIFICATION AND PRELIMINARY QUALIFICATION

The _____ has secured grant funds to install/improve a sewer or water system to serve your neighborhood. Once the sewer or water system is installed, it is each homeowner's responsibility to install a service line on your property to connect your house plumbing to the system mains.

However, for rental houses, if the tenant's household income is less than the amount noted below for the number of people residing in the rental unit, you may qualify to have the _____ install your service line on the property to connect the house plumbing to the sewer or water system.

Check the one that applies based on tenant's household total 20____ income, or its current income.

HUD Income Limits for FY _____PARISH _____

The Household's INCOME is:

Please **circle** the number corresponding to the income category and number of persons **living in the household**. The income is determined by computing the total income of all household residents for the last three months and then multiplying that number by four.

| | 1 Person | 2 Persons | 3 Persons | 4 Persons | 5 Persons | 6 Persons | 7 Persons | 8 Persons |
|---|---|---|---|---|---|---|---|---|
| **Moderate – less than** | | | | | | | | |
| **Low – less than** | | | | | | | | |
| **Extremely Low – less than** | | | | | | | | |

If the tenant's total household income is greater than the highest annual income listed above for the number of people in the house, as landlord you do not qualify for the free service line. The landlord will still have to connect to the sewer or water system but will have to pay for the service line on your property and this form does not need to be completed.

If the tenant's income is less than the annual income allowed for the number of people in the house, the landlord and the tenant should proceed with completing the remainder of this form.

## AGREEMENT FOR FREE SERVICE LINE

In addition to installing all the sewer or water mains in the right-of-way and/or utility easement, the _____ will hire a contractor/plumber to install the service line from the location of the new mains to the location of your house plumbing (including the connection) at no cost to the tenant or property owner which qualifies as low-to-moderate income households. The _____ will pay a contractor/plumber to install this service line at no cost to you, if the tenant qualifies based on the income limits, and the property owner and tenant sign and return this form requesting the service line with the proper income documentation.

We are the tenant and the owner of the listed rental property and desire the service line to be installed by the _____. We agree to allow the _____ Officials, Engineers, and Contractors access to the property to install the service line and connect it to the house plumbing.

We understand that the Contractor/Plumber is required to dig and install a service line. He will use laborers, equipment, tools, materials, PVC service lines and fittings.

We also know that the property will be disturbed, but the Contractor/Plumber will try and restore the property to as close to its original condition as possible. When the work is finished, I, as the property owner/landlord, agree to maintain the service line on my property.

_____ Officials and Engineers will inspect the work to see that the job is done correctly, accept the project when completed, and pay for the service line and connection to my house.

I, as the tenant, hereby certify that I am a low-to-moderate income household and that the total annual household income at this address is less than the limits allowed based on the total number of people living in the house and I am providing documentation to support this.

☐ I, as the tenant, do qualify for the free service line and have completed Parts A, B and C of this form (including attaching the appropriate supporting information of the household income) and that all of this information is correct and true.

Signature of Tenant Date Signature of Property Owner/Landlord Date

**PART A: TO BE COMPLETED BY TENANT REQUESTING THE FREE SERVICE LINE INSTALLATION**

Print Name of Tenant

Address Where Service Line is Desired

Mailing Address of Tenant

Phone Number of Tenant

**PART B: ALL TENANTS REQUESTING A FREE SERVICE LINE MUST PROVIDE AT LEAST ONE OF THE FOLLOWING:**

I am attaching at least one of the following for everyone in my household to document our income:

☐ A copy of a 20___ Federal Income Tax Return for everyone who lives in the house; or

☐ A copy of our latest report on Food Stamps or Social Security Benefits; or

☐ A copy of all of the government checks for everyone who lives in the house; or

☐ A copy of other information such as a W-2 form to document your current income.

**TO BE COMPLETED BY ALL HOUSEHOLDS REQUESTING THE FREE SERVICE LINE**

| **INCOME INFORMATION:** LIST ALL HOUSEHOLD RESIDENTS AND THEIR INCOME | | |
|---|---|---|
| **Resident's Name** | **Income Source** | **Amount ($)** |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

**PART C: TENANTS REQUESTING FREE SERVICE LINE CONNECTION MUST PROVIDE THE INFORMATION BELOW**

**Enter Information Regarding the Head of Household Only**

HEAD OF HOUSEHOLD: Racial Category (Check the box for the Head of Household's Racial Category):

☐ African American or Black ☐ African American or Black and White

☐ White ☐ Alaskan Native or American Indian and White

☐ Alaskan Native or American Indian ☐ Alaskan Native or American Indian and Black

☐ Asian ☐ Asian and White

☐ Native Hawaiian or Other Pacific Islander ☐ Other Multi Racial

Please **mark this box if the Head of Household is of the following ethnicity**: ☐ Hispanic or Latino

Please **mark this box if the Head of Household is female.** ☐ Female Head of Household

## A-49: SIGN REQUIRED AT LCDBG CONSTRUCTION SITE(S)

SIGN REQUIRED AT LCDBG CONSTRUCTION SITE(S)

All recipients of funds under the LCDBG Program must post a sign in each target area for the purpose of informing the public that the work is being financed with a grant from the Louisiana Division of Administration.

At a minimum, the sign must identify the U.S. Department of Housing and Urban Development and the Louisiana Division of Administration as the funding sources. The names of Bobby Jindal, Governor, and Paul W. Rainwater, Commissioner, must also be included. A sample format for this sign is provided for your use. The minimum size of this sign must be 42 inches by 60 inches, and the maximum size should not exceed 4 feet by 8 feet. The cost of the sign is an eligible LCDBG expense if included in the engineer's cost estimate as a project cost.

Example:

CITY OF DONNA LINN

THIS PROJECT IS BEING FUNDED BY THE

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

THROUGH THE

LOUISIANA OFFICE OF THE GOVERNOR

DIVISION OF ADMINISTRATION

BOBBY JINDAL
Governor

PAUL W. RAINWATER
Commissioner

JOHN DOE
Mayor

V.I.P. OFFICIALS
Senator/Rep

"BENEFITING THE CITY OF DONNA LINN AND ALL OF LOUISIANA"

## A-50: CONTRACT DOCUMENTS GUIDE

CONTRACT DOCUMENTS GUIDE FOR LCDBG FUNDED PROJECTS

# S A M P L E

(The actual bid/contract document must contain the specific language and procedures required by the State's Bid Law.)

TABLE OF CONTENTS

1. Bid Proposal
2. Advertisement for Bids
3. Information for Bidders
4. Bonding and Insurance Requirements
5. Louisiana Uniform Public Work Bid Form and Unit Price Form
6. Bid Bond
7. Attestations - Past Criminal Convictions of Bidders / Verification of Employees
8. Section 3 Certification of Selected Bidder
9. Contractor's/Subcontractor's Section 3 Plan, for contract(s) exceeding $100,000
10. Contractor's/Subcontractor's Section 3 Tables A & B, for contracts exceeding $100,000
11. Certification of Proposed Subcontractor Regarding Section 3 and Segregated Facilities
12. Contract
13. Certificate of Owner's Attorney
14. Performance Bond
15. Payment Bond
16. General Conditions
17. Supplemental General Conditions- **This item must be included without alterations.**
18. Federal Wage Decision

# BID PROPOSAL

Description of Project

Name of Local Governing Body

List of Contracts

Contract Number

Name and address of engineering firm, or if prepared by recipient staff, the name and address of the office to be contacted for information pertaining to project.

Bidder's Experience List

The following are contracts similar in scope to this project which the Contractor has performed within the past five (5) years:

_____

_____

_____

_____

_____

Subcontractors List

The following are Subcontractors to be employed by the Contractor:

| Name | Description of Work |
| --- | --- |
| | |
| | |
| | |
| | |
| | |
| | |

Manufacturers List

_____

_____

_____

_____

# SAMPLE

## ADVERTISEMENT FOR BIDS

Project No. _____

City of _____ (herein referred to as the "Owner")

Sealed bids marked "Sealed Bid -- City of _____ Community Development Block Grant Project for Fiscal Year ____ to be financed by the State of Louisiana CDBG Program" will be received by the Owner for the construction of the project described as follows:

Proposals shall be addressed to the City of _____, and delivered to the Office of _____ located at _____(address)_____ not later than _____ p.m., on the _____ day of _____, 20____. Sealed bids to be marked "Sealed Bid -- City of _____ Community Development Block Grant Project for Fiscal Year _____to be financed by the State of Louisiana CDBG Program". Any bid received after the specified time and date will not be considered. The sealed bids will be publicly opened and read aloud at _____ p.m. on the _____ day of _____, 20_____, in City Council Room Number _____ at the City of _____ _____ located at _____. The information for Bidders, Form of Bid Proposal, Form of Contract, Plans, Specifications, and Forms of Bid Bond, Performance Bond and Payment Bond, and other contract documents may be examined at the Office of _____ located at _____ _____. Copies may be obtained at this office upon payment of a deposit of $____ _____. This deposit will be refunded upon request in accordance with R.S. 38:2212.

The Owner reserves the right to reject any and all bids for just cause; such actions will be in accordance with Title 38 of the Louisiana Revised Statutes.

Each Bidder must deposit with his/her bid, security in the amount, form, and subject to the conditions provided in the Information for Bidders. Sureties used for obtaining bonds must appear as acceptable on the U. S. Department of Treasury Circular 570.

No bidder may withdraw his/her bid within forty-five (45) days after the actual date of the opening thereof.

The Contractor shall begin mobilization and procurement of materials within ten (10) working days of the receipt of the Notice to Proceed.

The Attention of Bidders is called particularly to the requirements for conditions of employment to be observed and minimum wage rates to be paid under the Contract, Section 3, Segregated Facilities, Executive Order 11246, and all applicable laws and regulations of the Federal government and State of Louisiana and bonding and insurance requirements.

Any person with disabilities requiring special accommodations must contact the City of _____ no later than seven (7) days prior to bid opening.

IN PARTICULAR, BIDDERS SHOULD NOTE THE REQUIRED ATTACHMENTS AND CERTIFICATIONS TO BE EXECUTED AND SUBMITTED WITH THE BID PROPOSAL.

*NOTE: Grantee may choose to insert language regarding the encouragement of minority and Section 3 businesses to submit a bid proposal.

# INFORMATION FOR BIDDERS

1. Receipt and Opening of Bids

The _____ (herein called the "Owner"), invites bids on the form attached hereto; all blanks must be appropriately filled in. Bids will be received by the Owner at the office of _____ until a.m./p.m. CST, the _____ day of _____, 20____, and then at said office publicly opened and read aloud. The envelopes containing the bids must be sealed, addressed to _____ at _____ and designated as bid for _____.

The Owner may reject any and all bids for just cause; such actions will be in accordance with Title 38 of the Louisiana Revised Statutes. Any bid may be withdrawn prior to the above scheduled time for the opening of bids or authorized postponement thereof. Any bid received after the time and date specified shall not be considered. No bidder may withdraw a bid within 45 days after the actual date of the opening thereof.

2. Preparation of Bid: Each bid must be submitted on the prescribed form. All blank spaces for bid prices must be filled in, in ink or typewritten, in both words and figures, and the foregoing certifications must be fully completed and executed when submitted.

Each bid must be submitted in a sealed envelope bearing on the outside the name of the bidder, his/her address, and the name of the project for which the bid is submitted. If forwarded by mail, the sealed envelope containing the bid must be enclosed in another envelope addressed as specified in the bid form.

3. Telegraphic Modification: Any bidder may modify his/her bid by telegraphic communication at any time prior to the scheduled closing time for receipt of bids, provided such telegraphic communication is received by the Owner prior to the closing time, and provided further, the Owner is satisfied that a written confirmation of the telegraphic modification over the signature of the bidder was mailed prior to the closing time. The telegraphic communication should not reveal the bid price but should provide the addition or subtraction of other modification so that the final prices or terms will not be known by the Owner until the sealed bid is opened. If written confirmation is not received within two days from the closing time, no consideration will be given to the telegraphic modification.

4. Method of Bidding: The Owner invites the following bid(s):

(THIS SECTION MUST BE COMPLETED)

5. Qualifications of Bidder: The Owner may make such investigations deemed necessary to determine the ability of the bidder to perform the work, and the bidder shall furnish to the Owner all such information and data for this purpose as the Owner may request. **The bidder must complete the Past Criminal Convictions of Bidders form.** The Owner reserves the right to reject any bid if the evidence submitted by, or investigation of, such bidder fails to satisfy the Owner that such bidder is responsible and is properly qualified to carry out the obligations of the contract and complete the work contemplated therein. Any conditions placed on a submitted bid shall result in rejection of such bid.

6. Bid Security: Each bid must be accompanied by cash, certified check of the bidder, or a bid bond prepared on the form of bid bond attached hereto, duly executed by the bidder as principal and having as surety thereon a surety company approved by the Owner, in the amount of 5 percent of the bid. Such cash, checks or bid bonds will be returned to all except the three lowest bidders within three days after the opening of bids, and the remaining cash, checks of bid bonds will be returned promptly after the Owner and the accepted bidder have executed the contract, or, if no award has been made within 45 days after the date of the opening of bids, upon demand of the bidder at any time thereafter, so long as he/she has not been notified of the acceptance of his/her bid.

7. Liquidated Damages for Failure to Enter into Contract: The successful bidder, upon his/her failure or refusal to execute and deliver the contract and bonds within 10 days after he/she receives notice of the acceptance of his/her bid, shall forfeit to the Owner, as Liquidated Damages for such failure or refusal, the security deposited with his/her bid.

8. Time of Completion and Liquidated Damages: Bidder must agree to commence work on or before a date to be specified in a written "Notice to Proceed" of the Owner and to fully complete the project within _____ consecutive calendar days thereafter. Bidder must agree to pay as Liquidated Damages the sum of $_____ for each consecutive calendar day thereafter until acceptance as hereinafter provided in the General Conditions.

9. Conditions of Work: Each bidder must inform him/herself fully of the conditions relating to the construction of the project and the employment of labor thereon. Failure to do so will not relieve a successful bidder of his/her obligation to furnish all materials and labor necessary to carry out the provisions of his/her contract. Insofar as possible the contractor, in carrying out the work, must employ such methods or means as will not cause any interruption of or interference with the work of any other contractor.

10. Addenda and Interpretations: No interpretation of the meaning of the plans, specifications or other pre-bid documents will be made to any bidder orally.

    Every request for such interpretation should be in writing addressed to _____, at _____(address)_____ and to be given consideration must be received at least five (5) days prior to the date fixed for the opening of bids. Any and all such interpretations and any supplemental instructions will be in the form of written addenda to the specifications which, if issued, will be mailed by certified mail with return receipt requested to all prospective bidders (at the respective addresses furnished for such purposes), not later than three (3) days prior to the date fixed for the opening of bids.

Failure of any bidder to receive any such addendum or interpretation shall not relieve such bidder from any obligation under his/her bid as submitted. All addenda so issued shall become part of the contract documents.

11. Security for Faithful Performance: Simultaneously with his/her delivery of the executed contract, the Contractor shall furnish a surety bond or bonds as security for faithful performance of this contract and for the payment of all persons performing labor on the project under this contract and furnishing materials in connection with this contract, as specified in the General Conditions included herein. The surety on such bond or bonds shall be a duly authorized surety company satisfactory to the Owner. Only those surety companies currently on the U. S. Department of Treasury Financial Management Services list of approved bonding companies will be accepted. The agent selling the bond must be currently licensed to do business in Louisiana. This will be verified by the Owner.

12. Power of Attorney: Attorneys-in-fact who sign bid bonds or contract bonds must file with each bond a certified and effectively dated copy of their power of attorney.

13. Notice of Special Conditions: Attention is particularly called to those parts of the contract documents and specifications which deal with the following:
    a. Inspection and testing of materials.
    b. Insurance requirements.
    c. Federal wage determinations.
    d. Stated allowances.

14. Laws and Regulations: The bidder's attention is directed to the fact that all applicable State laws, municipal ordinances and rules and regulations of authorities having jurisdiction over construction of the project shall apply to the contract throughout, and will be deemed to be included in the contract the same as written herein in full.

15. Method of Award - Lowest Qualified Bidder: If at the time this contract is to be awarded, the lowest base bid submitted by a responsible bidder does not exceed the amount of funds then estimated by the Owner as available to finance the contract, the contract will be awarded on the base bid only. If such bid exceeds such amount, the Owner may reject all bids or may award the contract on the base bid combined with such deductible alternates applied in numerical order in which they are listed in the Form of Bid, as produces a net amount which is within the available funds.

16. Obligation of Bidder: At the time of the opening of bids, each bidder will be presumed to have inspected the site and to have read and to be thoroughly familiar with the plans and contract documents (including all addenda). The failure or omission of any bidder to examine any form, instrument or document shall in no way relieve any bidder from any obligation with respect to his/her bid.

17. Safety Standards and Accident Prevention: With respect to all work performed under this contract, the contractor shall:

    a. Comply with the safety standards provisions of applicable laws, building and construction codes and the "Manual of Accident Prevention in Construction" published by the Associated General Contractors of America, the requirements of the Occupational Safety and Health Act of 1970 (Public Law 91-596), and the requirements of Title 29 of the Code of Federal Regulations, Section 1518 as published in the "Federal Register," Volume 36, No. 75, Saturday, April 17, 1971.

    b. Exercise every precaution at all times for the prevention of accidents and the protection of persons (including employees) and property.

    c. Maintain at his/her office or other well known place at the job site, all articles necessary for giving first aid to the injured, and shall make standing arrangements for the immediate removal to a hospital or a doctor's care of persons (including employees), who may be injured on the job site. In no case shall employees be permitted to work at a job site before the employer has made a standing arrangement for removal of injured persons to a hospital or a doctor's care.

## BONDING AND INSURANCE REQUIREMENTS

1. This attachment sets forth bonding and insurance requirements for grants. No other bonding and insurance requirement shall be imposed other than those normally required by the grantee.

2. Except as otherwise required by law, a grant that requires the contracting (or sub-contracting) for construction of facility improvements shall provide for the grantee 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 State may accept the bonding policy and requirements of the grantee provided the State has made a determination that the State's interest is adequately protected. If such a determination has not been made, the minimum requirements shall be as follows:

   (a) A bid guarantee from each bidder equivalent to five (5) percent of the bid price. The "bid guarantee" shall consist of a firm commitment such as a bid bond, certified check or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of his/her bid, execute such contractual documents as may be required within the time specified. (See Section 6 of "Information for Bidders".)

   (b) 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 of the contractor's obligations under such contract.

   (c) A payment bond on 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 law of all persons supplying labor and materials in the execution of the work provided for in the contract.

3. Where the Federal Government guarantees or insures the repayment of money borrowed by the grantee, the State, at its discretion, may require adequate bonding and insurance if the bonding and insurance requirements of the grantee are deemed inadequate to protect the interest of the Federal Government.

4. Where bonds are required in the situations described above, the bonds shall be obtained from companies holding certificates of authority as acceptable sureties (31 CFR 223).

# LOUISIANA UNIFORM PUBLIC WORK BID FORM

**TO:** _____ **BID FOR:** _____

*(Owner to provide name and address of owner)* *(Owner to provide name of project and other identifying information)*

The undersigned bidder hereby declares and represents that she/he; a) has carefully examined and understands the Bidding Documents, b) has not received, relied on, or based his bid on any verbal instructions contrary to the Bidding Documents or any addenda, c) has personally inspected and is familiar with the project site, and hereby proposes to provide all labor, materials, tools, appliances and facilities as required to perform, in a workmanlike manner, all work and services for the construction and completion of the referenced project, all in strict accordance with the Bidding Documents prepared by:_____ _____ and dated: _____

*(Owner to provide name of entity preparing bidding documents.)*

Bidders must acknowledge all addenda. The Bidder acknowledges receipt of the following **ADDENDA:** (Enter the number the Designer has assigned to each of the addenda that the Bidder is acknowledging) _____ .

**TOTAL BASE BID**: For all work required by the Bidding Documents (including any and all unit prices designated "Base Bid" * but not alternates) the sum of:

_____Dollars ($ _____)

**ALTERNATES:** For any and all work required by the Bidding Documents for Alternates including any and all unit prices designated as alternates in the unit price description.

**Alternate No. 1** *(Owner to provide description of alternate and state whether add or deduct)* for the lump sum of:

_____Dollars ($ _____)

**Alternate No. 2** *(Owner to provide description of alternate and state whether add or deduct)* for the lump sum of:

_____Dollars ($ _____)

**Alternate No. 3** *(Owner to provide description of alternate and state whether add or deduct)* for the lump sum of:

_____Dollars ($_____)

**NAME OF BIDDER:** _____

**ADDRESS OF BIDDER:**_____

_____

**LOUISIANA CONTRACTOR'S LICENSE NUMBER:** _____

**NAME OF AUTHORIZED SIGNATORY OF BIDDER:** _____

**TITLE OF AUTHORIZED SIGNATORY OF BIDDER:** _____

**SIGNATURE OF AUTHORIZED SIGNATORY OF BIDDER **:** _____

**DATE:** _____

* The Unit Price Form shall be used if the contract includes unit prices. Otherwise it is not required and need not be included with the form. The number of unit prices that may be included is not limited and additional sheets may be included if needed.

** If someone other than a corporate officer signs for the Bidder/Contractor, a copy of a corporate resolution or other signature authorization shall be required for submission of bid. Failure to include a copy of the appropriate signature authorization, if required, may result in the rejection of the bid unless bidder has complied with La. R.S. 38:2212(A)(1)(c) or RS 38:2212(O) .

**BID SECURITY** in the form of a bid bond, certified check or cashier's check as prescribed by LA RS 38:2218.A is attached to and made a part of this bid.

# LOUISIANA UNIFORM PUBLIC WORK BID FORM
## UNIT PRICE FORM

**TO:** _____

*(Owner to provide name and address of owner)*

**BID FOR:** _____

*(Owner to provide name of project and other identifying information)*

**UNIT PRICES:** This form shall be used for any and all work required by the Bidding Documents and described as unit prices. Amounts shall be stated in figures and only in figures.

| DESCRIPTION: | ❑ Base Bid or ❑ Alt.# ___ | | | |
|---|---|---|---|---|
| REF. NO. | QUANTITY: | UNIT OF MEASURE: | UNIT PRICE | UNIT PRICE EXTENSION *(Quantity times Unit Price)* |
| | | | | |

| DESCRIPTION: | ❑ Base Bid or ❑ Alt.# ___ | | | |
|---|---|---|---|---|
| REF. NO. | QUANTITY: | UNIT OF MEASURE: | UNIT PRICE | UNIT PRICE EXTENSION *(Quantity times Unit Price)* |
| | | | | |

| DESCRIPTION: | ❑ Base Bid or ❑ Alt.# ___ | | | |
|---|---|---|---|---|
| REF. NO. | QUANTITY: | UNIT OF MEASURE: | UNIT PRICE | UNIT PRICE EXTENSION *(Quantity times Unit Price)* |
| | | | | |

| DESCRIPTION: | ❑ Base Bid or ❑ Alt.# ___ | | | |
|---|---|---|---|---|
| REF. NO. | QUANTITY: | UNIT OF MEASURE: | UNIT PRICE | UNIT PRICE EXTENSION *(Quantity times Unit Price)* |
| | | | | |

| DESCRIPTION: | ❑ Base Bid or ❑ Alt.# ___ | | | |
|---|---|---|---|---|
| REF. NO. | QUANTITY: | UNIT OF MEASURE: | UNIT PRICE | UNIT PRICE EXTENSION *(Quantity times Unit Price)* |
| | | | | |

| DESCRIPTION: | ❑ Base Bid or ❑ Alt.# ___ | | | |
|---|---|---|---|---|
| REF. NO. | QUANTITY: | UNIT OF MEASURE: | UNIT PRICE | UNIT PRICE EXTENSION *(Quantity times Unit Price)* |
| | | | | |

| DESCRIPTION: | ❑ Base Bid or ❑ Alt.# ___ | | | |
|---|---|---|---|---|
| REF. NO. | QUANTITY: | UNIT OF MEASURE: | UNIT PRICE | UNIT PRICE EXTENSION *(Quantity times Unit Price)* |
| | | | | |

| DESCRIPTION: | ❑ Base Bid or ❑ Alt.# ___ | | | |
|---|---|---|---|---|
| REF. NO. | QUANTITY: | UNIT OF MEASURE: | UNIT PRICE | UNIT PRICE EXTENSION *(Quantity times Unit Price)* |
| | | | | |

**Wording for "DESCRIPTION" is to be provided by the Owner.**
**All quantities are estimated. The contractor will be paid based upon actual quantities as verified by the Owner**

# BID BOND
FOR

_____

Date: _____

KNOW ALL MEN BY THESE PRESENTS:

That_____of_____, as Principal, and_____, as Surety, are held and firmly bound unto the _____ (Obligee), in the full and just sum of five (5%) percent of the total amount of this bid, including all alternates, lawful money of the United States, for payment of which sum, well and truly be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally firmly by these presents.

Surety represents that it is listed on the current U. S. Department of the Treasury Financial Management Service list of approved bonding companies as approved for an amount equal to or greater that the amount for which it obligates itself in this instrument or that it is a Louisiana domiciled insurance company with at least an A - rating in the latest printing of the A. M. Best's Key Rating Guide. If surety qualifies by virtue of its Best's listing, the Bond amount may not exceed ten percent of policyholders' surplus as shown in the latest A. M. Best's Key Rating Guide.

Surety further represents that it is licensed to do business in the State of Louisiana and that this Bond is signed by surety's agent or attorney-in-fact. This Bid Bond is accompanied by appropriate power of attorney.

THE CONDITION OF THIS OBLIGATION IS SUCH that, whereas said Principal is herewith submitting its proposal to the Obligee on a Contract for:

_____

NOW, THEREFORE, if the said Contract be awarded to the Principal and the Principal shall, within such time as may be specified, enter into the Contract in writing and give a good and sufficient bond to secure the performance of the terms and conditions of the Contract with surety acceptable to the Obligee, then this obligation shall be void; otherwise this obligation shall become due and payable.

| | |
|---|---|
| _____ | _____ |
| PRINCIPAL (BIDDER) | SURETY |
| BY: _____ | BY:_____ |
| AUTHORIZED OFFICER-OWNER-PARTNER | AGENT OR ATTORNEY-IN-FACT(SEAL) |

January 2009

**NAME OF PROJECT** **PROJECT NUMBER**

# ATTESTATIONS

Appearer, as a Bidder on the above-entitled Public Works Project, does hereby attest that:

**LA. R.S. 38:2227 PAST CRIMINAL CONVICTIONS OF BIDDERS**

A. No sole proprietor or individual partner, incorporator, director, manager, officer, organizer, or member who has a minimum of a ten percent (10%) ownership in the bidding entity named below has been convicted of, or has entered a plea of guilty or nolo contendere to any of the following state crimes or equivalent federal crimes:

(a) Public bribery (R.S. 14:118)

(b) Corrupt influencing (R.S. 14:120)

(c) Extortion (R.S. 14:66)

(d) Money laundering (R.S. 14:23)

B. Within the past five years from the project bid date, no sole proprietor or individual partner, incorporator, director, manager, officer, organizer, or member who has a minimum of a ten percent (10%) ownership in the bidding entity named below has been convicted of, or has entered a plea of guilty or nolo contendere to any of the following state crimes or equivalent federal crimes, during the solicitation or execution of a contract or bid awarded pursuant to the provisions of Chapter 10 of Title 38 of the Louisiana Revised Statutes:

(a) Theft (R.S. 14:67)
(b) Identity Theft (R.S. 14:67.16)
(c) Theft of a business record (R.S.14:67.20)
(d) False accounting (R.S. 14:70)
(e) Issuing worthless checks (R.S. 14:71)
(f) Bank fraud (R.S. 14:71.1)
(g) Forgery (R.S. 14:72)
(h) Contractors; misapplication of payments (R.S. 14:202)
(i) Malfeasance in office (R.S. 14:134)

**LA. R.S. 38:2212.10 Verification of Employees**

A. Appearer is registered and participates in a status verification system to verify that all employees in the state of Louisiana are legal citizens of the United States or are legal aliens.

B. If awarded the contract, Appearer shall continue, during the term of the contract, to utilize a status verification system to verify the legal status of all new employees in the state of Louisiana.

C. If awarded the contract, Appearer shall require all subcontractors to submit to it a sworn affidavit verifying compliance with Paragraphs (A) and (B) of this Subsection.

**NAME OF BIDDER** **NAME OF AUTHORIZED SIGNATORY OF BIDDER**

**DATE** **TITLE OF AUTHORIZED SIGNATORY OF BIDDER**

**SIGNATURE OF AUTHORIZED SIGNATORY OF BIDDER**

# SECTION 3 CERTIFICATION OF SELECTED BIDDER

_____ _____

Name of Prime Contractor Project Name and Number

The undersigned hereby certifies that:

**(SELECT I OR II)**

I. A. The positions listed under part B that have been filled by _____ (Name of Prime Contractor) since being notified of contract selection on _____ (Date) were not filled to circumvent the contractor's obligations to provide employment opportunities, including training positions, for Section 3 residents, as required by Section 3 of the Housing and Urban Development Act of 1968 and the implementing regulations, 24 CFR Part 135.

B. Employment Positions filled since _____ (Date of Selection).

_____ _____ _____

_____ _____ _____

_____ _____ _____

_____ _____ _____

**OR**

II. No employment positions have been filled since _____(Date of Selection).

_____

Name & Title of Signer (Print or Type)

_____ _____

Signature Date

NOTICE: This Certification must be made BEFORE contract execution (24 CFR 135 135.38(e)).

**CONTRACTOR OR SUBCONTRACTOR**

(if either contract exceeds $100,000)

**Section 3 Plan Format**

_____(Name of contractor)_____agrees to implement the following specific affirmative action steps directed at increasing the utilization of lower income residents and businesses within the City of _____.

A. To ascertain from the locality's LCDBG program official the exact boundaries of the Section 3 covered project area and where advantageous, seek the assistance of local officials in preparing and implementing the affirmative action plan.

B. To attempt to recruit from within the City the necessary number of lower income residents through: local advertising media, signs placed at the proposed site for the project, and community organizations and public or private institutions operating within or serving the project area such as Service Employment and Redevelopment (SER), Opportunities Industrialization Center (OIC), Urban League, Concentrated Employment Program, Hometown Plan, or the U. S .Employment Service.

C. To maintain a list of all lower income residents who have applied either on their own or on referral from any source, and to employ such persons, if otherwise eligible and if a vacancy exists.

D. *To insert this Section 3 Plan in all bid documents, and to require all bidders on subcontracts to submit a Section 3 Plan including utilization goals and the specific steps planned to accomplish these goals.

E: *To ensure that subcontracts, which are typically let on a negotiated rather than a bid basis, in areas other than Section 3 covered project areas, are also let on a negotiated basis whenever feasible, if let in a Section 3 covered project area.

F. To formally contact unions, subcontractors, and trade associations to secure their cooperation for this program.

G. To ensure that all appropriate project area business concerns are notified of pending subcontractual opportunities.

H. To maintain records, including copies of correspondence, memoranda, etc., which document that all of the above affirmative action steps have been taken.

*Loans, grants, contracts, and subsidies for $100,000 and less are exempt.

I. To appoint or recruit an executive official of the company or agency as the Equal Opportunity Officer to coordinate the implementation of this Section 3 Plan.

J. To list on Table A information related to subcontracts to be awarded.

K. To list on Table B all projected workforce needs for all phases of this project by occupation, trade, skill level, and number of positions.

As officers and representatives of ____(Name of Contractor/Subcontractor)_____, we the undersigned have read and fully agree to this Section 3 Plan and become a party to the full implementation of this program.

_____

Signature

_____ _____

Title Date

_____

Signature

_____ _____

Title Date

TABLE A

PROPOSED SUBCONTRACTS BREAKDOWN

FOR THE PERIOD COVERING _____20___ through _____ 20___

(Duration of the CDBG-Assisted Project)

| COLUMN 1 | COLUMN 2 | COLUMN 3 | COLUMN 4 | COLUMN 5 |
|---|---|---|---|---|
| TYPE OF CONTRACT (BUSINESS OR PROFESSION) | TOTAL NUMBER OF CONTRACTS | TOTAL APPROXIMATE DOLLAR AMOUNT | ESTIMATED NUMBER OF CONTRACTS TO PROJECT AREA BUSINESSES* | ESTIMATED DOLLAR AMOUNT TO PROJECT AREA BUSINESSES* |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

* The Project Area includes the Parish in which the LCDBG Project is located.

_____
Company

_____ _____
Project Name Project Number

_____ _____
EEO Officer (Signature) Date

TABLE B
ESTIMATED PROJECT WORFORCE BREAKDOWN

| COLUMN 1 | COLUMN 2 | COLUMN 3 | COLUMN 4 | COLUMN 5 |
|---|---|---|---|---|
| Job Category | Total Estimated Positions | No. Positions Currently Occupied by Permanent Employees | No. Positions Not Currently Occupied | No. Positions To Be Filled w/ LIPAR* |
| Officers/Supervisors | | | | |
| Professionals | | | | |
| Technicians | | | | |
| Housing Sales/Rental/Mgmt. | | | | |
| Office Clerical | | | | |
| Service Workers | | | | |
| Others | | | | |

TRADE:

| | | | | |
|---|---|---|---|---|
| Journeymen | | | | |
| Apprentices | | | | |
| Maximum No. Trainees | | | | |
| Others | | | | |

TRADE:

| | | | | |
|---|---|---|---|---|
| Journeymen | | | | |
| Apprentices | | | | |
| Maximum No. Trainees | | | | |
| Others | | | | |

* Lower Income Project Area Residents (LIPAR). Individuals residing within the Parish in which the grantee is located and whose family income does not exceed 80% of the median income of the State or domicile parish.

_____
Company

SAMPLE

CERTIFICATION OF PROPOSED **SUBCONTRACTOR** REGARDING SECTION 3 AND SEGREGATED FACILITIES

_____ _____

Name of Subcontractor Project Name and Number

The undersigned hereby certifies that:

(a) Section 3 provisions are included in the Contract;

(b) A written Section 3 plan was prepared and submitted as part of the bid proceedings (if bid equals or exceeds $100,000);

(c) Tables A and B were prepared and submitted as part of the bid proceedings (if bid equals or exceeds $100,000); and

(d) No segregated facilities will be maintained as required by Title VI of the Civil Rights Act of 1964.

_____

Name & Title of Signer (Print or Type)

_____ _____

Signature Date

CONTRACT

THIS AGREEMENT, made this _____ day of _____, 20 _____, by and

between _____,
(Corporate Name of Owner)

herein called "Owner," acting herein through its _____

_____, and
(Title of Authorized Official)

_____ a corporation, a partnership, an

individual doing business as _____
(Strike Out Inapplicable Terms)

of _____, Parish of _____, and State

of _____, hereinafter called "Contractor."

WITNESSETH: That for and in consideration of the payments and agreements hereinafter mentioned, to be made and performed by the OWNER, the CONTRACTOR hereby agrees with the OWNER to commence and complete the construction described as follows:

hereinafter called the project, for the sum of _____ Dollars ($_____) and all extra work in connection therewith, under the terms as stated in the General and Special Conditions of the contract; and at his/her (its/their) own proper cost and expense to furnish all the materials, supplies, machinery, equipment, tools, superintendence, labor, insurance, and other accessories and services necessary to complete the said project in accordance with the General conditions and Supplemental General Conditions and Special Conditions _____ prints, and other drawings and printed or written explanatory matter thereof, the specifications and contract documents therefore as prepared by _____, herein entitled the Architect/ Engineer, and as enumerated in Paragraph 1 of the Supplemental General Conditions, all of which are made a part hereof and collectively evidence and constitute the contract.

The Contractor hereby agrees to commence work under this contract on or before a date to be specified in a written "Notice to Proceed" of the Owner to fully complete the project within _____ consecutive calendar days thereafter. The Contractor further agrees to pay, as Liquidated Damages, the sum of $_____ for each consecutive calendar day thereafter as hereinafter provided in Paragraph 19 of the General Conditions.

The OWNER agrees to pay the CONTRACTOR in current funds for the performance of the contract, subject to additions and deductions, as provided in Paragraph 25, "Payments to Contractor," of the General Conditions.

IN WITNESS WHEREOF, the parties to these present have executed this contract in six (6) counterparts, each of which shall be deemed an original, in the year and day first above mentioned.

(Seal)

ATTEST:

_____
(Owner)

By _____

(Secretary)

_____
(Witness) (Title)

(Seal)

_____
(Contractor)

By _____
(Secretary)

_____
(Witness) (Title)

_____
(Address and Zip Code)

NOTE: Secretary of the Owner should attest. If Contractor is a corporation, Secretary should attest.

# CERTIFICATE OF OWNER'S ATTORNEY

I, the undersigned, _____, the duly authorized and acting legal representative of _____ _____ do hereby certify as follows:

I have examined the attached contract(s) and surety bonds and the manner of execution thereof, and I am of the opinion that each of the aforesaid agreements have been duly executed by the proper parties thereto acting through their duly authorized representatives; that said representatives have full power and authority to execute said agreements on behalf of the respective parties named thereon; and that the foregoing agreements constitute valid and legally binding obligations upon the parties executing the same in accordance with terms, conditions and provisions thereof.

_____ _____

SIGNATURE TYPE OR PRINT NAME

_____

DATE

# PERFORMANCE BOND

**KNOW ALL MEN BY THESE PRESENTS:** that _____ (Name of Contractor)

_____ (Address of Contractor)

a _____ (Corporation, Partnership, or Individual),

hereinafter called Principal, and _____ (Name of Surety)

_____ (Address of Surety)

hereinafter called Surety, are held and firmly bound unto _____ (Name of Owner)

_____ (Address of Owner)

hereinafter called Owner, in the penal sum of _____ Dollars, $(_____)

in lawful money of the United States for the payment of which sum well and truly to be made, we bind ourselves, successors, and assigns, jointly and severally, firmly by these presents.

**THE CONDITION OF THIS OBLIGATION** is such that whereas, the Principal entered into a certain contract

with the Owner, dated the _____ day of _____, 20_____,

a copy of which is hereto attached and made a part hereof for the construction of:

_____

_____

**NOW, THEREFORE,** if the Principal shall well, truly and faithfully perform its duties, all the undertakings, covenants, terms, conditions, and agreements of said contract during the original term thereof, and any extensions thereof which may be granted by the Owner, with or without notice to the Surety and during the one year guaranty period, and if he shall satisfy all claims and demands incurred under such contract, and shall fully indemnify and save harmless the Owner from all costs and damages which it may suffer by reason of failure to do so, and shall reimburse and repay the Owner all outlay and expense which the Owner may incur in making good any default, then this obligation shall be void; otherwise to remain in full force and effect.

**PROVIDED, FURTHER,** that the said Surety, for value received hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract or to the Work to be performed thereunder or the Specifications accompanying the same shall in any wise affect its obligation on this Bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the contract or to the Work or to the Specifications.

**PROVIDED, FURTHER,** that no final settlement between the Owner and the Contractor shall abridge the right of any beneficiary hereunder, whose claim may be unsatisfied.

**IN WITNESS WHEREOF,** this instrument is executed in _____ (Number) counterparts, each one of which shall be deemed an original, this the _____ day of _____, 20_____.

**ATTEST:**

_____
(PRINCIPAL) SECRETARY

(SEAL)

_____
PRINCIPAL (BIDDER)

By: _____
AUTHORIZED OFFICER-OWNER-PARTNER

_____

_____
WITNESS AS TO PRINCIPAL

_____
ADDRESS

**ATTEST:**

_____
SURETY

By: _____(SEAL)
ATTORNEY-IN-FACT

_____
WITNESS AS TO SURETY

_____
TYPED OR PRINTED NAME

**COUNTERSIGNATURE**

I certify that I am, as of the date of this Bond, contracted with the surety company or bond issuer as an agent of the company or issuer as a licensed agent in the State of Louisiana in good standing with the Louisiana Insurance Commission.

By: _____

_____
NAME OF AGENCY

_____
TYPED OR PRINTED NAME

_____

_____
AGENT LICENSE NUMBER

_____
ADDRESS

NOTE: Date of Bond must not be prior to date of Contract. If Contractor is a Partnership, all partners should execute Bond.

# PAYMENT BOND

**KNOW ALL MEN BY THESE PRESENTS:** that _____ (Name of Contractor)

_____ (Address of Contractor

a _____ (Corporation, Partnership, or Individual),

hereinafter called Principal, and _____ (Name of Surety)

_____ (Address of Surety)

hereinafter called Surety, are held and firmly bound unto _____ (Name of Owner)

_____ (Address of Owner)

hereinafter called Owner, in the penal sum of _____ Dollars, $(_____)

in lawful money of the United States for the payment of which sum well and truly to be made, we bind ourselves, successors, and assigns, jointly and severally, firmly by these presents.

**THE CONDITION OF THIS OBLIGATION** is such that whereas, the Principal entered into a certain

contract with the Owner, dated the _____ day of _____, 20_____,

a copy of which is hereto attached and made a part hereof for the construction of:

_____

_____

**NOW, THEREFORE,** if the Principal shall promptly make payment to all persons, firms, Subcontractors, and corporations furnishing materials for or performing labor in the prosecution of the Work provided for in such contract, and any authorized extension or modification thereof, including all amounts due for materials, lubricants, oil, gasoline, coal and coke, repairs on machinery, equipment and tools, consumed or used in connection with the construction of such Work, and all insurance premiums on said Work, and for all labor, performed in such Work whether by Subcontractor or otherwise, then this obligation shall be void; otherwise to remain in full force and effect.

**PROVIDED, FURTHER,** that the said Surety, for value received hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract or to the Work to be performed thereunder or the Specifications accompanying the same shall in any wise affect its obligation on this Bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the contract or to the Work or to the Specifications.

**PROVIDED, FURTHER,** that no final settlement between the Owner and the Contractor shall abridge the right of any beneficiary hereunder, whose claim may be unsatisfied.

**IN WITNESS WHEREOF,** this instrument is executed in _____ (Number) counterparts, each one of which shall be deemed an original, this the _____ day of _____, 20_____.

**ATTEST:**

_____
(PRINCIPAL) SECRETARY

(SEAL)

_____
WITNESS AS TO PRINCIPAL

_____
PRINCIPAL (BIDDER)

By: _____
AUTHORIZED OFFICER-OWNER-PARTNER

_____

_____
ADDRESS

**ATTEST:**

_____
SURETY

By: _____(SEAL)
ATTORNEY-IN-FACT

_____
WITNESS AS TO SURETY

_____
TYPED OR PRINTED NAME

**COUNTERSIGNATURE**

I certify that I am, as of the date of this Bond, contracted with the surety company or bond issuer as an agent of the company or issuer as a licensed agent in the State of Louisiana in good standing with the Louisiana Insurance Commission.

By: _____

_____
TYPED OR PRINTED NAME

_____
AGENT LICENSE NUMBER

_____
NAME OF AGENCY

_____

_____
ADDRESS

NOTE: Date of Bond must not be prior to date of Contract. If the Contractor is a Partnership, all partners should execute Bond.

CERTIFICATE AS TO CORPORATE PRINCIPAL

I, _____, certify that I am the Secretary of the Corporation named as Principal in the within bond; that _____ _____ who signed the said bond on behalf of the Principal was then _____ of said corporation; that I know his/her signature, and his/her signature thereto is genuine; and that said bond was duly signed, sealed, and attested to on behalf of said corporation by authority of this governing body.

Signature : _____

Title: _____

(Corporate Seal)

CERTIFICATE AS TO SURETY

I, _____, certify that I am the _____(Title)_____ of the Surety who signed the bond. I certify that we are licensed to do business in the State of Louisiana and are currently recognized by the U. S. Department of the Treasury as acceptable sureties.

Signature: _____

Title: _____

Power of Attorney for person signing for surety company must be attached to bond.

# LOUISIANA COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

## GENERAL CONDITIONS

1. Contract and Related Contract Documents

The project to be constructed and pursuant to this contract will be financed with the assistance of the Louisiana Community Development Block Grant Program and is subject to all applicable Federal laws and regulations.

The plans, specifications and addenda, hereinafter enumerated in Paragraph 1 of the Supplemental General Conditions shall form part of this Contract and the provisions thereof shall be as binding upon the parties hereto as if they were herein fully set forth. The Table of Contents, titles, headings, running headlines and marginal notes contained herein and in said documents are solely to facilitate reference to various provisions of the Contract Documents and in no way affect, limit or cast light on the interpretation of the provisions to which they refer.

Contents

1. Contract and Related Contract Documents
2. Definitions
3. Additional Instructions and Detail Drawings
4. Shop or Setting Drawings
5. Materials, Services, and Facilities
6. Contractor's Title to Materials
7. Inspection and Testing of Materials
8. "Or Equal" Clause
9. Patents
10. Surveys, Permits, and Regulations
11. Contractor's Obligations
12. Weather Conditions
13. Protection of Work and Property – Emergency
14. Inspection
15. Reports, Records, and Data
16. Superintendence by Contractor
17. Changes in Work
18. Extras
19. Time for Completion and Liquidated Damages
20. Correction of Work
21. Subsurface Conditions Found Different
22. Claims for Extra Cost
23. Right of Owner to Terminate Contract for Cause and Convenience
24. Construction Schedule and Periodic Estimates
25. Payments to Contractor
26. Acceptance of Final Payment Constitutes Release
27. Payments by contractor
28. Insurance
29. Contract Security
30. Additional or Substitute Bond
31. Assignments
32. Mutual Responsibility of Contractor
33. Separate Contract
34. Subcontracting
35. Architect/Engineer's Authority
36. Stated Allowances
37. Use of Premises and Removal of Debris
38. Quantities of Estimate
39. Lands and Rights of Way
40. General Guaranty
41. Conflicting Conditions
42. Notice and Service Thereof
43. Provisions Required By Law Deemed Inserted
44. Protection of Lives and Health
45. Subcontracts
46. Interest of Member of Delegate to Congress
47. Other Prohibited Interests
48. Use and Occupancy Prior to Acceptance by Owner
49. Photographs of the Project
50. Suspension of Work
51. Federal Labor Standards Provisions

2. Definitions

The following terms as used in this contract are respectively defined as follows:

(a) "Contractor": A person, firm or corporation with whom the contract is made by the Owner.

(b) "Subcontractor": A person, firm, or corporation supplying labor and materials or only labor for work at the site of the project for, and under separate contract or agreement with the Contractor.

(c) "Work on (at) the project": Work to be performed at the location of the project, including the transportation of materials and supplies to or from the location of the project by employees of the Contractor and any Subcontractor.

3. Additional Instructions and Detail Drawings

The Contractor will be furnished additional instructions and detail drawings. The drawings and instructions thus supplied to the Contractor will coordinate with the Contract Documents and will be so prepared that they can be reasonably interpreted as part thereof. The Contractor shall carry out the work in accordance with the additional detail drawings and instructions. The Contractor and the Architect/Engineer will prepare jointly (a) a schedule, fixing the dates at which special detail drawings will be required, such drawings, if any, are to be furnished by the Architect/Engineer in accordance with said schedule, and (b) a schedule fixing the respective dates for the submission of shop drawings, the beginning of manufacture, testing and installation of materials, supplies and equipment, and the completion of the various parts of the work; each such schedule to be subject to change from time to time in accordance with the progress of the work.

4. Shop or Setting Drawings

The Contractor shall submit promptly to the Architect/Engineer two copies of each shop or setting drawing prepared in accordance with the schedule predetermined as aforesaid. After examination of such drawings by the Architect/Engineer and the return thereof, the Contractor shall make such corrections to the drawings as have been indicated and shall furnish the Architect/Engineer with two corrected copies. If requested by the Architect/Engineer, the Contractor must furnish additional copies.

Regardless of corrections made in or approval given to such drawings by the Architect/Engineer, the Contractor will nevertheless be responsible for the accuracy of such drawings and for their conformity to the Plans and Specifications, unless he notifies the Architect/Engineer in writing of any deviations at the time he furnishes such drawings.

5. Materials, Services, and Facilities

(a) It is understood that except as otherwise specifically stated in the Contract Documents, the Contractor shall provide and pay for all materials, labor, tools, equipment, water, light, power, transportation, superintendence, temporary construction of every nature, and all other services and facilities of every nature whatsoever necessary to execute, complete, and deliver the work within the specified time.

(b) Any work necessary to be performed after regular working hours, on Sundays or legal holidays, shall be performed without additional expense to the Owner.

6. Contractor's Title to Materials

No materials or supplies for the work shall be purchased by the Contractor or by a subcontractor subject to any chattel mortgage or under a conditional sale contract or other agreement by which an interest is retained by the seller. The Contractor warrants that he has good title to all materials and supplies used by him in the work, free from all liens, claims or encumbrances.

7. Inspection and Testing of Materials

(a) All materials and equipment used in the construction of the project shall be subject to adequate inspection and testing in accordance with accepted standards. The laboratory or inspection agency shall be selected by the Owner. The Owner will pay for all laboratory inspection services direct and not as a part of the contract.

(b) Materials of construction, particularly those upon which the strength and durability of the structure may depend, shall be subject to inspection and testing to establish conformance with specifications and suitability for uses intended.

8. "Or Equal" Clause

Whenever a material, article or piece of equipment is identified on the plans or in the specification by reference to manufacturer's or vendor's names, trade names, catalogue numbers, etc., it is intended merely to establish a standard, and, any material, article, or equipment of other manufacturers and vendors which will perform adequately the duties imposed by the general design will be considered equally acceptable provided the material, article, or equipment so proposed, is, in the opinion of the Architect/ Engineer, of equal substance and function. It shall not be purchased or installed by the contractor without the Architect/Engineer's written approval.

9. Patents

(a) The Contractor shall hold and save the Owner and its officers, agents, servants, and employees harmless from liability of any nature or kind, including cost and expenses

for, or on account of any patented or unpatented invention, process, article, or appliance manufactured or used in the performance of the contract including its use by the Owner, unless otherwise specifically stipulated in the Contract Document.

(b) License or Royalty Fees: License and/or Royalty Fees for the use of a process which is authorized by the Owner of the project must be reasonable, and paid to the holder of the patent, or his authorized license, direct by the Owner and not by or through the Contractor.

(c) If the Contractor uses any design device or materials covered by letters, patent or copyright, he shall provide for such use by suitable agreement with the owner of such patented or copy-righted design device or material. It is mutually agreed and understood, that without exception the contract prices shall include all royalties or costs arising from the use of such design, device or materials, in any way involved in the work. The Contractor and/or his Sureties shall indemnify and save harmless the Owner of the project from any and all claims for infringement by reason of the use of such patented or copy-righted design, device or materials or any trademark or copy-right in connection with work agreed to be performed under this contract, and shall indemnify the Owner for any cost, expense, or damage which it may be obliged to pay by reason of such infringement at any time during the prosecution of the work or after completion of the work.

10. Surveys, Permits, and Regulations

Unless otherwise expressly provided for in the Specifications, the Owner will furnish to the Contractor all surveys necessary for the execution of the work.

The Contractor shall procure and pay all permits, licenses and approvals necessary for the execution of his contract.

The Contractor shall comply with all laws, ordinances, rules, orders, and regulations relating to performance of the work, the protection of adjacent property, and the maintenance of passageways, guard fences or other protective facilities.

11. Contractor's Obligations

The Contractor shall and will, in good workmanlike manner, do and perform all work and furnish all supplies and materials, machinery, equipment, facilities and means, except as herein otherwise expressly specified, necessary or proper to perform and complete all the work required by this contract, within the time herein specified in accordance with the provisions of this contract and said specifications and in accordance with the plans and drawings covered by this contract any and all supplemental plans and drawings, and in accordance with the directions of the Architect/Engineer as given from time to time during the progress of the work. He shall furnish, erect, maintain, and remove such construction plant and such temporary works as may be required.

The Contractor shall observe, comply with, and be subject to all terms, conditions, requirements, and limitations of the contract and specifications, and shall do, carry on, and complete the entire work to the satisfaction of the Architect/Engineer and the Owner.

12. Weather Conditions

In the event of temporary suspension of work, or during inclement weather, or whenever the Architect/Engineer shall direct, the Contractor will, and will cause his subcontractors to protect carefully his and their work and materials against damage or injury from the weather. If, in the opinion of the Architect/Engineer, any work or materials shall have been damaged or injured by reason of failure on the part of the Contractor or any of his Subcontractors to so protect his work, such materials shall be removed and replaced at the expense of the Contractor.

13. Protection of Work and Property - Emergency

The Contractor shall at all times safely guard the Owner's property from injury or loss in connection with this contract. He shall at all times safely guard and protect his own work, and that of adjacent property from damage. The Contractor shall replace or make good any such damage, loss or injury unless such be caused directly by errors contained in the contract or by the Owner, or his duly authorized representatives.

In case of an emergency which threatens loss or injury of property, and/or safety of life, the Contractor will be allowed to act, without previous instructions from the Architect/ Engineer, in a diligent manner. He shall notify the Architect/Engineer immediately thereafter. Any claim for compensation by the Contractor due to such extra work shall be promptly submitted to the Architect/Engineer for approval.

Where the Contractor has not taken action but has notified the Architect/Engineer of an emergency threatening injury to persons or damage to the work or any adjoining property, he shall act as instructed or authorized by the Architect/Engineer.

The amount of reimbursement claimed by the Contractor on account of any emergency action shall be determined in the manner provided in Paragraph 17 of the General Conditions.

14. Inspection

The authorized representatives and agents of the Department of Housing and Urban Development shall be permitted to inspect all work, materials, payrolls, records of personnel, invoices of materials, and other relevant data and records.

15. Reports, Records, and Data

The Contractor shall submit to the Owner such schedule of quantities and cost, progress schedules, payrolls, reports, estimates, records and other data as the Owner may request concerning work performed or to be performed under this contract.

16. Superintendence by Contractor

At the site of the work, the Contractor shall employ a construction superintendent or foreman who shall have full authority to act for the Contractor. It is understood that such representation shall be acceptable to the Architect/Engineer and shall be one who can be continued in that capacity for the particular job involved unless he ceases to be on the Contractor's payroll.

17. Changes in Work

No changes in the work covered by the approved Contract Document shall be made without having prior written approval of the Owner. Charges or credits for the work covered by the approved change shall be determined by one or more, or a combination of the following methods:

(a) Unit bid prices previously approved.

(b) An agreed lump sum.

(c) The actual cost of:

1. Labor, including foremen;
2. Materials entering permanently into the work;
3. The ownership or rental cost of construction plant and equipment during the time of use on the extra work;
4. Power and consumable supplies for the operation of power equipment;
5. Insurance;
6. Social Security and old age and unemployment contributions.

To the cost under (c) there shall be added a fixed fee to be agreed upon but not to exceed fifteen percent (15%) of the actual cost of the work. The fee shall be compensation to cover the cost of supervision, overhead, bond, profit and any other general expenses.

18. Extras

Without invalidating the contract, the Owner may order extra work or make changes by altering, adding to or deducting from the work, the contract sum being adjusted accordingly, and the consent of the Surety being first obtained where necessary or desirable. All the work of the kind bid upon shall be paid for at the price stipulated in the proposal, and no claims for any extra work or materials shall be allowed unless the work is ordered in writing by the Owner or its Architect/Engineer, acting officially for the Owner, and the price is stated in such order.

19. Time for Completion and Liquidated Damages

It is hereby understood and mutually agreed, by and between the Contractor and the Owner, that the date of beginning and the time for completion as specified in the contract

of the work to be done hereunder are ESSENTIAL CONDITIONS of this contract; and it is further mutually understood and agreed that the work embraced in this contract shall be commenced on a date to be specified in the "Notice to Proceed".

The Contractor agrees that said work shall be prosecuted regularly, diligently, and uninterruptedly at such rate of progress as will ensure full completion thereof within the time specified. It is expressly understood and agreed, by and between the Contractor and the Owner, that the time for the completion of the work described herein is a reasonable time for the completion of the same, taking into consideration the average climatic range and usual industrial conditions prevailing in this locality.

If the said Contractor shall neglect, fail or refuse to complete the work within the time herein specified, or any proper extension thereof granted by the Owner, then the Contractor does hereby agree, as a partial consideration for the awarding of this contract, to pay to the Owner the amount specified in the contract, not as a penalty but as Liquidated Damages for such breach of contract as hereinafter set forth, for each and every calendar day that the Contractor shall be in default after the time stipulated in the contract for completing the work.

The said amount is fixed and agreed upon by and between the Contractor and the Owner because of the impracticability and extreme difficulty of fixing and ascertaining the actual damages the Owner would in such event sustain, and said amount is agreed to be the amount of damages which the Owner would sustain and said amount shall be retained from time to time by the Owner from current periodical estimates.

It is further agreed that time is of the essence of each and every portion of this contract and of the specifications wherein a definite and certain length of time is fixed for the performance of any act whatsoever: and where under the contract any additional time is allowed for the completion of any work, the new time limit fixed by such extension shall be of the essence of this contract. Provided, that the Contractor shall not be charged with Liquidated Damages or any excess cost when the Owner determines that the Contractor is without fault and the Contractor's reasons for the time extension are acceptable to the Owner; Provided, further, that the Contractor shall not be charged with Liquidated Damages or any excess cost when the delay in completion of the work is due:

(a) To any preference, priority or allocation order duly issued by the Government;

(b) To unforeseeable cause beyond the control and without the fault or negligence of the Contractor, including, but not restricted to, acts of God, or of the public enemy, acts of the Owner, acts of another Contractor in the performance of a contract with the Owner, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and severe weather; and

(c) To any delays of subcontractors or suppliers occasioned by any of the causes specified in subsections (a) and (b) of this article.

Provided, further, that the Contractor shall, within ten (10) days from the beginning of such delay, unless the Owner shall grant a further period of time prior to the date of final settlement of the contract, notify the Owner, in writing of the causes of the delay, who shall ascertain the facts and extent of the delay and notify the Contractor within a reasonable time of its decision in the matter.

20. Correction of Work

All work, all materials, whether incorporated in the work or not, all processes of manufacture, and all methods of construction shall be at all times and places subject to the inspection of the Architect/Engineer who shall be the final judge of the quality and suitability of the work, materials, processes of manufacture, and methods of construction for the purposes for which they are used. Should they fail to meet his approval they shall be forthwith reconstructed, made good, replaced and/or corrected, as the case may be, by the Contractor at the Contractor's own expense. Rejected material shall immediately be removed from the site. If, in the opinion of the Architect/ Engineer, it is undesirable to replace any defective or damaged materials or to reconstruct or correct any portion of the work injured or not performed in accordance with the Contract Documents, the compensation to be paid to the Contractor hereunder shall be reduced by such amount as in the judgment of the Architect/Engineer shall be equitable.

21. Subsurface Conditions Found Different

Should the contractor encounter subsurface and/or latent conditions at the site materially differing from those shown on the Plans or indicated in the Specifications, he shall immediately give notice to the Architect/Engineer of such conditions before they are disturbed. The Architect/Engineer will thereupon promptly investigate the conditions, and if he finds that they materially differ from those shown on the Plans and/or in the Specifications, he will at once make such changes in the Plans and/or Specifications as he may find necessary, any increase or decrease of cost resulting from such changes to be adjusted in the manner provided in Paragraph 17 of the General Conditions.

22. Claims for Extra Cost

No claim for extra work or cost shall be allowed unless the same was done in pursuance of a written order of the Architect/Engineer, approved by the Owner, as aforesaid, and the claim presented with the first estimate after the changed or extra work is done. When work is performed under the terms of subparagraph 17(c) of the General Conditions, the Contractor shall furnish satisfactory bills, payrolls and vouchers covering all items of cost and when requested by the Owner, give the Owner access to accounts relating thereto.

23. Right of Owner to Terminate Contract for Cause and Convenience

In the event that any of the provisions of this contract are violated by the Contractor, or by any of his subcontractors, the Owner may serve written notice upon the Contractor and the Surety of its intention to terminate the contract, such notice to contain the reason

for such intention to terminate the contract, and unless within ten (10) days after the serving of such notice upon the Contractor, such violation or delay shall cease and satisfactory arrangement of correction be made, the contract shall, upon the expiration of said ten (10) days, cease and terminate. In the event of any such termination, the Owner shall immediately serve notice thereof upon the Surety and Contractor and the Surety shall have the right to take over and perform the contract. Provided, however, that if the Surety does not commence performance thereof within ten (10) days from the date of the mailing to such Surety of notice of termination, the Owner may take over the work and prosecute the same to completion by contract or by force account for the account and at the expense of the Contractor and the Contractor and his Surety shall be liable to the Owner for any excess cost occasioned the Owner thereby, and in such event the Owner may take possession of and utilize in completing the work, such materials, appliances, and plant as may be on the site of the work and necessary therefore.

24. Construction Schedule and Periodic Estimates

Immediately after execution and delivery of the contract, and before the first partial payment is made, the Contractor shall deliver to the Owner an estimated construction progress schedule in form satisfactory to the Owner, showing the proposed dates of commencement and completion of each of the various subdivisions of work required under the Contract Documents and the anticipated amount of each monthly payment that will become due the Contractor in accordance with the progress schedule. The Contractor shall also furnish on forms to be supplied by the Owner (a) a detailed estimate giving a complete breakdown of the contract price and (b) periodic itemized estimates of work done for the purpose of making partial payments thereon. The costs employed in making up any of these schedules will be used only for determining the basis of partial payments and will not be considered as fixing a basis for additions to or deductions from the contract price.

25. Payments to Contractor (This section must be prepared in accordance with the requirements of the State's bid law.)

(a) The Owner shall take measures to facilitate a progress payment to the Contractor not later than 25 days after receipt and approval of a duly certified estimate of work performed. The Owner’s approval may be contingent upon the receipt of timely payrolls, written inspection reports, compliance with labor regulations and the Contractor’s performance under the terms of the contract. The Owner may withhold up to 10 percent of the contract price on projects of less than $500,000 and 5 percent of the contract price on projects of $500,000 or more until the expiration of 45 days after the recordation of formal Notice of Substantial Completion, or notice of default by the Contractor or Subcontractor.

(b) In preparing estimates the material delivered on the site and preparatory work done may be taken into consideration.

(c) All material and work covered by partial payments made shall thereupon become the sole property of the Owner, but this provision shall not be construed as relieving the Contractor from the sole responsibility for the care and protection of material and work upon which payments have been made or the restoration of any damaged work, or as a waiver of the right of the Owner to require the fulfillment of all of the terms of the contract.

(d) Owner's Right to Withhold Certain Amounts and Make Application Thereof: The Contractor agrees that he will indemnify and save the Owner harmless from all claims growing out of the lawful demands of subcontractors, laborers, workmen, mechanics, material men, and furnishers of machinery and parts thereof, equipment, power tools, and all supplies, including commissary, incurred in the furtherance of the performance of this contract. The Contractor shall, at the Owner's request, furnish satisfactory evidence that all obligations of the nature herein above designated have been paid, discharged, or waived. If the Contractor fails so to do, then the Owner may, after having served written notice on the said Contractor, either pay unpaid bills, of which the Owner has written notice, direct, or withhold from the Contractor's unpaid compensation a sum of money deemed reasonably sufficient to pay any and all such lawful claims until satisfactory evidence is furnished that all liabilities have been fully discharged whereupon payment to the Contractor shall be resumed, in accordance with the terms of this contract, but in no event shall the provisions of this sentence be construed to impose any obligations upon the Owner to either the Contractor or his Surety. In paying any unpaid bills of the Contractor, the Owner shall be deemed the agent of the Contractor, and any payment so made by the Owner shall be considered as a payment made under the contract by the Owner to the Contractor and the Owner shall not be liable to the contractor for any such payments made in good faith.

26. Acceptance of Final Payment Constitutes Release

The acceptance by the Contractor of final payment shall be and shall operate as release to the Owner of all claims and all liability to the Contractor for all things done or furnished in connection with this work and for every act and neglect of the Owner and others relating to or arising out of this work. No payment, however, final or otherwise, shall operate to release the Contractor or his sureties from any obligation under this contract or the Performance Bond or the Payment Bond.

27. Payments by Contractor

The Contractor shall pay (a) for all transportation and utility services not later than the 20th day of the calendar month following that in which services are rendered, (b) for all materials, tools, and other expendable equipment to the extent of ninety percent (90%) of the cost thereof, not later than the 20th day of the calendar month following that in which such materials, tools, and equipment are delivered at the site of the project, and the balance of the cost thereof, not later than the 30th day following the completion of that part of the work in or on which such materials, tools, and equipment are incorporated or

used, and (c) to each of his subcontractors, not later than the 5th day following each payment to the Contractor, the respective amounts allowed the Contractor on account of the work performed by his subcontractors to the extent of each subcontractor's interest therein.

28. Insurance

The Contractor shall not commence work under this contract until he has obtained all the insurance required under this paragraph and such insurance has been approved by the Owner, nor shall the Contractor allow any subcontractor to commence work on his subcontract until the insurance required of the subcontractor has been so obtained and approved.

(a) Compensation Insurance: The Contractor shall procure and shall maintain during the life of this contract Workmen's Compensation Insurance as required by applicable State or territorial law for all of his employees to be engaged in work at the site of the project under this contract and, in case of any such work sublet, the Contractor shall require the subcontractor similarly to provide Workmen's Compensation Insurance for all of the latter's employees to be engaged in such work unless such employees are covered by the protection afforded by the Contractor's Workmen's Compensation Insurance. In case any class of employees engaged in hazardous work on the project under this contract is not protected under the Workmen's Compensation Statute, the Contractor shall provide and shall cause each subcontractor to provide adequate employer's liability insurance for the protection of such of his employees as are not otherwise protected.

(b) Contractor's Public Liability and Property Damage Insurance and Vehicle Liability Insurance: The Contractor shall procure and shall maintain during the life of this contract Contractor's Public Liability Insurance, Contractor's Property Damage Insurance and Vehicle Liability Insurance in the amounts specified in the Supplemental General Conditions.

(c) Subcontractor's Public Liability and Property Damage Insurance and Vehicle Liability Insurance: The Contractor shall either (1) require each of his subcontractors to procure and to maintain during the life of his subcontract, subcontractor's Public Liability and Property Damage Insurance and Vehicle Liability Insurance of the type and in the amounts specified in the Supplemental General Conditions specified in subparagraph (b) hereof or, (2) insure the activities of his policy, specified in subparagraph (b) hereof.

(d) Scope of Insurance and Special Hazards: The insurance required under subparagraphs (b) and (c) hereof shall provide adequate protection for the Contractor and his subcontractors, respectively, against damage claims which may arise from operations under this contract, whether such operations be by the insured or by anyone directly or indirectly employed by him and, also against any of the special

hazards which may be encountered in the performance of this contract as enumerated in the Supplemental General Conditions.

(e) Builder's Risk Insurance (Fire and Extended Coverage): Until the project is completed and accepted by the Owner, the Owner, or Contractor (at the Owner's option as indicated in the Supplemental General Conditions, Form HUD-4328-N) is required to maintain Builder's Risk Insurance (fire and extended coverage) on a 100 percent completed value basis on the insurable portion of the project for the benefit of the Owner, the Contractor, subcontractors as their interests may appear. The Contractor shall not include any costs for Builder's Risk Insurance (fire and extended coverage) premiums during construction unless the Contractor is required to provide such insurance: however, this provision shall not release the Contractor from his obligation to complete, according to plans and specifications, the project covered by the contract, and the Contractor and his Surety shall be obligated to full performance of the Contractor's undertaking.

(f) Proof of Carriage of Insurance: The Contractor shall furnish the Owner with certificates showing the type, amount, class of operations covered, effective date and date of expiration of policies. Such certificates shall also contain substantially the following statement: "The insurance covered by this certificate will not be canceled or materially altered, except after ten (10) days written notice has been received by the Owner."

29. Contract Security

The Contractor shall furnish a performance bond in an amount at least equal to one hundred percent (100%) of the contract price as security for the faithful performance of this contract and also a payment bond in an amount not less than one hundred percent (100%) of the contract price or in a penal sum not less than that prescribed by State, territorial or local law, as security for the payment of all persons performing labor on the project under this contract and furnishing materials in connection with this contract. The performance bond and payment bond may be in one or in separate instruments in accordance with local law.

30. Additional or Substitute Bond

If at any time the Owner for justifiable cause shall be or become dissatisfied with any surety or sureties then upon the Performance or Payment Bonds, the Contractor shall within five (5) days after notice from the Owner so to do, substitute an acceptable bond (or bonds) in such form and sum and signed by such other surety or sureties as may be satisfactory to the Owner. The premiums on such bond shall be paid by the Contractor. No further payments shall be deemed due nor shall be made until the new surety or sureties shall have furnished such an acceptable bond to the Owner.

31. Assignments

The Contractor shall not assign the whole or any part of this contract or any moneys due or to become due hereunder without written consent of the Owner. In case the Contractor assigns all or any part of any moneys due or to become due under this contract, the instrument of assignment shall contain a clause substantially to the effect that it is agreed that the right of the assignee in and to any moneys due or to become due to the Contractor shall be subject to prior claims of all persons, firms, and/or corporations of services rendered or materials supplied for the performance of the work called for in this contract.

32. Mutual Responsibility of Contractor

If, through acts of neglect on the part of the Contractor, any other Contractor or any subcontractor shall suffer loss or damage on the work, the Contractor agrees to settle with such other Contractor or subcontractor by agreement or arbitration if such other Contractor or subcontractors will so settle. If such other Contractor or subcontractor shall assert any claim against the Owner on account of any damage alleged to have been sustained, the Owner shall notify the Contractor, who shall indemnify and save harmless the Owner against any such claim.

33. Separate Contract

The Contractor shall coordinate his operations with those of other Contractors. Cooperation will be required in the arrangement for the storage of materials and in the detailed execution of the work. The Contractor, including his subcontractors, shall keep informed of the progress and the detail work of other Contractors and shall notify the Architect/Engineer immediately of lack of progress or defective workmanship on the part of the other Contractors. Failure of a Contractor to keep informed of the work progressing on the site and failure to give notice of lack of progress or defective workmanship by others shall be construed as acceptance by him of the status of the work as being satisfactory for proper coordination with his own work.

34. Subcontracting

(a) The Contractor may utilize the services of specialty subcontractors on those parts of the work which, under normal contracting practices, are performed by specialty subcontractors.

(b) The Contractor shall not award any work to any subcontractor without prior written approval of the Owner, which approval will not be given until the Contractor submits to the Owner a written statement concerning such information as the Owner may require.

(c) The Contractor shall be as fully responsible to the Owner for the acts and omissions of his subcontractors, and of persons either directly or indirectly employed by them, as he is for the acts and omissions of persons directly employed by him.

(d) The Contractor shall cause appropriate provisions to be inserted in all subcontracts relative to the work to bind subcontractors to the Contractor by the terms of the General Conditions and other contract documents insofar as applicable to the work of subcontractors and to give the Contractor the same power as regards terminating any subcontract that the Owner may exercise over the Contractor under any provision of the contract documents.

(e) Nothing contained in this contract shall create any contractual relation between any subcontractor and the Owner.

35. Architect/Engineer's Authority

The Architect/Engineer shall give all orders and directions contemplated under this contract and specifications relative to the execution of the work. The Architect/ Engineer shall determine the amount, quality, acceptability, and fitness of the several kinds of work and materials which are to be paid for under this contract and shall decide all questions which may arise in relation to said work and the construction thereof. The Architect/ Engineer's estimates and decisions shall be final and conclusive, except as herein otherwise expressly provided. In case any question shall arise between the parties hereto relative to said contract or specifications, the determination or decision of the Architect/Engineer shall be a condition precedent to the right of the Contractor to receive any money or payment for work under this contract affected in any manner or to any extent by such question.

The Architect/Engineer shall decide the meaning and intent of any portion of the specifications and of any plans or drawings where the same may be found obscure or be in dispute. Any differences or conflicts in regard to their work which may arise between the Contractor under this contract and other Contractors performing work for the Owner shall be adjusted and determined by the Architect/Engineer.

36. Stated Allowances

The Contractor shall include in his proposal the cash allowances stated in the Supplemental General Conditions. The Contractor shall purchase the "Allowed Materials" as directed by the Owner on the basis of the lowest and best bid of at least three competitive bids. If the actual price for purchasing the "Allowed Materials" is more or less than the "Cash Allowance", the contract price shall be adjusted accordingly. The adjustment in contract price shall be made on the basis of the purchase price without additional charges for overhead, profit, insurance or any other incidental expenses. The cost of installation of the "Allowed Materials" shall be included in the applicable sections of the Contract Specifications covering this work.

37. Use of Premises and Removal of Debris

The Contractor expressly undertakes at his own expense:

(a) to take every precaution against injuries to persons or damage to property;

(b) to store his apparatus, materials, supplies and equipment in such orderly fashion at the site of the work as will not unduly interfere with the progress of his work or the work of any other Contractors;

(c) to place upon the work or any part thereof only such loads as are consistent with the safety of that portion of the work;

(d) to clean up frequently all refuse, rubbish, scrap materials, and debris caused by his operations, to the end that at all times the site of the work shall present a neat, orderly and workmanlike appearance;

(e) before final payment to remove all surplus material, false-work, temporary structures, including foundations thereof, plant of any description and debris of every nature resulting from his operations, and to put the site in a neat, orderly condition; and

(f) to effect all cutting, fitting, and/or patching of his work required to make the same to conform to the plans and specifications and, except with the consent of the Architect/Engineer, not to cut or otherwise alter the work of any other Contractor.

38. Quantities of Estimate

Wherever the estimated quantities of work to be done and materials to be furnished under this contract are shown in any of the documents including the proposal, they are given for use in comparing bids and the right is especially reserved except as herein otherwise specifically limited, to increase or diminish them as may be deemed reasonably necessary or desirable by the Owner to complete the work contemplated by this contract, and such increase or diminution shall in no way vitiate this contract, nor shall any such increase or diminution give cause for claims or liability for damages.

39. Lands and Rights-of-Way

Prior to the start of construction, the Owner shall obtain all lands and rights-of-way necessary for the carrying out and completion of work to be performed under this contract.

40. General Guaranty

Neither the final certificate of payment nor any provision in the Contract Documents, nor partial or entire occupancy of the premises by the Owner, shall constitute an acceptance of work not done in accordance with the Contract Documents or relieve the Contractor of

liability in respect to any express warranties or responsibility for faulty materials or workmanship. The Contractor shall remedy any defects in the work and pay for any damage to other work resulting there from, which shall appear within a period of one year from the date of final acceptance of the work unless a longer period is specified. The Owner will give notice of observed defects with reasonable promptness.

41. Conflicting Conditions

Any provisions in any of the Contract Documents which may be in conflict or inconsistent with any of the paragraphs in these General Conditions shall be void to the extent of such conflict or inconsistency.

42. Notice and Service Thereof

Any notice to any Contractor from the Owner relative to any part of this contract shall be in writing and considered delivered and the service thereof completed, when said notice is posted, by certified or registered mail, to the said Contractor at his last given address, or delivered in person to the said Contractor or his authorized representative on the work.

43. Provisions Required by Law Deemed Inserted

Each and every provision of law and clause required by law to be inserted in this contract shall be deemed to be inserted herein and the contract shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party the contract shall forthwith be physically amended to make such insertion or correction.

44. Protection of Lives and Health

"The Contractor shall exercise proper precaution at all times for the protection of persons and property and shall be responsible for all damages to persons or property, either on or off the site, which occur as a result of his prosecution of the work. The safety provisions of applicable laws and building and construction codes, in addition to specific safety and health regulations described by Chapter XIII, Bureau of Labor Standards, Department of Labor, Part 1518, Safety and Health Regulations for Construction, as outlined in the Federal Register, Volume 36, No. 75, Saturday, April 17, 1971. Title 29 - LABOR, shall be observed and the Contractor shall take or cause to be taken, such additional safety and health measures as the Contracting Authority may determine to be reasonably necessary."

45. Subcontracts

"The Contractor will insert in any subcontracts the Federal Labor Standards Provisions contained herein and such other clauses as the Department of Housing and Urban Development may, by instructions require, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts which they may enter into, together

with a clause requiring this insertion in any further subcontracts that may in turn be made."

46. Interest of Member of or Delegate to Congress

No member of or Delegate to Congress, or Resident Commissioner, shall be admitted to any share or part of this contract or to any benefit that may arise there from, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

47. Other Prohibited Interests

No official of the Owner who is authorized in such capacity and on behalf of the Owner to negotiate, make, accept or approve, or to take part in negotiating, making, accepting, or approving any architectural, engineering, inspection, construction or material supply contract or any subcontract in connection with the construction of the project, shall become directly or indirectly interested personally in this contract or in any part hereof. No officer, employee, architect, attorney, engineer or inspector of or for the Owner who is authorized in such capacity and on behalf of the Owner to exercise any legislative, executive, supervisory or other similar functions in connection with the construction of the project, shall become directly or indirectly interested personally in this contract or in any part thereof, any material supply contract, subcontract, insurance contract, or any other contract pertaining to the project.

48. Use and Occupancy Prior to Acceptance by Owner

The Contractor agrees to the use and occupancy of a portion or unit of the project before formal acceptance by the Owner, provided the Owner:

(a) Secures written consent of the Contractor except in the event, in the opinion of the Architect/Engineer, the Contractor is chargeable with unwarranted delay in final cleanup of punch list items or other contract requirements.

(b) Secures endorsement from the insurance-carrier and consent of the surety permitting occupancy of the building or use of the project during the remaining period of construction, or,

(c) When the project consists of more than one building, and one of the buildings is occupied, secures permanent fire and extended coverage insurance, including a permit to complete construction. Consent of the surety must also be obtained.

49. Photographs of the Project

If required by the Owner, the Contractor shall furnish photographs of the project, in the quantities and as described in the Supplemental General Conditions.

50. Suspension of Work

Should the Owner be prevented or enjoined from proceeding with work either before or after the start of construction by reason of any litigation or other reason beyond the control of the Owner, the Contractor shall not be entitled to make or assert claim for damage by reason of said delay; but time for completion of the work will be extended to such reasonable time as the Owner may determine will compensate for time lost by such delay with such determination to be set forth in writing.

51. Federal Labor Standards Provisions

The Federal Labor Standards Provisions must be reviewed periodically and included in the Contract.

# Federal Labor Standards Provisions

**U.S. Department of Housing and Urban Development**
Office of Labor Relations

**Applicability**
The Project or Program to which the construction work covered by this contract pertains is being assisted by the United States of America and the following Federal Labor Standards Provisions are included in this Contract pursuant to the provisions applicable to such Federal assistance.

**A. 1. (i) Minimum Wages.** All laborers and mechanics employed or working upon the site of the work, will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR Part 3), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under Section l(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of 29 CFR 5.5(a)(1)(iv); also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under 29 CFR 5.5(a)(1)(ii) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible, place where it can be easily seen by the workers.

**(ii) (a)** Any class of laborers or mechanics which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. HUD shall approve an additional classification and wage rate and fringe benefits therefor only when the following criteria have been met:

**(1)** The work to be performed by the classification requested is not performed by a classification in the wage determination; and

**(2)** The classification is utilized in the area by the construction industry; and

**(3)** The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

**(b)** If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and HUD or its designee agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by HUD or its designee to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, D.C. 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB control number 1215-0140.)

**(c)** In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and HUD or its designee do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), HUD or its designee shall refer the questions, including the views of all interested parties and the recommendation of HUD or its designee, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)

**(d)** The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (1)(ii)(b) or (c) of this paragraph, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

**(iii)** Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

**(iv)** If the contractor does not make payments to a trustee or other third person, the contractor may consider as part

of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)

**2. Withholding.** HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract In the event of failure to pay any laborer or mechanic, including any apprentice, trainee or helper, employed or working on the site of the work, all or part of the wages required by the contract, HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased. HUD or its designee may, after written notice to the contractor, disburse such amounts withheld for and on account of the contractor or subcontractor to the respective employees to whom they are due. The Comptroller General shall make such disbursements in the case of direct Davis-Bacon Act contracts.

**3. (i) Payrolls and basic records.** Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in Section l(b)(2)(B) of the Davis-bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5 (a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in Section l(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs. (Approved by the Office of Management and Budget under OMB Control Numbers 1215-0140 and 1215-0017.)

**(ii) (a)** The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant sponsor, or owner, as the case may be, for transmission to HUD or its designee. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i) except that full social security numbers and home addresses shall not be included on weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at *http://www.dol.gov/esa/whd/forms/wh347instr.htm* or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant sponsor, or owner, as the case may be, for transmission to HUD or its designee, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this subparagraph for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to HUD or its designee. (Approved by the Office of Management and Budget under OMB Control Number 1215-0149.)

**(b)** Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

**(1)** That the payroll for the payroll period contains the information required to be provided under 29 CFR 5.5 (a)(3)(ii), the appropriate information is being maintained under 29 CFR 5.5(a)(3)(i), and that such information is correct and complete;

**(2)** That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR Part 3;
**(3)** That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.
**(c)** The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by subparagraph A.3.(ii)(b).
**(d)** The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 231 of Title 31 of the United States Code.
**(iii)** The contractor or subcontractor shall make the records required under subparagraph A.3.(i) available for inspection, copying, or transcription by authorized representatives of HUD or its designee or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, HUD or its designee may, after written notice to the contractor, sponsor, applicant or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.
**4. Apprentices and Trainees.**
**(i) Apprentices.** Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.
**(ii) Trainees.** Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant ',to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by

the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

**(iii) Equal employment opportunity.** The utilization of apprentices, trainees and journeymen under 29 CFR Part 5 shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.

**5. Compliance with Copeland Act requirements.** The contractor shall comply with the requirements of 29 CFR Part 3 which are incorporated by reference in this contract

**6. Subcontracts.** The contractor or subcontractor will insert in any subcontracts the clauses contained in subparagraphs 1 through 11 in this paragraph A and such other clauses as HUD or its designee may by appropriate instructions require, and a copy of the applicable prevailing wage decision, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in this paragraph.

**7. Contract termination; debarment.** A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

**8. Compliance with Davis-Bacon and Related Act Requirements.**

All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR Parts 1, 3, and 5 are herein incorporated by reference in this contract

**9. Disputes concerning labor standards.** Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and HUD or its designee, the U.S. Department of Labor, or the employees or their representatives.

**10. (i) Certification of Eligibility.** By entering into this contract the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

**(ii)** No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

**(iii)** The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001. Additionally, U.S. Criminal Code, Section 1 01 0, Title 18, U.S.C., "Federal Housing Administration transactions", provides in part: "Whoever, for the purpose of . . . influencing in any way the action of such Administration..... makes, utters or publishes any statement knowing the same to be false..... shall be fined not more than $5,000 or imprisoned not more than two years, or both."

**11. Complaints, Proceedings, or Testimony by Employees.** No laborer or mechanic to whom the wage, salary, or other labor standards provisions of this Contract are applicable shall be discharged or in any other manner discriminated against by the Contractor or any subcontractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding or has testified or is about to testify in any proceeding under or relating to the labor standards applicable under this Contract to his employer.

**B. Contract Work Hours and Safety Standards Act.** The provisions of this paragraph B are applicable where the amount of the prime contract exceeds $100,000. As used in this paragraph, the terms "laborers" and "mechanics" include watchmen and guards.

**(1) Overtime requirements.** No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which the individual is employed on such work to work in excess of 40 hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of 40 hours in such workweek.

**(2) Violation; liability for unpaid wages; liquidated damages.** In the event of any violation of the clause set forth in subparagraph (1) of this paragraph, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (1) of this paragraph, in the sum of $10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of 40 hours without payment of the overtime wages required by the clause set forth in sub paragraph (1) of this paragraph.

**(3) Withholding for unpaid wages and liquidated damages.** HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contract, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act which is held by the same prime contractor such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (2) of this paragraph.

**(4) Subcontracts.** The contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraph (1) through (4) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (1) through (4) of this paragraph.

**C. Health and Safety.** The provisions of this paragraph C are applicable where the amount of the prime contract exceeds $100,000.

**(1)** No laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his health and safety as determined under construction safety and health standards promulgated by the Secretary of Labor by regulation.

**(2)** The Contractor shall comply with all regulations issued by the Secretary of Labor pursuant to Title 29 Part 1926 and failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act, (Public Law 91-54, 83 Stat 96). 40 USC 3701 et seq.

(3) The contractor shall include the provisions of this paragraph in every subcontract so that such provisions will be binding on each subcontractor. The contractor shall take such action with respect to any subcontractor as the Secretary of Housing and Urban Development or the Secretary of Labor shall direct as a means of enforcing such provisions.

# SUPPLEMENTAL GENERAL CONDITIONS

1. Enumeration of Plans, Specifications and Addenda
2. Stated Allowances
3. Copyright and Patent Rights
4. Contractor's and Subcontractor's Public Liability, Vehicle Liability, and Property Damage Insurance
5. Photographs of Project
6. Schedule of Occupational Classifications and Minimum Hourly Wage Rates as Required Under Paragraph 51 of the General Conditions
7. Builder's Risk Insurance
8. Special Equal Opportunity Provisions
9. Compliance with Air and Water Acts
10. Special Conditions Pertaining to Hazards, Safety Standards, and Accident Prevention
11. Flood Disaster Protection
12. Access to Records - Maintenance of Records
13. Conflict of Interest of Officers or Employees of the Local Jurisdiction, Members of the Local Governing Body or Other Public Officials
14. Minority and Female Contractor Associations
15. Retention of Records
16. Energy Efficiency Standards
17. Copeland “Anti-Kickback” Act
18. Davis Bacon Act
19. Contract Work Hours and Safety Standards Act
20. Federal Wage Decision

1. ENUMERATION OF PLANS, SPECIFICATIONS AND ADDENDA

Following are the Plans, Specifications and Addenda which form a part of this contract, as set forth in Paragraph 1 of the General Conditions, "Contract and Related Contract Documents":

DRAWINGS:

General Construction: Nos. _____
Heating and Ventilating: " _____
Plumbing: " _____
Electrical: " _____
_____
" _____

SPECIFICATIONS:

General Construction: Page _____ to _____, incl.
Heating and Ventilating: " _____ to _____, incl.
Plumbing: " _____ to _____, incl.
Electrical: " _____ to _____, incl.
" _____ to _____, incl.
" _____ to _____, incl.

ADDENDA:

No. _____ Date _____ No. _____ Date _____
No. _____ Date _____ No. _____ Date _____

2. STATED ALLOWANCES

Pursuant to Paragraph 36 of the General Conditions, the Contractor shall include the following cash allowances in his proposal:

(a) For _____ (Page _____ of Specifications) $_____
(b) For _____ (Page _____ of Specifications) $_____
(c) For _____ (Page _____ of Specifications) $_____
(d) For _____ (Page _____ of Specifications) $_____
(e) For _____ (Page _____ of Specifications) $_____
(f) For _____ (Page _____ of Specifications) $_____

3. COPYRIGHT AND PATENT RIGHTS

No materials, to include but not limited to reports, maps, or documents produced as a result of this contract, in whole or in part, shall be available to CONTRACTOR for copyright or patent purposes. any such materials produced as a result of this contract that might be subject to copyright or patent shall be the property of the (City/Parish) and all such rights shall belong to the (City/Parish) and the (City/Parish shall be sole and exclusive entity who may exercise such rights.

4. CONTRACTOR'S AND SUBCONTRACTOR'S PUBLIC LIABILITY, VEHICLE LIABILITY, AND PROPERTY DAMAGE INSURANCE

As required under Paragraph 28 of the General Conditions, the Contractor's Public Liability Insurance and Vehicle Liability Insurance shall be in an amount not less than $ for injuries, including accidental death, to any one person, and subject to the same limit for each person, in an amount not less than $_____ on account of one accident, and Contractor's Property Damage Insurance in an amount not less than $_____.

The Contractor shall either (1) require each of his subcontractors to procure and to maintain during the life of his subcontract, Subcontractor's Public Liability and Property Damage of the type and in the same amounts as specified in the preceding paragraph, or (2) insure the activities of his subcontractors in his own policy.

5. PHOTOGRAPHS OF PROJECT

As provided in Paragraph 49 of the General Conditions, the Contractor will furnish photographs in the number, type, and stage as enumerated below:

6. SCHEDULE OF OCCUPATIONAL CLASSIFICATIONS AND MINIMUM HOURLY WAGE RATES AS REQUIRED UNDER PARAGRAPH 51 OF THE GENERAL CONDITIONS

Given on Pages _____, _____ and _____.

7. BUILDER'S RISK INSURANCE

As provided in the General Conditions, Paragraph 28(e), the Contractor will/will not* maintain Builder's Risk Insurance (fire and extended coverage) on a _____ percent completed value basis on the insurable portions of the project for the benefit of the Owner, the Contractor, and all subcontractors, as their interest may appear.

*Strike out one.

8. SPECIAL EQUAL OPPORTUNITY PROVISIONS

A. Activities and Contracts Not Subject to Executive Order 11246, as Amended (Applicable to federally assisted construction contracts and related subcontracts of $10,000 and under.)

During the performance of this contract, the Contractor agrees as follows:

1. The Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor shall take affirmative action to ensure that applicants for employment are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

2. The Contractor shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by Contracting Officer setting forth the provisions of this non-discrimination clause. The Contractor shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

3. Contractors shall incorporate foregoing requirements in all subcontracts.

B. Executive Order 11246 (contracts/subcontracts above $10,000)

Compliance with Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity," as amended by Executive order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 CFR chapter 60).

1. Section 202 Equal Opportunity Clause

During the performance of this contract, the Contractor agrees as follows:

(1) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for

employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

(2) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration without regard to race, color, religion, sex, or national origin.

(3) The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided by the Contract Compliance Officer advising the said labor union or workers' representatives of the Contractor's commitment under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The Contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The Contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the Department and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and others.

(6) In the event of the Contractor's noncompliance with the non-discrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The Contractor will include the provisions of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the Department may direct as a means of enforcing such provisions, including sanctions for noncompliance. Provided, however, that in the event a contractor becomes involved in, or is threatened with,

litigation with a subcontractor or vendor as a result of such direction by the Department, the Contractor may request the United States to enter into such litigation to protect the interest of United States.

2. Notice of Requirement for Affirmative Action to Ensure Equal Employment Opportunity (Executive Order 11246). (Applicable to contracts/subcontracts exceeding $10,000).

(1) The Offeror's or Bidder's attention is called to the "Equal Opportunity Clause" and the "Standard Federal Equal Employment Opportunity Construction Contract Specifications" set forth herein.

(2) The goals and timetables for minority and female participation, expressed in percentage terms for the Contractor's aggregate workforce in each trade on all construction work in the covered area, are as follows:

| Goals for minority participation | Goals for female participation |
|---|---|
| _____ | 6.9% |
| (Insert goals) | (Insert goals) |

These goals are applicable to all the Contractor's construction work (whether or not it is federal or federally assisted) performed in the covered area. If the contractor performs construction work in a geographic area located outside of the covered area, it shall apply the goals established for such geographic area where the work is actually performed.

With regard to this second area, the Contractor also is subject to the goals for both its federally involved and non-federally involved construction. The Contractor's compliance with the Executive Order and the regulations in 41 CFR Part 60-4 shall be based on its implementation of the Equal Opportunity Clause, specific affirmative action obligations required by the specifications set forth in 41 CFR 60-4.3(a) and its efforts to meet the goals established for the geographical area where the contract resulting from this solicitation is to be performed. The hours of minority and female employment and training must be substantially uniform throughout the length of the contract, and in each trade, and the Contractor shall make a good faith effort to employ minorities and women evenly on each of its projects. The transfer of minority or female employees or trainees from Contractor to Contractor or from project to project for the sole purpose of meeting the Contractor's goals shall be a violation of the contract, the Executive Order, and the regulations in 41 CFR Part 60-4. Compliance with the goals will be measured against the total work hours performed.

(3) The Contractor shall provide written notification to the Director of the Office of Federal Contract Compliance Programs within 10 working days

of award of any construction subcontract in excess of $10,000 at any tier for construction work under the contract resulting from this solicitation. The notification shall list the name, address, and telephone number of the subcontractor; employer identification number; estimated dollar amount of the subcontract; estimated starting and completion dates of the sub-contract; and the geographical area in which the contract is to be performed.

(4) As used in this Notice, and in the contract resulting from this solicitation, the "covered area" is (insert description of the geographical areas where the contract is to be performed, giving the State, parish, and city, if any):

3. Standard Federal Equal Employment Opportunity Construction Contract Specifications (Executive Order 11246)

(1) As used in these specifications:

a. "Covered area" means the geographical area described in the solicitation from which this contract resulted;

b. "Director" means Director, Office of Federal Contract Compliance Programs, United States Department of Labor, or any person to whom the Director delegates authority;

c. "Employer identification number" means the Federal Social Security number used on the Employer's Quarterly Federal Tax Return, U.S. Treasury Department Form 941.

d. "Minority" includes:

(i) Black (all persons having origins in any of the Black African racial groups not of Hispanic origin);

(ii) Hispanic (all persons of Mexican, Puerto Rican, Cuban, Central or South America or other Spanish Culture or origin, regardless of race);

(iii) Asian and Pacific Islander (all persons having origins in any of the original people of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands); and

(iv) American Indian or Alaskan Native (all persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification).

(2) When the Contractor, or any subcontractor, at anytime, subcontracts a portion of the work involving any construction trade, it shall physically include in each subcontract, in excess of $10,000, the provisions of these specifications and the Notice which contains the applicable goals for minority and female participation and which is set forth in the solicitations from which this contract resulted.

(3) If the Contractor is participating (pursuant to 41 CFR 60-4.5) in a Hometown Plan approved by the U.S. Department of Labor in the covered area either individually or through an association, its affirmative action obligations on all work in the Plan area (including goals and timetables) shall be in accordance with that Plan for those trades which have unions participating in the Plan. Contractors must be able to demonstrate their participation in compliance with the provisions of any such Hometown Plan. Each Contractor or subcontractor participating in an approved Plan is individually required to comply with its obligations under the EEO clause, and to make a good faith effort to achieve each goal under the Plan in each trade in which it has employees. The overall good faith performance by other Contractors or subcontractors toward a goal in an approved Plan does not excuse any covered Contractor's or subcontractor's failure to take good faith efforts to achieve the Plan goals and timetables.

(4) The Contractor shall implement the specific affirmative action standards provided in paragraphs 7a through 7p of these specifications. The goals set forth in the solicitation from which this contract resulted are expressed as percentages of the total hours of employment and training of minority and female utilization the Contractor should reasonably be able to achieve in each construction trade in which it has employees in the covered area. Covered construction contractors performing contracts in geographical areas where they do not have a federal or federally-assisted construction contract shall apply the minority and female goals established for the geographic area where the contract is being performed. Goals are published periodically in the Federal Register in notice form and such notices may be obtained from any Office of Federal Contract Compliance Programs office or from Federal procurement contracting officers. The Contractor is expected to make substantially uniform progress in meeting its goals in each craft during the period specified.

(5) Neither the provisions of any collective bargaining agreement, nor the failure by a union with whom the Contractor has a collective bargaining agreement, to refer either minorities or women shall excuse the Contractor's obligations under these specifications, Executive Order 11246, or the regulations promulgated pursuant thereto.

(6) In order for the non-working training hours of apprentices and trainees to be counted in meeting the goals, such apprentices and trainees must be

employed by the Contractor during the training period, and the Contractor must have made a commitment to employ the apprentices and trainees at the completion of their training, subject to the availability of employment opportunities. Trainees must be trained pursuant to training programs approved by the U.S. Department of Labor.

(7) The Contractor shall take specific affirmative action to ensure equal employment opportunity. The evaluation of the Contractor's compliance with these specifications shall be based upon its effort to achieve maximum results from its actions. The Contractor shall document these efforts fully, and shall implement affirmative action steps at least as extensive as the following:

a. Ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which the Contractor's employees are assigned to work. The Contractor, where possible, will assign two or more women to each construction project. The Contractor shall specifically ensure that all foremen, superintendents and other on-site supervisory personnel are aware of and carry out the Contractor's obligation to maintain such a working environment, with specific attention to minority or female individuals working at such sites or in such facilities.

b. Establish and maintain a current list of minority and female recruitment sources, provide written notification to minority and female recruitment sources and to community organizations when the Contractor or its unions have employment opportunities available, and maintain a record of the organization's responses.

c. Maintain a current file of the names, addresses, and telephone numbers of each minority and female off-the-street applicant and minority or female referral from a union, a recruitment source, or community organization and of what action was taken with respect to each such individual. If such individual was sent to the union hiring hall for referral and was not referred back to the Contractor by the union or, if referred, not employed by the Contractor, this shall be documented in the file with the reason therefore, along with whatever additional actions the Contractor may have taken.

d. Provide immediate written notification to the Director when the union or unions with which the Contractor has a collective bargaining agreement have not referred to the Contractor a minority person or woman sent by the Contractor, or when the Contractor has other information that the union referral process has impeded the Contractor's efforts to meet its obligations.

e. Develop on-the-job training opportunities and/or participate in training programs for the area which expressly includes minorities and women, including upgrading programs and apprenticeship and trainee programs relevant to the Contractor's employment needs, especially those programs funded or approved by the Department of Labor. The Contractor shall provide notice of these programs to the sources compiled under 7b above.

f. Disseminate the Contractor's EEO policy by providing notice of the policy to unions and training programs and requesting their cooperation in assisting the Contractor in meeting its EEO obligations; by including it in any policy manual and collective bargaining agreement; by publicizing it in the company newspaper, annual report, etc.; by specific review of the policy with all management personnel and with all minority and female employees at least once a year; and by posting the company EEO policy on a bulletin board accessible to all employees at each location where construction work is performed.

g. Review, at least annually, the company's EEO policy and affirmative action obligations under these specifications with all employees having any responsibility for hiring, assignment, layoff, termination, or other employment decisions including specific review of these items with on-site supervisory personnel such as Superintendents, General Foreman, etc., prior to the initiation of construction work at any job site. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed, and disposition of the subject matter.

h. Disseminate the Contractor's EEO policy externally by including it in any advertising in the news media, specifically including minority and female news media, and providing written notification to and discussing the Contractor's EEO policy with other Contractors and Subcontractors with whom the Contractor does or anticipates doing business.

i. Direct its recruitment efforts, both oral and written, to minority, female and community organizations, to schools with minority and female students and to minority and female recruitment and training organizations serving the Contractor's recruitment area and employment needs. Not later than one month prior to the date for acceptance of applications for apprenticeship or other training by any recruitment source, the Contractor shall send written notification to organizations such as the above, describing the

openings, screening procedures, and tests to be used in the selection process.

j. Encourage present minority and female employees to recruit other minority persons and women and, where reasonable, provide after school, summer, and vacation employment to minority and female youth both on the site and in other areas of a Contractor's work force.

k. Validate all tests and other selection requirements where there is an obligation to do so under 41 CFR Part 60-3.

l. Conduct, at least annually, an inventory and evaluation of all minority and female personnel for promotional opportunities and encourage these employees to seek or to prepare for, through appropriate training, etc., such opportunities.

m. Ensure that seniority practices, job classifications, work assignments and other personnel practices, do not have a discriminatory effect by continually monitoring all personnel and employment related activities to ensure that the EEO policy and the Contractor's obligations under these specifications are being carried out.

n. Ensure that all facilities and company activities are non-segregated except that separate or single-user toilet and necessary changing facilities shall be provided to assure privacy between the sexes.

o. Document and maintain a record of all solicitations of offers for subcontracts from minority and female construction contractors and suppliers, including circulation of solicitation to minority and female contractor associations and other business associations.

p. Conduct a review, at least annually, of all supervisors' adherence to and performance under the Contractor's EEO policies and affirmative action obligations.

(8) Contractors are encouraged to participate in voluntary associations which assist in fulfilling one or more of their affirmative action obligations (7a through p). The efforts of a contractor association, joint contractor-union, contractor-community, or other similar group of which the Contractor is a member and participant, may be asserted as fulfilling any one or more of its obligations under 7a through p of these specifications provided that the Contractor actively participates in the group, makes every effort to assure that the group has a positive impact on the employment of minorities and women in the industry, ensures that the concrete benefits of the program

are reflected in the Contractor's minority and female workforce participation, makes a good faith effort to meet its individual goals and timetables, and can provide access to documentation which demonstrates the effectiveness of actions taken on behalf of the Contractor. The obligation shall not be a defense for the Contractor's non-compliance.

(9) A single goal for minorities and a separate single goal for women has been established. The Contractor, however, is required to provide equal employment opportunity and to take affirmative action for all minority groups, both male and female, and all women, both minority and non-minority. Consequently, the Contractor may be in violation of the Executive Order if a particular group is employed in a substantially disparate manner (for example, even though the Contractor has achieved its goals for women generally, the Contractor may be in violation of the Executive Order if a specific minority group of women is underutilized).

(10) The Contractor shall not use the goals and timetables or affirmative action standards to discriminate against any persons because of race, color, religion, sex, or national origin.

(11) The Contractor shall not enter into any subcontract with any person or firm debarred from government contracts pursuant to E.O. 11246.

(12) The Contractor shall not carry out such sanctions and penalties for violation of these specifications and of the Equal Opportunity Clause including suspension, termination, and cancellation of existing subcontracts as may be imposed or ordered pursuant to E.O. 11246, as amended.

(13) The Contractor, in fulfilling its obligations under these specifications, shall implement specific affirmative action steps, at least as extensive as those standards prescribed in paragraph 7 of these specifications, so as to achieve maximum results from its efforts to ensure equal employment opportunity. If the Contractor fails to comply with the requirements of the Executive Order, the implementing regulations, or these specifications, the Director shall proceed in accordance with 41 CFR 60-4.8.

(14) The Contractor shall designate a responsible official to monitor all employment related activity to ensure that the company EEO policy is being carried out, to submit reports relating to the provisions hereof as may be required by the government and to keep records. Records shall at least include for each employee, the name, address, telephone numbers, construction trade, union affiliation if any, employee identification number where assigned, social security number, race, sex, status (e.g., mechanic, apprenticeship trainee, helper, or laborer), dates of changes in status, hours worked per week in the indicated trade, rate of pay, and location at which

the work was performed. Records shall be maintained in an easily understandable and retrievable form; however, to the degree that existing records satisfy this requirement, Contractors shall not be required to maintain separate records.

(15) Nothing herein provided shall be construed as a limitation upon the application of other laws which establish different standards of compliance or upon the application or requirements for the hiring of local or other area residents (e.g., those under the Public Works Employment Act of 1977 and the Community Development Block Grant Program).

C. Certification of Nonsegregated Facilities (Over $10,000) (41 CFR 60-1.9)

By the submission of this bid, the bidder, offeror, applicant or subcontractor certifies that he/she does not maintain or provide for his/her establishments, and that he/she does not permit employees to perform their services at any location, under his/her control, where segregated facilities are maintained. He/she certifies further that he/she will not maintain or provide for employees any segregated facilities at any of his/her establishments, and he/she will not permit employees to perform their services at any location under his/her control where segregated facilities are maintained. The bidder, offeror, applicant or subcontractor agrees that a breach of this certification is a violation of the equal opportunity clause of this contract. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms, and other storage or dressing areas, 1transportation and housing facilities provided for employees which are segregated on the basis of race, color, religion, or otherwise. He/she further agrees that (except where he/she has obtained for specific time periods) he/she will obtain identical certification from proposed subcontractors prior to the award of subcontracts exceeding $10,000 which are not exempt from the provisions of the equal opportunity clause; that he/she will retain such certifications in his/her files; and that he/she will forward the following notice to such proposed subcontractors (except where proposed subcontractors have submitted identical certifications for specific time periods).

D. "Section 3" Compliance in the Provision of Training, Employment and Business Opportunities

(a) The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

1 Parking lots, drinking fountains, recreation, or entertainment areas.

(b) The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

(c) The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each, and the name and location of the person(s) taking applications for each of the positions, and the anticipated date the work shall begin.

(d) The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

(e) The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

(f) Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

(g) With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

9. COMPLIANCE WITH AIR AND WATER ACTS
(Applicable to federally assisted construction contracts and related subcontracts exceeding $100,000.)

Compliance with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and environmental protection Agency regulations (40 CFR part 15).

In addition to the foregoing requirements, all nonexempt contractors and subcontractors shall furnish to the owner, the following:

(1) A stipulation by the Contractor or subcontractors, that any facility to be utilized in the performance of any nonexempt contract or subcontract, is not listed on the List of Violating Facilities issued by the Environmental Protection Agency (EPA) pursuant to 40 CFR Part 15, as amended.

(2) Agreement by the Contractor to comply with all the requirements of Section 114 of the Clean Air Act, as amended, (42 USC 1857 c-8) and Section 308 of the Federal Water Pollution Control Act, as amended, (33 USC 1318) relating to inspection, monitoring, entry, reports and information, as well as all other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued thereunder.

(3) A stipulation that as a condition for the award of the contract, prompt notice will be given of any notification received from the Director, Office of Federal Activities, EPA, indicating that a facility utilized, or to be utilized for the contract, is under consideration to be listed on the EPA List of Violating Facilities.

(4) Agreement by the Contractor that he will include, or cause to be included, the criteria and requirements in paragraph (1) through (4) of this section in every nonexempt subcontract and requiring that the Contractor will take such action as the government may direct as a means of enforcing such provisions.

10. SPECIAL CONDITIONS PERTAINING TO HAZARDS, SAFETY STANDARDS AND ACCIDENT PREVENTION

A. Lead-Based Paint Hazards
(Applicable to contracts for construction or rehabilitation of residential structures)

The construction or rehabilitation of residential structures is subject to the HUD Lead-Based Paint regulations, 24 CFR Part 35. The Contractor and subcontractors shall comply with the provisions for the elimination of lead-based paint hazards under Subpart B of said regulations. The Owner will be responsible for the inspections and certifications required under Section 35.14 (f) thereof.

B. Use of Explosives (Modify as required)

When the use of explosives is necessary for the prosecution of the work, the Contractor shall observe all local, state and federal laws in purchasing and handling explosives. The Contractor shall take all necessary precaution to protect completed work, neighboring property, water lines, or other underground structures. Where there is danger to structures or property from blasting, the charges shall be reduced and the material shall be covered with suitable timber, steel or rope mats.
The Contractor shall notify all owners of public utility property of intention to use explosives at least 8 hours before blasting is done close to such property. Any supervision or direction of use of explosives by the engineer, does not in any way reduce the responsibility of the Contractor or his Surety for damages that may be caused by such use.

C. Danger Signals and Safety Devices (Modify as Required)

The Contractor shall make all necessary precautions to guard against damages to property and injury to persons. He shall put up and maintain in good condition, sufficient red or warning lights at night, suitable barricades and other devices necessary to protect the public. In case the Contractor fails or neglects to take such precautions, the Owner may have such lights and barricades installed and charge the cost of this work to the Contractor. Such action by the Owner does not relieve the Contractor of any liability incurred under these specifications or contract.

11. FLOOD DISASTER PROTECTION

This contract is subject to the requirements of the Flood Disaster Protection Act of 1973 (P.L. 93-234). Nothing included as a part of this contract is approved for acquisition or construction purposes as defined under Section 3(a) of said Act, for use in an area identified by the Secretary of HUD as having special flood hazards which is located in a community not then in compliance with the requirements for participation in the National Flood Insurance Program pursuant to Section 201(d) of said Act; and the use of any assistance provided under this contract for such acquisition for construction in such identified areas in communities then participating in the National Flood Insurance Program shall be subject to the mandatory purchase of flood insurance requirements or Section 102(a) of said Act.

Any contract or agreement for the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this Contract shall contain, if such land is located in an area identified by the Secretary as having special flood hazards and in which the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, as amended, 42 U.S.C. 4001 et seq., provisions obligating the transferee and its successors or assigns to obtain and maintain, during the ownership of such land, such flood insurance as required with respect to financial assistance for acquisition or construction purposes under Section 102(a) of Flood Disaster Protection Act of 1973.

12. ACCESS TO RECORDS - MAINTENANCE OF RECORDS

The State grantor agency, the Department of Housing and Urban Development, 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 this specific contract, for the purpose of audits, examinations, and making excerpts and transcriptions. All records connected with this contract will be maintained in a central location by the unit of local government and will be maintained for a period of four (4) years from the official date of the State's final closeout of the grant.

13. CONFLICT OF INTEREST OF OFFICERS OR EMPLOYEES OF THE LOCAL JURISDICTION, MEMBERS OF THE LOCAL GOVERNING BODY, OR OTHER PUBLIC OFFICIALS.

No officer or employee of the local jurisdiction or its designees or agents, no member of the governing body, and no other public official of the locality who exercises any function or responsibility with respect to this contract, during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed. Further, the Contractor shall cause to be incorporated in all subcontracts the language set forth in this paragraph prohibiting conflict of interest.

14. MINORITY AND FEMALE CONTRACTOR ASSOCIATIONS

Lists of minority and female owned businesses are available from various sources including the Louisiana Department of Transportation and Development and the U.S. Department of Housing and Urban Development, New Orleans Area Office. These lists are available solely for the benefit of the Contractor for the purpose of assisting him/her in meeting the equal opportunity provisions contained in these supplemental General Conditions. The lists do not contain a complete listing of minority and female businesses. The information may in some cases be out of date.

15. RETENTION OF RECORDS

All records connected with this contract will be maintained in a central location by the unit of local government and will be maintained for a period of 3 years from the official date of close out of the grant by the state.

16. ENERGY EFFICIENCY STANDARDS

Contractor shall recognize mandatory standards and policies relating to energy efficiency that are contained in the State Energy Conservation Plan issued in compliance with the Energy Policy and conservation Act (P.L. 94-163).

17. COPELAND "ANTI-KICKBACK" ACT

Compliance with Copeland "Anti-Kickback" Act (18 U.S.C. 874) as supplemented in Department of labor regulations (29 CFR part 3). (All contracts and subgrants for construction or repair.)

18. DAVIS-BACON ACT

Compliance with the Davis-Bacon Act ($0 U.S.C. 276a to 276a-7) as supplemented by Department of Labor regulations (29 CFR part 5). (Construction contracts in excess of $2,000 awarded by grantees and subgrantees when required by Federal grant program legislation.)

19. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT

Compliance with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of labor regulations (29 CFR part 5). (Construction contracts awarded by grantees and subgrantees in excess of $2,000, and in excess of $2,500 for other contracts which involve the employment of mechanics or laborers.)

20. FEDERAL WAGE DECISION

**FEDERAL WAGE DECISION INSERTED HERE**

The most recent update of the wage decision(s) applicable to this project should be inserted.

## A-51: SAMPLE MINUTES OF BID OPENING AND BID TABULATION

SAMPLE

MINUTES OF BID OPENING AND BID TABULATION

Bid Opening for Fifth Street Improvements.

The first bid was opened at 3:05 p.m. (DATE). Bidders and bid amounts are listed in order of opening:

| | |
|---|---|
| Walton Construction | $235,723.55 |
| South Ark Construction | 220,650.75 |
| Big Time Construction | 310,375.75 |

Bid award is scheduled for (DATE).

_____

Ellen Smith
City Secretary

## A-52 VERIFICATION OF CONTRACTOR'S BONDING/INSURANCE

# Verification of Contractor's Bonding/Insurance

The LCDBG Contract:

Grantee Name _____

LCDBG Contract # _____

Information regarding prime contractor's bonding entities:

Name of Contractor _____

Name of Insurance Agent _____

Agent's Company Name _____

Name of Surety Company _____

Location (Domicile) _____

U.S. Department of the Treasury: **www.fms.treas.gov/c570** or telephone at (202) 874-6850

Does the above listed surety company's name appear in the U. S. Department of the Treasury's listing of approved sureties having a license to do business in Louisiana? (Circular 570) _____ Yes _____ No

With internet verification, print the page that lists the surety company and attach it to this form.
With telephone verification, list the name of the person you spoke to and the date below:

Name _____ Date _____

La. Dept of Insurance: **www.ldi.state.la.us/search_forms/company_search.cfm** or (225) 342-0895

Does the above listed surety company's name appear on the Louisiana Insurance Commissioner's list of insurance companies which are licensed to do business in Louisiana? _____ Yes _____ No

With internet verification, print the page that lists the surety company and attach it to this form.
With telephone verification, list the name of the person you spoke to and the date below:

Name _____ Date _____

Bond(s) Cleared? _____ Yes _____ No By _____

Date _____

## A-53: COMMONLY ASKED QUESTIONS CONCERNING EQUAL OPPORTUNITY

COMMONLY ASKED QUESTIONS CONCERNING EQUAL OPPORTUNITY
A PRECONSTRUCTION CONFERENCE HANDOUT

1. What are the responsibilities of the offeror or bidder to ensure equal employment opportunity?

   The offeror or bidder must comply with the "Equal Opportunity Clause" and the "Standard Federal Equal Opportunity Construction Contract Specifications".

2. Are contractors required to ensure a comfortable working environment for all employees?

   Yes. It is the Contractor's responsibility to provide an environment free of harassment, intimidation, and coercion to all employees and to notify all foremen and supervisors to carry out this obligation, with specific attention to minority or female individuals.

3. To alleviate developing separate facilities for men and women on all sites, can a contractor put all women employees on one site?

   No. The Contractor must assign two or more women to each site when possible.

4. Are contractors required to make special outreach efforts to minority and female recruitment sources?

   Yes. Contractors must establish a current list of minority and female recruitment sources, notify them when employment opportunities are available including on-the-job training and apprenticeship programs and record responses.

5. Must any efforts be made to record the number of minority and females applying for positions with construction contractors?

   Yes. All contractors must maintain a current file of the names, addresses and telephone numbers of all minority and female applicants and document whatever action was taken.

6. What happens if a woman or minority is sent to the union by the Contractor and is not referred back to the Contractor for employment?

   If the unions impede the Contractor's responsibility to provide equal employment opportunity, a written notification must be sent to the Director, Office of Federal Contract Compliance Programs, United States Department of Labor.

7. What efforts must be made by contractors to create entry level positions for women and minorities?

   Contractors are required to develop on-the-job training programs or participate in training programs, especially those funded by the Department of Labor, to create positions for women and minorities relevant to the Contractor's employment needs.

8. Must any efforts be made by the Contractor to publicize their Equal Employment Opportunity (EEO) Policy?

   Yes. The Contractor is responsible for notifying unions and training programs and request their cooperation as well as including it in any policy manual or collective bargaining agreement, and to publicize it in the company newspaper and annual report. Externally, the Contractor is responsible for including the EEO Policy in all media advertisements.

9. Must any in-service training programs be provided for staff to update the EEO Policy?

   At least annually a review of the EEO Policy and the affirmative action obligations are required

of all personnel employees of a decision making status. A record of the meeting including date, time, location, persons present, subject matter discussed, and disposition of the subject matter shall be maintained.

10. What recruitment efforts are made for minorities and women?

    The Contractor must notify both orally and in writing, minority and female recruitment sources one month prior to the date of acceptance for apprenticeship or other training programs. The Contractor must also encourage present minority and female employees to recruit members of their own group.

11. Must any measures be taken to encourage promotions for minorities and women?

    Yes. An annual evaluation must be conducted for all minority and female personnel to encourage these employees to seek higher positions.

12. What efforts must be taken to ensure that personnel policies are in accordance with the EEO Policy?

    Personnel policies in regard to job practices, work assignments, etc., must be continually monitored to ensure that the EEO Policy is carried out.

13. Can women be excluded from utilizing any facilities available to men?

    No. All facilities and company activities are non-segregated except for bathrooms or changing facilities to ensure privacy.

14. What efforts must be made to utilize minority and female contractors and suppliers?

    None. However, records must be kept of all offers to minority and female construction contractors.

15. If a contractor participates in a business related association which does not comply with affirmative action standards, does this show his/her failure to comply?

    No. The Contractor's obligation to comply is his own. If he makes every effort to assume that this group has a positive impact on EEO Policy and they fail to accept this attitude, it shall not be contrived as noncompliance on the part of the Contractor.

16. Would a contractor be in violation of EEO Policy and affirmative action if he set up one set of goals to include minorities and women?

    Yes. There is a single goal for minorities and a separate single goal for women. The Contractor is required to provide equal employment opportunity and to take affirmative action for all minority groups, both male and female, and all women, both minority and non-minority.

17. Can a contractor hire a subcontractor who has been debarred from government contracts pursuant to EEO?

    No. The Contractor must suspend, terminate or cancel any subcontractor who is in violation of the EEO Policy.

18. What effort must be taken by the Contractor to monitor all employment to ensure the company EEO policy is being carried out?

    The Contractor must designate a responsible individual to keep accurate records of all employees which includes specific information required by the government.

## A-54: QUALIFICATION CERTIFICATION FOR RESIDENT PROJECT REPRESENTATIVE

# QUALIFICATION CERTIFICATION

## FOR

## RESIDENT PROJECT REPRESENTATIVE

*LOUISIANA COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM*

*(To be filled out by the **Architect/Engineer** – if more than one Resident Project Representative is proposed, fill out one Qualification Certification for each)*

**NOTE: This Qualification Certification and a copy of the Resident Project Representative's current resume showing qualifications and work history must be submitted to the Office of Community Development and approval granted via facsimile, before construction begins.**

*Grantee:* _____

*Type of Project (street, water, sewer, etc.):* _____

*LCDBG Contract Number:* _____

*Architect/Engineering Firm:* _____

*Name of Resident Project Representative:* _____

*Resident Project Representative is (check one):*

_____ *on staff with Arch./Engr. firm, or* _____ *a contract employee with Arch./Engr. firm.*

******* CERTIFICATION *******

*This is to certify that the person listed above has the qualifications and abilities to perform the appropriate duties and responsibilities of the Resident Project Representative on the proposed LCDBG funded construction project. This individual understands the duties, responsibilities, and authority of the Resident Project Representative; has a good working knowledge of the types of construction materials and practices for this particular project; and will be under my direct supervision for the duration of the construction of the project.*

**(For State Use Only)**

**A P P R O V E D**

_____

**CDBG**

_____

*Signature of Architect/Engineer*

_____

*Typed or printed name*

_____

*Date*

## A-55: CONSTRUCTION CONTRACT CHECKLIST

CONSTRUCTION CONTRACT CHECKLIST

GRANTEE: _____ CONTRACT #:_____

Dates of Bid Advertisement:

Dates of Addenda:

Labor Standards Compliance Officer:

Date of 10-Day Call:

Date of Bid Opening:

Date of Contract Award:

Date Contract Executed:

Date Work Began:

Contract Amount:

Contractor: Address:

Indicate by using an "X" if the contractor can be classified as any of the following.

Minority: ____ Section 3: _____ Female: _____

Contact Person: Telephone:

1. Pre-Advertisement/Bid Package Review Date/By

- Federal wage determination requested _____
- Federal wage determination acknowledged _____
- Federal wage determination reviewed _____
- Federal Labor Standards Provisions _____
- Davis-Bacon provisions ($2,000) _____
- Contract Work Hours and Safety Standards Act (CWHSSA) clauses _____
- Copeland Anti-Kickback clause _____
- Employment of Apprentices/Trainees clause _____
- Attestations - Past Criminal Convictions of Bidders/ Verification of Employees _____
- E.O. 11246 standard clause (contracts above $10,000) OR 3-paragraph equal opportunity provisions (contracts $10,000 or less) _____

Date/By

- Notice of Requirement for Affirmative Action to Ensure Equal Employment Opportunity (E.O. 11246 -- contracts exceeding $10,000) _____
- Standard Federal Equal Employment Opportunity Construction Contract Specifications and Goals and Timetables (E.O. 11246 -- contracts exceeding $10,000) _____
- Section 3 clause _____
- Nonsegregated Facilities clause _____
- Clean Air/Water (contracts exceeding $100,000) _____
- Flood Insurance, if applicable _____
- Lead-Based Paint clause _____
- Architect's Certification of Compliance with Architectural Barriers Act of 1968 (copy to DOA) _____
- A-102 Bonding Insurance Provisions ($100,000) _____
- Access to Records/Maintenance of Records clauses _____
- General Administrative Provisions _____
- Review by Attorney *(optional)* _____
- Approval of plans and specs by cognizant agency (water and sewer projects) _____

2. PRE-AWARD

- Date of 10-day Call _____
- Minutes of Bid Opening _____
- Tabulation of Bids *(Send one copy to DOA)* _____
- Recommendation for Award _____
- Verification of Wage Decision and Contractor Eligibility with DOA _____
- Authorization of Contract Award _____

Date/By

3. PRECONSTRUCTION (at the optional pre-construction conference or during the time period before construction begins)

- Executed Contract _____
- Notice of Contract Award sent to DOA _____
- Notification of Contractor/Subcontractor Responsibilities _____
- Notice of Fee Disposition _____
- Contractor's/Subcontractor's Section 3 Plan, if required _____
- Contractor's Section 3 Tables A & B completed, if required _____
- Contractor's Certification regarding Section 3 _____
- Certification of Proposed Subcontractor Regarding Section 3 and Segregated Facilities _____
- Contractor's Guide to Davis-Bacon (optional) Wage Requirements & Certified Payroll Reports _____
- Requested and received federal wage determination for any classifications not included on wage determination _____
- If apprentices are to be used on contract, received copy of contractor's apprentice program certifications _____
- If trainees are to be used on contract, received copy of contractor's trainee program certification _____
- Bonding/insurance on file _____
- Qualification Certification of Resident Project Representative and copy of current resume sent to the Office of Community Development _____

Date/By

4. CONSTRUCTION/ENFORCEMENT

- Payrolls & Statement of Compliance

| | Received | Reviewed | Discrepancies | Description |
|---|---|---|---|---|
| Week 1 | | | | |
| Week 2 | | | | |
| Week 3 | | | | |
| Week 4 (Etc.) | | | | |

- Daily Project Inspection Reports Date/By

1._____
2._____
3._____
4._____

- Complaints, if any, and actions taken _____

- Correspondence concerning contractor E.O. compliance _____

Project Inspection Checklist

A. Project Site Posting

1) Federal Wage Determination(s) _____

2) Notice to Employees (W.H. 1321) _____

3) Equal Employment Opportunity Requirements (E.O. 11246) _____

B. Employee Interviews

Attach employee interview form for each interview conducted. All classifications represented on the job must be included in interviews.

5. PROJECT COMPLETION

- Files reviewed to determine completeness and establish that all required restitutions have been made and are adequately documented _____

- Labor Standards Enforcement Report(s) _____

- Copy of as-built plans received _____

## A-56: CITY/PARISH EMPLOYMENT

**CITY/PARISH EMPLOYMENT**

**WORKFORCE ANALYSIS PART I**

City/Parish _____

Total Population _____

| Job Category | Total Number | Females | | Minorities | |
|---|---|---|---|---|---|
| | | Number | % | Number | % |
| 1. Officials and Administrators | | | | | |
| 2. Professions Para-Professionals Technicians | | | | | |
| 3. Clerical | | | | | |
| 4. Skilled Craft | | | | | |
| 5. Service Maintenance | | | | | |
| 6. Protective Service (Police, Firemen) | | | | | |

**WORKFORCE ANALYSIS**

**PART II**

| Employee/Classification | Dept. | Status | Sex | Race | Birth Date | Handicap | Personnel Actions | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Hired | Promoted | Terminated |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

## Workforce Analysis Instructions

This information should be compiled and updated annually with notations made, as necessary, of changes in classifications, status and personnel actions.

**PART I**

Total Number:

List total number of persons in each job category.

Females:

a) Number – total number of females in each job category.
b) % - percent of females in job category compared to total number of employees in each category.

Minorities:

a) Number – same as for females.

b) % - same as for females.

**PART II**

Employee/Classification:

List each employee by name and/or classification.

Department:

List department in which each employee works (e.g., police, public works, etc.).

Status:

List whether each employee is full or part time.

Sex:

List sex of each employee

Race:

List race/national origin of each employee

Birth Date:

List birth date of each employee.

Handicap:

State if employee is handicapped.

Personnel Actions:

List dates when each employee was hired, promoted and terminated (if applicable).

# A-57: CONTRACT AND SUBCONTRACT ACTIVITY

**Contract and Subcontract Activity** | **U.S. Department of Housing and Urban Development** | OMB Approval No.: 2577-0088 OMB Approval No.: 2502-0355

Public reporting burden for this collection of information is estimated to average .5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The Information is voluntary. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB Control Number.

Executive Orders dated July 14, 1983, directs the Minority Business Development Plans shall be developed by each Federal Agency and the these annual plans shall establish minority business development objectives. The information is used by HUD to monitor and evaluate MBE activities against the total program activity and the designated minority business enterprise (MBE) goals. The Department requires the information to provide guidance and oversight for programs for the development of minority business enterprise concerning Minority Business Development. If the information is not collected HUD would not be able to establish meaningful MBE goals nor evaluate MBE performance against these goals.

**Privacy Act Notice** = The United States Department of Housing and Urban Development, Federal Housing Administration, is authorized to solicit the Information requested in this form by virtue of Title 12, United States Code, Section 1701 et seq., and regulation. It will not be disclosed or relesed outside the United States Department of Housing and Urban Development without your consetn, except as required or permitted by Law.

| 1. Grantee/Project Owner/Developer/Sponsor/Builder/Agency | Check if: | 2. Location (City, State Zip Code) |
|---|---|---|
| | PH | |
| | IH | |
| | CPD | |
| | Housing | |

| 3a. Name of Contact Person | 3b. Phone Number (Including Area Code) | 4. Reporting Period ☐ Oct. 1 - Sept. 30 (Annual-FY) | 5. Program Code (Not applicable for CPD programs.) See explanation of Codes at bottom of Page Use a separate sheet for each program code. | 6. Date Submitted to Field Office |
|---|---|---|---|---|
| | | | | |

| Grant/Project Number or HUD Case Number or other identification of property, subdivision, dwelling unit, etc. 7a. | Amount of Contract or Subcontact 7b. | Type of Trade Code (See below) 7c. | Contractor or Subcontractor Business Racial/Ethnic (See below) 7d. | Woman Owned Business (Yes or No) 7e. | Prime Contractor Identification (ID) Number 7f. | Sec. 3 7g. | Subcontractor Identification (ID) Number 7h | Sec. 3 7i. | Contractor/Subcontractor Name and Address 7j. Name | Street | City | State | Zip |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |

**7c: Type of Trade Codes:**

| CPD: | Housing/Public Housing: | |
|---|---|---|
| 1 = New Construction | 1 = New Construction | 6 = Professional |
| 2 = Education/Training | 2 = Substantial Rehab. | 7 = Tenant Services |
| 3 = Other | 3 = Repair | 8 = Education/Training |
| | 4 = Service | 9 = Arch./Engrg. Appraisal |
| | 5 = Project Mangt. | 0 = Other |

**7d: Racial/Ethnic Codes:**

1 = White Americans
2 = Black Americans
3 = Native Americans
4 = Hispanic Americans
5 = Asian/Pacific Americans
6 = Hasidic Jews

**5: Program Codes (Complete for Housing and Public and Indian Housing programs only):**

| | | |
|---|---|---|
| | 1 = All Insured, including Section 8 | 5 = Section 202 |
| | 2= Flexible Subsidy | 6 = HUD-Held (Management) |
| | 3 = Section 8 Noninsured, Non-HFDA | 7 = Public/India Housing |
| | 4 = Insured (Management) | 8 = Section 811 |

Previous editions are obsolete. form **HUD-2516** (8/98)

| | | |
|---|---|---|
| Contracts/subcontracts of less than $10,000 need be reported only if such contracts represent a significant portion of your total contracting activity. Include only contracts executed during this reporting period. | or provides subcontracting or business development opportunities to businesses owned by low or low-income residents. Low and very low-income residents; include participants in Youthbuild programs established under Subtitle D of Title IV of the Cranston-Gonzalez National Affordable Housing Act. | Submit two (2) copies of this report to your local HUD Office within ten (10) days after the end of the reporting period you checked in item 4 on the front. Complete item 7h. Only once for each contractor/subcontractor on each semi-annual report. |
| This form has been modified to capture Section 3 contract data in columns 7g and 7i. Section 3 requires that the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs shall, to the greatest extent feasible, be directed toward low- and very low-income persons, particularly those who are recipients of government assistance for housing. Recipients using this form to report Section 3 contract data must also use Part I of form HUD-60002 to report employment and training opportunities data. Form HUD-2516 is to be | The terms "low-income persons" and "very low-income persons" have the same meanings given the terms in section3(b)(2) of the United States Housing Act of 1937. Low-income persons mean families (including single persons) whose incomes do not exceed 80 per centum of the median income for the area, as determined by the Secretary, with adjustments for smaller an larger families, except that the Secretary may establish income ceilings higher or lower than 80 per centum of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction | Enter the prime contractor's ID in item 7f. for all contracts and subcontracts. Include only contracts expected during this reporting period. PHAs/IHAs are to report all contracts/subcontracts. |
| **Community Development Programs** | **Multifamily Housing Programs** | **Public Housing and Indian Housing Programs** |
| **1. Grantee:** Enter the name of the unit of government submitting this report. | **1. Grantee/Project Owner:** Enter the name of the unit of government, agency or mortgagor entity submitting this report. | PHAs/IHAs are to report all contracts/subcontracts. Include only contracts executed during this reporting period. |
| **3. Contact Person:** Enter name and phone of person responsible for maintaining and submitting contract/subcontract data. | **3. Contact Person:** Same as item 3 under CPD Programs. | **1. Project Owner:** Enter the name of the unit of government, agency or mortgagor entity submitting this report. Check box as appropriate. |
| **7a. Grant Number:** Enter the HUD Community Development Block Grant Identification Number (with dashes). For example: B-32-MC-25-0034. For Entitlement Programs and Small City multi-year comprehensive programs, enter the latest approved grant number. | **4. Reporting Period:** Check only one period. | **3. Contact Person:** Same as item 3 under CPD Programs. |
| **7b. Amount of Contract/Subcontract:** Enter the dollar amount rounded to the nearest dollar. If subcontractor ID number is provided in 7f, the dollar figure would be for the subcontract only and not for the prime contract. | **5. Program Code:** Enter the appropriate program code. | **4. Reporting Period:** Check only one period. |
| **7c. Type of Trade:** Enter the numeric codes which best indicates the contractor's/subcontractor's service. If subcontractor ID number is provided in 7f., the type of trade code would be for the subcontractor only and not for the prime contractor. | **7a. Grant/Project Number:** Enter the HUD Project Number or Housing Development Grant or number assigned. | **5. Program Code:** Enter the appropriate program code. |
| The "other" category includes supply, professional services and all other activities except construction and education/training activities. | **7b. Amount of Contract/Subcontract:** Same as item 7b. under CPD Programs. | **7a. Grant/Project Number:** Enter the HUD Project Number or Housing Development Grant or number assigned. |
| **7d. Business Racial/Ethnic/Gender Code:** Enter the numeric code which indicates the racial/ethnic/gender character of the owner(s) and controller(s) of 51% of the business. | **7c. Type of Trade:** Same as item 7c. under CPD Programs. | **7b. Amount of Contract/Subcontract:** Same as item 7b. under CPD Programs. |
| When 51% or more is not owned and controlled by any single racial/ethnic/gender category, enter the code which seems most appropriate. If the subcontractor ID number is provided, the code would apply to the subcontractor and not to the prime contractor. | **7d. Business Racial/Ethnic/Gender Code:** Same as item 7d. under CPD Programs. | **7c. Type of Trade:** Same as item 7c. under CPD Programs. |
| **7e. Woman Owned Business:** Enter Yes or No. | **7e. Woman Owned Business:** Enter Yes or No. | **7d. Business Racial/Ethnic/Gender Code:** Same as item 7d. under CPD Programs. |
| **7f. Contractor Identification (ID) Number:** Enter the Employer (IRS) Number of the Prime Contractor as the unique identifier for prime recipient of HUD funds. Note that the Employer (IRS) Number must be provided for each contract/subcontract awarded. | **7f. Contractor Identification (ID) Number:** Same as item 7f. under CPD Programs. | **7e. Woman Owned Business:** Enter Yes or No. |
| **7g. Section 3 Contractor:** Enter Yes or No. | **7g. Section 3 Contractor:** Enter Yes or No. | **7f. Contractor Identification (ID) Number:** Same as item 7f. under CPD Programs. |
| **7h. Subcontractor Identification (ID) Number:** Enter the Employer (IRS) Number of the subcontractor as the unique identifier for each subcontract awarded from HUD funds. When the subcontractor ID Number is provided, the respective Prime Contractor ID Number must also be provided. | **7h. Subcontractor Identification (ID) Number:** Same as item 7h. under CPD Programs. | **7g. Section 3 Contractor:** Enter Yes or No. |
| **7i. Section 3 Contractor:** Enter Yes or No. | **7i. Section 3 Contractor:** Enter Yes or No. | **7h. Subcontractor Identification (ID) Number:** Same as item 7h. under CPD Programs. |
| **7j. Contractor/Subcontractor Name and Address:** Enter this information for each firm receiving contract/subcontract activity only one time on each report for each firm. | **7j. Contractor/Subcontractor Name and Address:** Same as item 7j. under CPD Programs. | **7i. Section 3 Contractor:** Enter Yes or No. |
| | | **7j. Contractor/Subcontractor Name and Address:** Same as item 7j. under CPD Programs. |

**A-58: PROJECT BENEFIT PROFILE**

PROJECT BENEFIT PROFILE

Project Title: _____

Applicant: _____

For compliance With:

Section 109, Housing & Community Development Act of 1974, as amended

Title VI, Civil Rights Act of 1964

1 Total Project Area Beneficiaries: _____

DIRECT BENEFIT

2 Total Direct Beneficiaries (all activities): _____

| 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Activity Number | Total _No. | White No. % | Black No. % | Hispanic No.. % | Asian No. % | American _Indian_ No. % | Handicap No. % | Elderly No. % | LMI No. % | Low No. % | Female __HH__ No. |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |

INDIRECT BENEFIT

2 Total Indirect Beneficiaries (all activities): _____

| 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Activity Number | Total _No. | White No. % | Black No. % | Hispanic No. % | Asian No. % | American _Indian_ No. % | Handicap No. % | Elderly No. % | LMI No. % | Low No. % | Female __HH__ No. |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |

INSTRUCTIONS

DIRECT/INDIRECT BENEFIT FORM

Public Facilities

You must identify persons benefiting from each activity you plan to undertake, and distinguish between persons who will benefit directly and those who will benefit indirectly. A direct benefit will accrue to any activity where a personal record must be completed by the resident or maintained by the grantee to receive the service (for example, , acquisition, relocation, payment of tap on fees). An indirect benefit will be achieved if all persons in the project area will receive equal benefit from the service (for example, sewer line installation, park development).

1. List total number of project area beneficiaries.
2. List total number of direct/indirect beneficiaries for all activities. Individuals who receive benefit from more than one activity should not be double counted.
3. List all proposed activity numbers and letters if applicable (exclude engineering, planning, administration and contingency activities).
4. List total number of beneficiaries for each activity. This number will be the basis for the percentage determination for items 4 through 11.
5. List number and percent of white persons benefiting. (A person having origins in any of the original people of Europe, North Africa, or the Middle East, but not of Hispanic origin.)
6. List number and percent of black persons benefiting. (A person having origins in any of the black racial groups of Africa, but not of Hispanic origin.)
7. List number and percent of Hispanic persons benefiting. (A person of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish culture or origin, regardless of race.)
8. List number and percent of Asian persons benefiting. (A person having origins in any of the original people of the Far East, Southeast Asia, the Indian subcontinent, or the Pacific Islands. This area includes, for example, China, India, Japan, Korea, the Philippine Islands, and Samoa.)
9. List number and percent of American Indian persons benefiting. (A person having origins in any of the original peoples of North America, and who maintains cultural identification through tribal affiliation or community recognition.)
10. List number and percent of handicapped persons benefiting. (A person who is physically disabled or mentally retarded.)
11. List number and percent of elderly persons benefiting.
12. List number and percent of low-moderate income persons benefiting. (Section 8 Lower Income)
13. List number and percent of low income persons benefiting. (Section 8 Very Low Income)
14. List number of female headed households. (A female person regarded as the head of the household by members of the household.)

## A-59: MINORITY PARTICIPATION GOALS

| Minority Goal % | Area |
|---|---|
| 19.2 | 113 New Orleans, LA SMSA<br>0920 Biloxi-Gulfport, MS<br>MS Hancock<br>MS Harrison<br>MS Stone |
| 31.0 | 5560 New Orleans, LA<br>LA Jefferson<br>LA Orleans<br>LA St. Bernard<br>LA St. Tammany |
| 27.7 | Non-SMSA Counties<br>LA Assumption<br>LA Lafourche<br>LA Plaquemines<br>LA St. Charles<br>LA St. James<br>LA St. John the Baptist<br>LA Tangipahoa<br>LA Washington<br>MS Forrest<br>MS Lamar<br>MS Marion<br>MS Pearl River<br>MS Perry<br>MS Pike<br>MS Walthall |
| 26.1 | 114 Baton Rouge SMSA<br>0760 Baton Rouge, LA<br>LA Ascension<br>LA East Baton Rouge<br>LA Livingston<br>LA West Baton Rouge |
| 30.4 | Non-SMSA Counties<br>LA Concordia<br>LA E. Feliciana<br>LA Iberville<br>LA Pointe Coupee<br>LA St. Helena<br>LA West Feliciana<br>MS Adams<br>MS Amite<br>MS Wilkinson |
| 20.6 | 115 Lafayette, LA SMSA<br>3880 Lafayette, LA<br>LA Lafayette |
| 24.1 | Non-SMSA Counties<br>LA Acadia<br>LA Evangeline<br>LA Iberia<br>LA St. Landry<br>LA St. Martin<br>LA St. Mary<br>LA Vermillion |

| Minority Goal % | Area |
|---|---|
| 19.3 | 116 Lake Charles, LA SMSA<br>3960 Lake Charles, LA<br>LA Calcasieu |
| 17.8 | Non-SMSA Counties<br>LA Allen<br>LA Beauregard<br>LA Cameron<br>LA Jefferson Davis<br>LA Vernon |
| 25.7 | 117 Shreveport, LA SMSA<br>0220 Alexandria, LA<br>LA Grant<br>LA Rapides |
| 29.3 | 7680 Shreveport, LA<br>LA Bossier<br>LA Caddo<br>LA Webster |
| 29.3 | Non-SMSA Counties<br>LA Avoyelles<br>LA Bienville<br>LA Clairborne<br>LA DeSoto<br>LA Natchitoches<br>LA Red River<br>LA Sabine<br>LA Winn |
| 22.8 | 118 Monroe, LA SMSA<br>5200 Monroe, LA<br>LA Quachita |
| 27.9 | Non-SMSA Counties<br>LA Caldwell<br>LA Catahoula<br>LA East Carroll<br>LA Franklin<br>LA Jackson<br>LA LaSalle<br>LA Lincoln<br>LA Madison<br>LA Morehouse<br>LA Richland<br>LA Tensas<br>LA Union<br>LA West Carroll |

## A-60: RESIDENT EMPLOYMENT OPPORTUNITY DATA

RESIDENT EMPLOYMENT OPPORTUNITY DATA

THE HOUSING AUTHORITY (or CITYOF)

_____

ELIGIBILITY FOR PREFERENCE

### Eligibility for Preference

A section 3 resident seeking the preference in training and employment provided by this part shall certify, or submit evidence to the recipient contractor or subcontractor, if requested, that the person is a Section 3 resident, as defined in Section 135.5. (An example of evidence of eligibility for the preference is evidence of receipt of public assistance, or evidence of participation in a public assistance program.)

***Certification for Resident Seeking Section 3 Preference in Training and Employment***

I, _____, am a legal resident of the _____

_____ and meet the income eligibility guidelines for a low- or very-low-income person as published on the reverse.

My permanent address is: _____

_____

I have attached the following documentation as evidence of my status:

- o Copy of lease
- o Copy of receipt of public assistance
- o Copy of Evidence of participation in a public assistance program
- o Other evidence

_____

Signature _____ _____

Print Name _____ Date _____

*SECTION 3 INCOME LIMITS*

All residents of public housing developments of the _____ Housing Authority qualify as Section 3 residents. Additionally, individuals residing in the _____ City of _____ who meet the income limits set forth below, can also qualify for Section 3 status.

A picture identification card and proof of current residency is required.

Eligibility Guideline

| Number in Household | Very Low Income | Low Income |
|---|---|---|
| 1 individual | | |
| 2 individuals | | |
| 3 individuals | | |
| 4 individuals | | |
| 5 individuals | | |
| 6 individuals | | |
| 7 individuals | | |
| 8 individuals | | |

## A-61: SECTION 3 CONTRACTOR/SUBCONTRACTOR ELIGIBILITY FORM

# SECTION 3 CONTRACTOR/SUBCONTRACTOR ELIGIBILITY FORM

_____ _____

Name of Contractor/Subcontractor Project Name and Number

The undersigned hereby certifies that:

**(Select any of the numbers that apply)**

☐ **1.** _____ (name of contractor/subcontractor) is 51% owned by Section 3 residents.

☐ **2.** _____ (name of contractor/subcontractor) has at least 30% of its permanent, full-time employees who are currently Section 3 residents, or within 3 years of the date of first employment with this business were Section 3 employees.

☐ **3.** _____ (name of contractor/subcontractor) can provide evidence of a commitment to subcontract in excess of 25% of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications in Numbers 1 and 2 above.

_____

Name and Title of Signer (Print or Type)

_____ _____

Signature Date

## A-62: CERTIFICATION FOR BUSINESS CONCERNS SEEKING SECTION 3 PREFERENCE IN CONTRACTING AND DEMONSTRATION OF CAPABILITY

CERTIFICATION FOR BUSINESS CONCERNS SEEKING SECTION 3
PREFERENCE IN CONTRACTING AND DEMONSTRATION OF CAPBILITY

Name of Business _____

Address of Business _____

Type of Business:
- o Corporation
- o Partnership
- o Sole Proprietorship
- o Joint Venture

Attached is the following documentation as evidence of status:

For Business claiming status as a Section 3 resident-owned enterprise:
- o Copy of resident lease
- o Copy of evidence of participation in a public assistance program
- o Copy of receipt of public assistance
- o Other evidence

For business entity as applicable:
- o Copy of Articles of Incorporation
- o Assumed Business Name Certificate
- o List of owners/stockholders and % ownership of each
- o Organization chart with names and titles and brief function statement
- o Certificate of Good Standing
- o Partnership Agreement
- o Corporation Annual Report
- o Latest Board minutes appointing officers
- o Additional documentation

For business claiming Section 3 status by subcontracting 25 percent of the dollar awarded to qualified Section 3 business:
- o List of subcontracted Section 3 business(es) and subcontract amount

For business claiming Section 3 status, claiming at least 30 percent of their workforce are currently Section 3 residents or were Section 3 eligible residents within 3 years of date of first employment with the business:
- o List of all current full-time employees
- o PHA/IHA Residential lease less than 3 years from day of employment
- o List of employees claiming Section 3 status
- o Other evidence of Section 3 status less than 3 years from date of employment

Evidence of ability to perform successfully under the terms and conditions of the proposed contract:
- o Current financial statement
- o Statement of ability to comply with public policy
- o List of owned equipment
- o List of all contracts for the past two years

_____ (Corporate Seal)
Authorizing Name and Signature

Attested by:_____

## A-63: CONTRACTOR'S/SUBCONTRACTOR'S NEW EMPLOYEE INFORMATION FORM

# Contractor's/Subcontractor's New Employee Information Form

One *New Employee Information Form* is to be completed by the employer for each new employee hired for work on this project during the construction phase of the project.

**<u>This is a required form and Nos. 1 – 12 must all be answered</u>. This form must accompany the first payroll on which the name of the newly hired employee appears.**

1. Name of Grant Recipient _____
2. LCDBG Contract Number _____
3. Name of Employer _____
4. Name of New Employee _____
5. Street Address or P. O. Box # _____
6. City and Zip Code _____
7. Date of Hire of New employee _____

8. Methods of attempting to recruit local persons of low and moderate income include: advertisement in local media, public bulletin board, consideration of all applications received, U.S. employment service, a sign at the project site, and the posting of a notice at the project site. On the line below, list the method(s) used.

_____

9. Does the employee live within the corporate or parish limits (boundaries) of the grant recipient listed on line 1? _____ Yes _____ No

If the answer to question 9 was "Yes" the following two questions should be answered.

10. Total employee family income per year prior to the date of hire, as determined by asking the employee. _____

11. Number of persons in employee's family. _____

_____ _____
(Signature of Employer or Employer Representative) (Date)

If the answer to 9 is "Yes" and if the family income is less than the "above" category as defined in the original LCDBG application for funding, then the employee is a Section 3 employee.

12. Is the above listed employee a "Section 3" employee? _____ Yes _____ No

_____ _____
(Signature of Grant Recipient's LCO or Employer) Date

## A-64: SECTION 3 COMPLAINT REGISTER

# Complaint Register

Under Section 3 of the Housing
And Urban Development Act of 1968

**U.S. Department of Housing and Urban Development**

Office of Fair Housing
and Equal Opportunity

OMB Approval No. 2529-0043 (revised)
(Expires 8/31/2015)

**Instructions:** This form is to be used to report allegations of noncompliance with Section 3 of the Housing and Urban Development Act of 1968, as amended and implementing regulations at 24 CFR Part 135.

### 1. Complainant Information:

| | |
|---|---|
| **Name of Complainant (Person or organization)** | Home Phone |
| **Street Address** | Work Phone |
| **City, State, Zip code** | |
| **Email Address:** | |

### 2. You are: (check all that apply)

- ☐ Low/Very Low Income Person
- ☐ Public Housing Resident
- ☐ HUD Youthbuild Participant
- ☐ A Representative of any of the above listed Individuals (Such as: a Low-Income Person or Public Housing Resident)
- ☐ Section 3 Business
- ☐ A Representative of a Section 3 Business
- ☐ Other: _____

### 3. Basis for alleged noncompliance with Section 3:

☐ Denied Training ☐ Denied Employment ☐ Denied Contracting ☐ Other (see below in item 6)

### 4. Complaint is against: (check one or more boxes)

☐ Recipient of HUD Funds (Such: as a PHA, city/county agency, etc.) ☐ Contractor ☐ Subcontractor ☐ Other (please specify): _____

### 5. Who is this complaint being filed against?

| | |
|---|---|
| Name of agency, organization, or company: | Business Phone |
| Street Address | |
| City, State, Zip code | |
| Name and identify others (if any) who allegedly violated Section 3 in this case: | |

**6. How did the HUD recipient, contractor, or subcontractor violate the requirements of Section 3?**

(Check all that apply – provide documentation, if available)

| HUD Recipient | Contractor and/or Subcontractor |
|---|---|
| ☐ Failed to notify Section 3 businesses about contracting opportunities | ☐ Failed to certify that all employment vacancies filled prior to contract execution were not filled to circumvent Section 3 |
| ☐ Failed to incorporate the Section 3 Clause into covered Section 3 bid solicitations or contracts | ☐ Failed to notify potential subcontractors about Section 3 requirements |
| ☐ Failed to provide priority consideration to Section 3 businesses for covered contracting opportunities | ☐ Failed to post notices at the work site regarding Section 3 requirements in accordance with the Section 3 Clause |
| ☐ Failed to select Section 3 businesses in accordance with the order of priority consideration as set forth in 24 CFR 135.36 | ☐ Failed to send to each labor organization or representative of workers a notice of Section 3 obligations in accordance with the Section 3 Clause |
| ☐ Failed to award contracts to Section 3 businesses | ☐ Failed to ensure that its subcontractors complied with Section 3 |
| ☐ Failed to ensure that its contractors/ subcontractors complied with Section 3 requirements | ☐ Failed to train and/or hire Section 3 residents for new employment opportunities |
| ☐ Knowingly entered into contracts with contractors/ subcontractors that failed to comply with Section 3 requirements | ☐ Failed to provide priority consideration to Section 3 residents for employment or training opportunities in accordance with 24 CFR Part 135.34 |
| ☐ Failed to notify Section 3 residents about training and/or employment opportunities | ☐ Failed to ensure that contracts awarded to subcontractors included the Section 3 Clause |
| ☐ Failed to provide priority consideration to Section 3 residents for employment or training opportunities | ☐ Failed to award subcontracts to Section 3 businesses |
| ☐ Failed to select Section 3 residents for training or employment opportunities in accordance with the order of priority consideration set forth in 24 CFR 135.34 | ☐ Failed to award subcontracts to Section 3 businesses in accordance with the order of priority consideration set forth in 24 CFR 135.34 |
| ☐ Failed to hire Section 3 residents for new employment opportunities | ☐ Retaliated against the complainant because complainant sought to enforce Section 3 requirements or participated in an investigation or proceeding regarding Section 3 |
| ☐ Retaliated against the complainant because complainant sought to enforce Section 3 requirements or participated in an investigation or proceeding regarding Section 3 | ☐ Other |
| ☐ Other | _____ |
| _____ | |

**7. When did the act(s) checked above occur?** (Include the most recent date if several dates are involved):

_____/ _____/ _____

**Month Day Year**

* The date of the last alleged violation or occurrence must be less than 180 days from the date of submission to HUD.

**8. Project name or location where alleged violation occurred?** (If applicable):

Project Name (if applicable): _____ Project Number: _____

Project Location: _____

Local Contracting Agency (LCA): _____

**9. Identify the type of HUD funding used by the HUD funding recipient, organization, or contractor that this complaint is filed against**: (Check all that apply)

| | | | |
|---|---|---|---|
| ☐ PIH Operating Subsidy | ☐ Other PIH Assistance | ☐ Neighborhood Stabilization Program (NSP) Assistance | ☐ Section 811 Supportive Housing for the Disabled |
| ☐ PIH Capital Fund Subsidy | ☐ Community Development Block Grants (CDBG) | ☐ Other Community Development Assistance | ☐ Project Based Housing Vouchers |
| ☐ Choice Neighborhood Initiative Grant | ☐ HOME Investment Partnership Funding | ☐ Lead-Based Paint | ☐ Other HUD Housing Assistance |
| ☐ HOPE VI Grant | ☐ McKinney Homeless Assistance | ☐ Section 202Supportive Housing for the Elderly | ☐ Other Covered HUD Funding |

| | |
|---|---|
| **10. Description of act(s) or incident(s) involving alleged violation of Section 3:**<br>Summarize what happened? Attach additional information if necessary | |
| | |
| **11. Declaration Statement**<br>**I declare under penalty of perjury that I have read this complaint (including any attachments) and that all information is accurate and correct.** | |
| Signature | Date |

## Section 3 of the Housing and Urban Development Act of 1968

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB number.

The information is given voluntarily and provides the basis for HUD's investigation of the complaint to determine if the allegations of noncompliance are valid. The Department will use the information provided as the basis for its determination of jurisdiction over a complainant's allegations. All information collected complies with the Privacy Act of 1974 and OMB Circular A-108. The information is unique to the processing of complaints alleging noncompliance with the Section 3 statute or implementing regulations. The information collected on this form will only be used by HUD during the investigation and resolution of complaints and will not be shared with persons or parties that are not directly involved with the complaint.

**What is Section 3 of the Housing and Urban Development Act of 1968?**

Section 3 is a provision of the Housing and Urban Development (HUD) Act of 1968 that helps foster local economic development, neighborhood economic improvement, and individual self-sufficiency. The Section 3 requirements ensure that ***when*** new jobs or contracts are created during the usage of certain HUD funds, priority consideration is given to low- and very low-income persons residing in the community in which the funds are spent (regardless of race or gender), and to the businesses that substantially employ these persons.

**Who are Section 3 residents and businesses?**

Section 3 residents are:

- Public housing residents; or
- Persons who live in the area where a HUD-assisted project is located and who have a household income that falls below HUD's income limits for low- and very low-income.

Please visit: **http://www.huduser.org/portal/datasets/il.html** to determine the income limits for residents of your community.

A Section 3 business is one that meets one of the following criteria:

- Is 51 percent or more owned by Section 3 residents;
- Employs Section 3 residents for at least 30 percent of its full-time, permanent staff; or
- Provides evidence of a commitment to subcontract to Section 3 business concerns, 25 percent or more of the dollar amount of the awarded contract.

**What HUD funding does Section 3 cover?**

Section 3 applies to any of the following:

A. Public and Indian Housing programs that receive: (1) Annual contributions for low income housing projects provided pursuant to section 5 of the U.S. Housing Act of 1937, as amended by the Quality Housing and Work Responsibility Act of 1998 (QWHRA); (2) Capital Fund Project assistance provided pursuant to Section 9 of QHWRA; (3) Operating Subsidy assistance provided pursuant to Section 9 of QHWRA.
B. Housing and community development assistance extended for: (1) housing rehabilitation (including reduction and abatement of lead based paint hazards); (2) housing construction or (3) other public construction projects; and for which the contract and subcontract exceeds $100,000; and
C. Certain competitive HUD grant funding, such as: HOPE VI, Choice Neighborhoods, etc.).

**What can you do about violations of the Law?**

Remember, Section 3 applies to the awarding of jobs, training programs, and contracts, generated from projects receiving HUD financial assistance. If you believe that, as a low-income person or a Section 3 business concern, the responsibilities to provide economic opportunities under Section 3 have been violated, you have a right to file a complaint within **180 days** of the last alleged occurrences of noncompliance.

Complaints alleging violations of the Section 3 regulatory requirements must be submitted to the appropriate HUD Regional Office of Fair Housing and Equal Opportunity listed below. Please be certain to sign and date this form, where indicated, to ensure prompt complaint processing.

HUD will send the complaint to the appropriate HUD recipient for resolution. If resolution by the recipient fails, HUD will investigate. If HUD finds that the complaint has merit, it will try to end the violation by informal resolution. If conciliation fails, HUD may initiate other steps to enforce the law, including but not limited to suspension and debarment of the recipient or contractors as applicable.

You can obtain assistance in learning about more Section 3 by visiting **www.hud.gov/section3** or by contacting one of the HUD's Regional Offices of Fair Housing and Equal Opportunity.

**Authority:** Section 3 of the Housing and Urban Development Act of 1968, as amended by the Housing and Community Development Act of 1968, as amended by the Housing and Community Development Act of 1992, U.S.C. 1701u and implementing regulations at 24 CFR Part 135.

**Purpose:** The information requested on this form is to be used to investigate and process Section 3 complaints.

**Use:** The information requested will be used to process a complaint filed under Part 135. HUD may disclose certain information for Federal, State, and local agencies when relevant to civil, criminal, or regulatory investigations and prosecutions. It will not be otherwise disclosed or released outside of HUD, except as required and permitted by law.

**Penalty:** Failure to provide some or all of the requested information will result in delayed processing or rejection of this complaint for investigation.

**Privacy Act of 1974 (P.L.93-579)**
All information collected is provided voluntarily and complies with the Privacy Act of 1974 and OMB Circular A-108. The information is unique to the processing of complaints alleging noncompliance with the Section 3 statute or implementing regulations. The information collected on this form will only be used by HUD during the investigation and resolution of complaints and will not be shared with persons or parties that are not directly involved with the complaint.

**Instructions for completing the Section 3 Complaint Register**

**Box 1:** Enter the requested information for the person that is filing the complaint (i.e., the complainant). This person must meet the definition of a Section 3 resident or business.

**Box 2:** Select the appropriate statement that describes your status as a Section 3 resident, businesses, or representative of either.

**Box 3:** Select the appropriate basis for the complaint which you are filing.

**Box 4:** Select the appropriate option that best describes the person or entity that you are filing this complaint against.

**Box 5:** Provide the name, address, and contact information for the person or entity that you are filing this complaint against.

**Box 6:** Select the statement(s) that best describe the alleged actions or omissions undertaken by the person or entity that you are filing this complaint against that are in violation of the requirements of Section 3. If you select "other", please briefly describe the alleged violation on the appropriate line.

**Box 7:** Provide the date that the alleged violation or action occurred. If the alleged act or violation is continuing in nature, please provide the date of the most recent occurrence.

**Box 8:** If this complaint is based upon acts or omissions that occurred at a specific job site, project, or location, please provide information that will allow HUD to identify the specific project that is the subject of the complaint that you are filing.

**Box 9:** Select the appropriate type of covered HUD funding that the recipient, organization, contractor/ subcontractor received or administered.

**NOTE:** In order for the complaint to be jurisdictional, covered HUD funding must be administered by the recipient, organization, contractor/subcontractor.

**Box 10:** Provide a detailed description of the acts or omissions undertaken by the person or entity that you filing this complaint against. Provide enough specific information to enable HUD to clearly understand the alleged violation and whether it demonstrates noncompliance with the requirements of Section 3.

**Box 11:** Please sign the complaint and enter the current date.

**NOTE:** By signing and dating this complaint you are affirming that your statements and allegations are true and accurate by penalty of perjury. Complaints **must** be signed and dated prior to acceptance by HUD for investigation.

**Where to file your complaint:**
Please fax or mail your complaint to the appropriate HUD Regional Office of Fair Housing and Equal Opportunity that has jurisdiction over the state for which you are located or where the alleged violation occurred. Inquiries regarding the status of your complaint should be directed to the appropriate Regional office of FHEO by telephone or email.

| | |
|---|---|
| **BOSTON REGIONAL OFFICE**<br>U.S. Department of Housing and Urban Development<br>New England Office<br>10 Causeway Street, Suite 308<br>Boston, MA 02222<br>(617) 994-8300<br>(800) 827-5005<br>Fax☹617) 565-7313<br>Email: **complaints_office_01@hud.gov**<br><br>*Covers the following states: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont | **FORT WORTH REGIONAL OFFICE**<br>U.S. Department of Housing and Urban Development<br>Southwest Office<br>801 Cherry St., Unit 45, Suite 2500<br>Fort Worth, TX 76102<br>(817) 978-5900<br>(888)560-8913<br>Fax☹817) 978-5876<br>Email: **complaints_office_06@hud.gov**<br><br>*Covers the following states: Arkansas, Louisiana, New Mexico, Oklahoma, and Texas |
| **NEW YORK REGIONAL OFFICE**<br>U.S. Department of Housing and Urban Development<br>New York and New Jersey Office<br>26 Federal Plaza<br>New York, NY 10278<br>(212) 264-1290<br>(800) 496-4294<br>Fax: (212) 264-9829<br>Email: **complaints_office_02@hud.gov**<br><br>*Covers the following states: New Jersey and New York | **KANSAS CITY REGIONAL OFFICE**<br>U.S. Department of Housing and Urban Development<br>Great Plains Office<br>400 State Avenue<br>Kansas City, KS 66101<br>(913) 551-6958<br>(800) 743-5323<br>Fax: (913) 551-6856<br>Email: **complaints_office_07@hud.gov**<br><br>*Covers the following states: Iowa, Kansas, Missouri, and Nebraska |
| **PHILADELPHIA REGIONAL OFFICE**<br>U.S. Department of Housing and Urban Development<br>Mid-Atlantic Office<br>100 Penn Square East,<br>12th Floor<br>Philadelphia, PA 19107<br>(215) 861-7646<br>(888) 799-2085<br>Fax: (215) 656-3449<br>Email: **complaints_office_03@hud.gov**<br><br>*Covers the following states: Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, and West Virginia | **DENVER REGIONAL OFFICE**<br>U.S. Department of Housing and Urban Development<br>Rocky Mountain Office<br>1670 Broadway<br>Denver, CO 80202<br>(303) 672-5437<br>(800) 877-7353<br>Fax: (303) 672-5026<br>Email: **complaints_office_08@hud.gov**<br><br>*Covers the following states: Colorado, Montana, North Dakota, South Dakota, Utah, and Wyoming |

| | |
|---|---|
| **ATLANTA REGIONAL OFFICE**<br>U.S. Department of Housing and Urban Development<br>Southeast Office<br>40 Marietta Street<br>Atlanta, GA 30303<br>(404) 331-5140<br>(800) 440-8091<br>Fax: (404) 331-1021<br>Email: **complaints_office_04@hud.gov**<br>*Covers the following states: Alabama, Puerto Rico, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, and the Virgin Islands | **SAN FRANCISCO REGIONAL OFFICE**<br>U.S. Department of Housing and Urban Development<br>Pacific/Hawaii Office<br>600 Harrison Street<br>Third Floor<br>San Francisco, CA 94107<br>(415) 489-6536<br>(800) 347-3739<br>Fax: (415) 489-6560<br>Email: **complaints_office_09@hud.gov**<br>*Covers the following states: Arizona, California, Guam, Hawaii, and Nevada |
| **CHICAGO REGIONAL OFFICE**<br>U.S. Department of Housing and Urban Development<br>Midwest Office<br>77 W. Jackson Boulevard, Suite 2101<br>Chicago, IL 60604<br>(312) 353-7776<br>(800) 765-9372<br>Fax: (312) 886-2837<br>Email: **complaints_office_05@hud.gov**<br>*Covers the following states: Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin | **SEATTLE REGIONAL OFFICE**<br>U.S. Department of Housing and Urban Development<br>Northwest/Alaska Office<br>909 First Avenue<br>Seattle, WA 98104<br>(206) 220-5170<br>(800)877-0246<br>Fax: (206) 220-5447<br>Email: **complaints_office_03@hud.gov**<br>*Covers the following states: Alaska, Idaho, Oregon, and Washington |

# SUGGESTED ACTIVITIES TO AFFIRMATIVELY FURTHER FAIR HOUSING

Information Outreach

Requesting Landlords to post Fair Housing Notices, Providing Fair Housing brochures where customers pay utility bills, media campaigns or communities with local oriented media outlets (Town newspaper). Pamphlets and other information may be obtained from the Louisiana Attorney General's office at 1-800-273-5718 or **www.ag.state.la.us**. Information is available about housing rights and responsibilities and filing housing discrimination complaints with HUD's new mobile application for iPhone and iPad (go to Apple app store).

Training Seminar for the General Public

Topics would include overview of the Fair Housing laws, (classes, illegal acts, and penalties) rights and responsibilities in buying/selling homes, tenant selection criteria, family issues (occupancy standards, safety) renting to the disabled etc. See 24 CFR.50, 100.65, 100.80. To advertise, post notices in public places such as where customers pay utility bills, public libraries, apartment houses, etc. **Schedule these seminars in the evening at a time and place most accessible to the general public.**

Training Seminar for Rental Managers, Agents and Landlords

Topics would include overview of the Fair Housing laws, (classes, illegal acts, and penalties) tenant selection criteria, family issues (occupancy standards, safety) renting to the disabled, recordkeeping, advertising and evictions. See 24 CFR 100.70, 100.75, 100.80, 100.202

Training Seminar for Real Estate Brokers

Topics would include protected classes, violations, penalties and dealing with potentially illegal questions. See 24 CFR 100.65, 100.70, 100.80, 100.90, 100.135

Training Seminar for Real Estate Lenders

Topics would include Fair Housing statues, recording keeping, prohibited inquiries, prohibited credit uses. See 24 CFR 100.50, 100.65, 100.70, 100.120, 100.130

# Fair Housing Bill Stuffer

Side 1

| | |
|---|---|
| EQUAL HOUSING OPPORTUNITY | Title VIII of the Civil Rights Act of 1968, As Amended, makes discrimination based on race, color, religion, sex, handicap, familial status, or national origin illegal in connection with the sale or rental of most housing and any vacant land offered for residential construction or use. |

Side 2

| | |
|---|---|
| EQUAL HOUSING OPPORTUNITY | Fair Housing is a national policy of the United States. It's the law, and it's your right.<br><br>Today, more than ever, America is closer to upholding the inalienable right of all its citizens to live where they choose, when they choose, or for as long as they choose, and can afford to do so. Yet, this year, as many as two million people who want to rent or buy a home will be discriminated against because of race, color, religion, sex, handicap, families with children, or national origin.<br><br>YOU can do something about housing discrimination.<br><br>Complaints may be filed with the Louisiana Attorney General's office at 1-800-273-5718 or by reporting violations to the U. S. Department of Housing and Urban Development at this Toll-Free number, 1-800-669-9777. |

# Fair Housing

## It's Right

## It's Fair

## It's for Everyone!

## It's Not an Option

## It's the LAW

## April is Fair Housing Month

**Equal Housing Opportunity**

Discrimination Complaint
Hotline 1-800-669-9777
or
Louisiana Attorney General Fair Housing Hotline
1-800-273-5718

Learn more about housing rights and filing housing discrimination complaints with HUD's new mobile application for iPhone and iPad (go to Apple app store).

# Code of Federal Regulations Title 24--Housing and Urban Development

## PART 100--DISCRIMINATORY CONDUCT UNDER THE FAIR HOUSING ACT


Sec. 100.**5** Scope.
Sec. 100.**10** Exemptions.
Sec. 100.**50** Real estate practices prohibited.
Sec. 100.**65** Discrimination in terms, conditions and privileges and in services and facilities.
Sec. 100.**70** Other prohibited sale and rental conduct.
Sec. 100.**75** Discriminatory advertisements, statements and notices.
Sec. 100.**80** Discriminatory representations on the availability of dwellings.
Sec. 100.**85** Blockbusting.
Sec. 100.**90** Discrimination in the provision of brokerage services.
Sec. 100.**120** Discrimination in the making of loans and in the provision of other financial assistance.
Sec. 100.**130** Discrimination in the terms and conditions for making available loans or other financial assistance.
Sec. 100.**135** Unlawful practices in the selling, brokering, or appraising of residential real property.
Sec. 100.**202** General prohibitions against discrimination because of handicap.
Sec. 100.**203** Reasonable modifications of existing premises.
Sec. 100.**204** Reasonable accommodations.
Sec. 100.**205** Design and construction requirements.
Sec. 100.**400** Prohibited interference, coercion or intimidation.

This page is located on the U.S. Department of Housing and Urban Development's Homes and Communities Web site at **http://www.hud.gov/complaints/housediscrim.cfm**

# Housing Discrimination Complaints

Federal law prohibits housing discrimination based on your race, color, national origin, religion, sex, family status, or disability. If you have been trying to buy or rent a home or apartment and you believe your rights have been violated, you can file a fair housing complaint.

There are several ways to file a complaint:

*You can file a complaint right now, by using our online form .

*You can call toll-free 1-800-669-9777.

*You can print out a form, complete it, and drop it off at your local HUD office or mail it to:

Office of Fair Housing and Equal Opportunity
Department of Housing and Urban Development
Room 5204
451 Seventh St. SW
Washington, DC 20410-2000

For Arkansas, **Louisiana**, New Mexico, Oklahoma, and Texas residents:

Fair Housing Hub
U.S. Department of Housing and Urban Development
801 Cherry Street, 27th Floor
P.O. Box 2905
Fort Worth, Texas 76113-2905
(817) 978-5900
1-800-669-9777
TTY (817) 978-5595

OR

Contact the Louisiana Attorney General's

Fair Housing Division at

1-800-273-5718 (Louisiana only) or

**www.ag.state.la.us**

A-66: FAIR HOUSING ASSESSMENT

# FAIR HOUSING ASSESSMENT

## Assessing Fair Housing Conditions in Your Community

**Name of Community: _____ Contract #: _____ FY: _____**

## PART I – HOUSING PROFILE

**American Community Survey Table B25032 -Tenure by Units in Structure**
(**See instructions at end of form.**)

1. Owner Occupied Units:
   a. Single attached and detached (row 3+4) _____
   b. Mobile Home and others (row 11+12) _____
   c. Other Units (rows 5+6+7+8+9+10) _____
   d. Total Number of Owner Occupied Units: (row 2) _____
2. Renter Occupied
   a. Single attached and detached (row 14+15) _____
   b. Mobile Home and others (row 22+23) _____
   c. Two Unit Structure (row 16) _____
   d. Multiple Unit Structure (rows 17+18+19+20+21) _____
   e. Total Number of Renter Occupied Units (row 13) _____
3. Total Units (row 1) _____
4. What percent of total occupied housing units are owner occupied single units?
   (add **1 a** and **1 b** then divide by 3) _____
5. What percent of total occupied housing units are multiple unit structure rental units (3 or more units)? (Divide **2 d** by 3) _____
6. Does your community have public housing? _____
7. How many mortgage lenders are located or have offices in your community? _____
8. How many real estate brokers are located and/or have offices in your community? _____
9. Does your community have a comprehensive zoning ordinance? _____
10. Does your community have or enforce building codes? _____
11. Are there any new subdivisions building or planned for your community?
    Yes _____ No _____

# PART II – REVIEW OF FAIR HOUSING PRACTICES

For the Housing Activities applicable to your community provide the following information:

1. Rental Units: Description of data sources or contacts made:

_____
_____
_____

Description of policies or practices examined:

_____
_____
_____

2. Public Housing: Description of data sources or contacts made:

_____
_____
_____

Description of policies or practices examined:

_____
_____
_____

3. Mortgage Lending Institutions: Description of data sources or contacts made:

_____
_____
_____

Description of policies or practices examined:

_____
_____
_____

4. Real Estate Brokerage Services:

Description of data sources or contacts made:

_____
_____
_____

Description of policies or practices examined:

_____
_____
_____

5. Zoning Ordinances: Description of data sources or contacts made:

_____
_____
_____

Description of policies or practices examined:

_____
_____
_____

6. Building Codes: Description of data sources or contacts made:

_____
_____
_____

Description of policies or practices examined:

_____
_____
_____

# PART III – IDENTIFICATION OF IMPEDIMENTS

1. Rental Units: *(Mark NA and skip to next question if answer to ONE in PART II is zero)*

Are there any identifiable barriers for persons of similar income levels that restrict or have the effect of restricting access to rental housing; because of their race, color, religion, sex, national origin, handicap or familial status? *(for example: unnecessary or burdensome application procedures; unreasonable requirements)* Yes _____ No _____ NA _____

2. Public Housing: *(Mark NA and skip to next question if answer to TWO in PART II is zero)*

Are there any identifiable barriers for persons of similar income levels that restrict or have the effect of restricting access to public housing units; because of their race, color, religion, sex, national origin, handicap or familial status? *(for example: unnecessary or burdensome qualification requirements* Yes _____ No _____ NA _____

3. Mortgage Lending Institutions: *(Mark NA and skip to next question if answer to THREE in PART II is zero)*

Are there any identifiable barriers for persons of similar income levels that restrict or have the effect of restricting access to mortgage loans; because of their race, color, religion, sex, national origin, handicap or familial status? *(for example: inconsistent appraisal practices, redlining; restrictive lending practices,)* Yes _____ No _____ NA _____

4. Real Estate Brokerage Services: *(Mark NA and skip to next question if answer to FOUR in PART II is zero)*

Are there any identifiable barriers for persons of similar income levels that restrict or have the effect of restricting access to real estate brokerage services; because of their race, color, religion, sex, national origin, handicap or familial status? *(for example: uneven appraisal practices, redlining, unnecessary or burdensome application procedures; exclusion from listing services; steering)* Yes _____ No _____ NA _____

5. Zoning Ordinances: *(Mark NA and skip to next question if answer to FIVE in PART II is no)*

Does the communities' zoning ordinances restrict or have the effect of restricting housing choices or availability of housing choices for persons of similar income levels because of their race, color, religion, sex, national origin, handicap or familial status? *(for example: restrictive regulations that make low income housing development difficult)* Yes_____ No_____ NA_____

6. Building Codes: *(Mark NA if answer to SIX in PART II is no)*

Does the communities' building code ordinances restrict or have the effect of restricting housing choices or availability of housing choices for persons of similar income levels because of their race, color, religion, sex, national origin, handicap or familial status? *(for example: restrictive regulations that make low income housing development difficult)* Yes_____ No_____ NA_____

# PART IV – ANALYSIS OF IMPEDIMENTS

For any items identified as YES in PART III please provide the following details.

Housing Activity: _____

Description of the Impediment: _____

_____

_____

Cause of the Impediment: _____

_____

_____

Result of the Impediment: _____

_____

_____

xxxx

# PART V – ACTIONS TAKEN TO OVERCOME IDENTIFIED IMPEDIMENTS

Housing Activity: _____

Actions or proposed actions: _____

_____

_____

_____

_____

_____

xxxx

**< S A M P L E >**

## PART II – REVIEW OF FAIR HOUSING PRACTICES

Mortgage Lending Institutions: Description of data sources or contacts made:
Contacted the three realtors that have offices in our Town.

Description of policies or practices examined:
Our consultant reviewed the marketing practices of the realtor agencies.

x x x

# INSTRUCTIONS FOR THE FAIR HOUSING ASSESSMENT

The Office of Community Development has identified six housing activities that present potential barriers to fair housing choice for your citizens. PART I asks questions about the housing activities in your community. See below for instruction to access census data. PART II asks you what source of information exists about the different housing activities and also what particular policies or practices were examined in order to determine if impediments to fair housing activities exist. PART III asks if after reviewing the information whether any impediments were identified for each activity. If you mark 0 or NO for any item in Part I, then mark NA (*Not Applicable*) for the appropriate activity in PART II and PART III. For example if there are no public housing units in your community or your community does not have zoning ordinances then no comments are necessary for PART II and NA would be the appropriate block for PART III.

If you answered yes to any question in PART III and have determined that are impediments in any of the housing activities that restrict or have the effect of restricting housing choices or availability of housing choices for persons of similar income levels because of their race, color, religion, sex, national origin, handicap or familial status; then you must provide information in PARTS IV and V.

Steps to obtain the American Community Survey Table
**B25032 TENURE BY UNITS IN STRUCTURE**:

1. Go to American FactFinder at:
   **http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml**
2. Type “B25032” in the “topic or table name” box located in the Quick Start section in the middle and click “GO”
3. Click “Geographies” in the menu on the left-hand side of the screen (this will bring up a “floating” screen where you can make your geography selection)
4. In the Select Geographies window, select the geographic type from the list of options (select “County” if seeking data for a particular parish or “Place within State” if seeking data for a particular city, town, village or Census Designated Place). Select “Louisiana” when the “Select a state” box appears and then select, depending on what select you made initially, either the parish or place that interests you and click “ADD TO YOUR SELECTIONS”
5. Close the Select Geographies floating screen by hitting the “Close X” box in the upper right
6. You will now have a listing in the “Search Results” section of all of the American Community Survey B25032 tables in American Fact Finder that have data for the geography that you selected.

7. Click on **B25032 TENURE BY UNITS IN STRUCTURE** table for the most recent American Community Survey dataset available which should be the first one listed in the search results.
8. This will bring you to a screen that allows you to view, modify, or download the data.
9. Click "View" to see table.

Example of table:

**Table B25032: TENURE BY UNITS IN STRUCTURE**
2006-2010 American Community Survey 5-Year Estimates

| | United States | |
|---|---|---|
| | Estimate | Margin of Error |
| Total: | 114,235,996 | +/-248,114 |
| Owner-occupied housing units: | 76,089,650 | +/-362,764 |
| 1, detached | 62,190,096 | +/-318,628 |
| 1, attached | 4,445,928 | +/-33,976 |
| 2 | 1,022,842 | +/-7,034 |
| 3 or 4 | 681,578 | +/-5,021 |
| 5 to 9 | 605,391 | +/-4,486 |
| 10 to 19 | 475,235 | +/-4,395 |
| 20 to 49 | 503,267 | +/-4,968 |
| 50 or more | 888,476 | +/-8,274 |
| Mobile home | 5,204,460 | +/-11,475 |
| Boat, RV, van, etc. | 72,377 | +/-1,953 |
| Renter-occupied housing units: | 38,146,346 | +/-120,182 |
| 1, detached | 10,003,829 | +/-74,907 |
| 1, attached | 2,245,096 | +/-9,681 |
| 2 | 3,186,132 | +/-19,945 |
| 3 or 4 | 4,207,805 | +/-15,393 |
| 5 to 9 | 4,679,601 | +/-19,668 |
| 10 to 19 | 4,383,883 | +/-22,068 |
| 20 to 49 | 3,271,826 | +/-10,797 |
| 50 or more | 4,342,933 | +/-26,931 |
| Mobile home | 1,790,165 | +/-18,148 |
| Boat, RV, van, etc. | 35,076 | +/-1,541 |

## A-67: SECTION 504 ASSURANCE

Section 504 Assurance

The (local community)_____ does hereby assure the Office of Community Development, Division of Administration, that, as a recipient of Louisiana Community Development Block Grant funds, all activities of this grant will be operated in compliance with requirements of Section 504 of the Rehabilitation Act of 1973, as amended.

As a local government with 15 or more employees, the (local community)_____ further assures the Office of Community Development, Division of Administration, that it has appointed (name)_____, (position)_____ as the designated Section 504 Coordinator (24 CFR 8.53), and adopted a Section 504 Grievance Procedure on (Date)_____ (24 CFR 8.53), and (describe method)_____

_____

_____

as a means of providing for continuing notification of participants, beneficiaries, applicants, and employees that it does not discriminate on the basis of handicap in its federally assisted programs (24 CFR 8.54).

_____
Chief Elected Official

_____
Date

## A-68: SAMPLE SUMMARY OF ACTIONS TAKEN TO ACHIEVE COMPLIANCE WITH SECTION 504

# SAMPLE SUMMARY OF ACTIONS TAKEN TO ACHIEVE COMPLIANCE WITH SECTION 504

The City conducted a self-evaluation in 1991 to comply with § 504 of the Rehabilitation Act. It developed a transition plan and the same year, updated its self-evaluation in October 1994 by reviewing the self-evaluation criteria for compliance with Title II of ADA and reviewed them again in December 2002.

The City, in 1991, reviewed its facilities and areas in which services, programs, and activities operate in the following facilities: Old Library, City Hall, City Council Chambers and Police Department, Community Center, Utilities Building, ABC Park, Stadium Park and Field, Municipal Pool, Police Department Sub-Station, VFW Lodge (polling place) and the Main Street Fire Station (polling place).

Based upon the self-evaluation that was conducted in 1991 a transition plan was developed for the following areas found deficient and corrected by physical alterations:

**Existing Facilities – Physical Alterations**

| AREA | DEFICIENCY | CORRECTION | COMPLETED |
|---|---|---|---|
| City Hall | Accessible entrance not designated | Installed signage at inaccessible entrances indicating where accessible entrance is located | Jan 1992 |
| City Hall | Threshold change greater than ½ inch at front entrance | Threshold change altered to ½ inch and beveled the slope | Jun 1992 |
| City Hall | Inaccessible restroom | Altered restroom stall to 60 inches wide and 59 inches deep | Mar 1994 |
| Polling Place VFW Lodge | Lack of designated handicapped parking place | Standard handicapped parking place designated by front entrance | Oct 1993 |

**Existing Facilities – Accessibility Policies**

For other areas found deficient in facilities designated as "existing facilities (24 CFR 8.21c)" in the 1991 self-evaluation the City adopted the following policies as corrective action:

| AREA | DEFICIENCY | CORRECTION | COMPLETED |
|---|---|---|---|
| City Hall Mayor's Office | Office located on 2nd floor which is inaccessible | Adopted policy to relocate upon request to City Administrator's office on 1st floor | Jul 1992 |
| Library | Top shelf of library stacks are inaccessible and some stacks lack 36 inch clearance | Adopted policy of providing lists of books located on inaccessible stacks and retrieval by library staff | Sep 1993 |

| | | | |
|---|---|---|---|
| Fire Station #3 | Does not have accessible bath-room and occasionally host community social events | Adopted policy to relocate any social events upon request | Nov 2002 |
| City Hall Utility Dept. | Utility service counter is more than 36" above the finish floor | Adopted policy that, upon request, city clerk will make a home visit to collect utility payment | Nov 2002 |

## New Facilities

New Library, Second City Park, and new addition to the City Hall annex were all designed and fully comply with the ADA Standards for Accessible Design (ADAAG).

*or*

The city has no municipal buildings or facilities that are considered "new."

## Communications

| AREA | DEFICIENCY | CORRECTION | COMPLETED |
|---|---|---|---|
| City Hall Public Meetings | Content of general public meetings not accessible to people with visual and hearing impairments | Adopted policy to provide sign interpreters for hearing impaired persons and readers for visually impaired upon 5 days notice | Feb 1994 |
| City Hall Public Safety | Interactions between hearing impaired citizens and public safety personnel are impeded | Adopted policy to provide sign interpreters or other acceptable communications means for hearing impaired persons within 24 hours of request | Mar 1994 |
| | | Police Dept. has a TDD with a published number | Nov 1993 |
| City Hall Individual | Interactions between hearing and visually impaired citizen and general administrative government personnel | Adopted policy requiring city personnel to pass written notes to hearing impaired and read documents to visually impaired persons upon immediate request and/or make arrangements for auxiliary services for more complicated transactions | Dec 2002 |
| | | City personnel are trained to utilize the LA relay system | Dec 2002 |

## Employment

| AREA | DEFICIENCY | CORRECTION | COMPLETED |
|---|---|---|---|
| Hiring | Previously used employment application contained question that were determined to possibly be discriminatory towards the disabled | Application form revised; Sec 504 Notice contains statement that City does not discriminate in hiring | Jun 1993 |
| Working | No policy on accommodating disabled employees | Amended personnel policy to include policy on accommodation of disabled employees | Jun 1993 |
| | | Section 504 Grievance Procedure includes procedures regarding discrimination based on handicapped status | Oct 2002 |
| Promotions | No non-discrimination policy regarding promotions and the disabled | Amended personnel policy to include statement of non-discrimination in promotions | Oct 2002 |

_____

Chief Elected Official

_____

Date

# LOUISIANA COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
## REQUEST FOR PROGRAM AMENDMENT

| 1. Grantee Name | | | | | | | | | | | 2. Contact Persons Name<br><br>Phone Number |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 3. Contract Number: | | | | | | 4. Date | | 5. Program Amendment Number | | | |
| Name of Activity | Approved Work To Be Completed | Proposed Work to Be Completed | Reasons For Change | Extremely Low/ Low/Moderate Income Beneficiaries | | | | Minority Beneficiaries | | Total Beneficiaries | |
| | | | | Original/ Current | | Revised | | Original/ Current | Revised | Original/ Current | Revised |
| 6 | 7 | 8 | 9 | 10 | | | | 11 | | 12 | |
| | | | | # | % | # | % | # % | # % | # % | # % |
| | | | | | | | | | | | |

13. Date of public hearing on proposed amendment: _____ Attach a copy of the public notice and minutes of the public hearing. Also, attach a map that identifies the location of any proposed activities.
14. For street projects only, number of beneficiaries on streets proposed to be improved: _____
15. Clearly explain the method for determining the revised beneficiaries.

| 16. Activity/Line Item | Original/Current Budget (A) | Revised Budget (B) | Comments (C) |
|---|---|---|---|
| A. Acquisition of Real Property | | | |
| B. Public Works, Facilities, Site Improvements | | | |
| 1. Sewer | | | |
| 2. Water (Potable) | | | |
| 3. Water (Fire Protection) | | | |
| 4. Streets | | | |
| 5. Multi-Purpose Community Centers | | | |
| 6. Other | | | |
| C. Clearance, Demolition | | | |
| D. Rehabilitation Loans and Grants (PF hookups | | | |
| E. Rehabilitation Administration | | | |
| F. Provision of Public Services | | | |
| G. Relocation Payments and Assistance | | | |
| H. Economic Development | | | |
| 1. Acquisition Land Building | | | |
| 2. Infrastructure Improvements | | | |
| 3. Building Construction/Improvements | | | |
| 4. Industrial and Commercial Facilities | | | |
| 5. Inventory | | | |
| 6. Working Capital | | | |
| 7. Capital Equipment | | | |
| 8 Other | | | |
| I. Administration (Total) | | | |
| 1. Pre-Agreement Costs (architectural/engineering/consulting) | | | |
| 2. | | | |
| 3. Public Facilities | | | |
| 4. Economic Development | | | |
| J. Other | | | |
| K. Other | | | |
| L. **TOTAL** | | | |

INSTRUCTIONS

LCDBG REQUEST FOR PROGRAM AMENDMENT

1. Enter grantee name.

2. Enter name and phone number of person to contact if there are questions concerning this request.

3. Enter contract number.

4. Enter date request prepared.

5. Enter program amendment number. If this is your first program amendment, enter number 1, your second, enter number 2, et cetera.

6. In column 6, list current activities as shown in your contract. Use the same activity name as used in Exhibit A of your Contract.

7. Identify the specific items of work that were approved in your application, be detailed and specific (such as water well, water distribution system, water storage tank).

8. Identify the specific items that will be completed if the amendment is approved. For example, if 30 houses were initially approved to be rehabilitated enter that number in column 7: if the amendment is requesting that only 28 houses be rehabilitated, enter that number in column 8. If there are no changes being proposed to an activity, then the same items should be listed in column 7 and column 8 for that activity.

9. In column 9 explain the reason for the proposed changes.

10. In column 10 provide the number and percentage of extremely low, low, and moderate income beneficiaries. Show the original or currently approved number and the number of beneficiaries if the amendment is approved.

11. In column 11 provide the number and percentage of minority beneficiaries. Again, show the original or currently approved figures and the figures if the amendment is approved.

12. In column 12 provide total number of beneficiaries based on the original or currently approved activity and the proposed activity.

13. Enter the date of the public hearing and attach a copy of the minutes.

14. For street projects only, enter the total number of beneficiaries living on the streets proposed to be improved. For all other projects, please enter not applicable.

15. Clearly explain the methodology used to determine the number of beneficiaries of the proposed improvements. This statement should explain how the grantee determined the number of revised beneficiaries for numbers 10 – 12. Attach an additional page if needed.

16. Complete item 16 on the second page by showing the appropriate dollar amounts based upon the original or current budget and the proposed budget based upon the requested amendment.

NOTE: Attach a map showing the location of any proposed activities. Also a letter from the grantee explaining and requesting the proposed amendment must accompany these completed documents.

# B. LABOR COMPLIANCE

## REGULATIONS/REQUIREMENTS

- **Davis-Bacon and Related Acts (40. U.S.C. 276(a)-276(a)-7)** The Davis-Bacon Act (DBA), enacted by the United States Congress, covers contracts that are directly federally funded. After the DBA was enacted, Congress extended the reach of the Davis-Bacon Act provisions by passing Davis-Bacon Related Acts (DBRA), which cover contracts that are indirectly federally financed (or assisted) in whole or in part. The Louisiana Community Development Block Grant (LCDBG) program is funded through the U. S. Department of Housing and Urban Development (HUD). Thus, most of the LCDBG program's construction contracts are indirectly federally funded and subject to DBRA. DBA and DBRA are basically the same in substance and purpose. This Grantee Handbook will often use the following terms interchangeably: Davis-Bacon, Davis-Bacon requirements, prevailing wage requirements, DBA, and DBRA.

  Davis Bacon requires payment of locally prevailing wages to laborers and mechanics for on-site construction, alteration, or repair on federally financed projects having contracts in excess of $2,000. Locally prevailing wages are determined by the U.S. Department of Labor (DOL) and made available to the public as "wage decisions." A contractor(s) on an LCDBG project covered by Davis-Bacon must meet, at a minimum, the wage requirements set forth in the wage decision (s) applicable to the project.

- **Copeland "Anti-Kickback" Act (40 U.S.C. 276c)** The Copeland Act applies to contracts receiving federal financing (assistance) that are subject to Davis-Bacon requirements. The Copeland Act requires weekly payrolls, Statements of Compliance and permission for pay deduction(s) not prescribed by law.

- **Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333)** CWHSSA, applies to federally financed (in whole or in part) contracts over $100,000 and provides that workers be paid at least one and one-half times their basic hourly rate of pay for any time worked in excess of forty hours weekly.

- **Louisiana Law** Some issues are not addressed in federal law but will be applicable to LCDBG projects under state law. In cases where state law is more stringent than federal law, the state law would be applicable.

- **LCDBG Requirements** Numerous procedures and documentation requirements are established by the Office of Community Development (OCD), which is responsible for administering the federally funded LCDBG program.

## RESPONSIBILITIES

### LOCAL GOVERNMENT RESPONSIBILITIES

Each local government is responsible for ensuring compliance with Labor Standards as detailed in this section. The local government's designated Labor Compliance Officer (LCO), often an administrative

consultant, is normally delegated the tasks associated with compliance with Labor Standards; however, the local government is ultimately responsible. The form used to designate the local government's Labor Compliance Officer is provided as **Exhibit B-1** (Appointment of Labor Compliance Officer) and is for the local government's use only. Please do not send this form to the Office of Community Development (OCD).

The local government must establish and maintain an adequate labor standards file(s) as specified in *Program Administration: Record Keeping and Reporting*.

### OFFICE OF COMMUNITY DEVELOPMENT RESPONSIBILITIES

The Office of Community Development will establish labor standards procedures, provide technical assistance regarding labor questions, conduct compliance reviews, and specify corrective actions.

## WAGE DECISIONS

- **Definition of a Wage Decision** A wage decision is a document listing a minimum wage rate and fringe benefit for each classification of laborers or mechanics which DOL has determined to be prevailing in a given area for a particular type of construction. A Wage Decision Example is provided as **Exhibit B-2.** The minimum pay requirements are referred to as "prevailing wages."
- **Source of Wage Decisions** The responsibility of determining prevailing wages is delegated to the United States Department of Labor (DOL). To meet this responsibility, DOL surveys contractors on construction projects to determine the prevailing wages for each locality. DOL then issues wage decisions for each locality. The terms "wage decision" and "wage determination" have the same meaning and are used interchangeably.
- **Wage Decision (s) as Part of the Construction Contract** Davis-Bacon requires that each prime contract over $2,000, which is assisted by federal funds and is for construction, alteration, or repair of public buildings or public works, contain the applicable DOL wage decision (s). Most LCDBG projects are covered.

  Subcontracts are also subject to Davis-Bacon by a required contractual agreement containing prevailing wage provisions between the prime contractor and subcontractor(s). If any portion of a contract is subject to Davis-Bacon requirements, then all work under that contract, including the work of subcontractors, is subject to Davis-Bacon requirements.

### TYPES OF WAGE DECISIONS

- **Building** The construction of sheltered enclosures with walk-in access for the purpose of housing persons, machinery, equipment, or supplies. This type includes the construction of such structures, the installation of utilities, and the installation of equipment above and below the grade level, as well as incidental grading and paving. Structures need not be habitable to be considered as building construction.
- **Highway** The construction, alteration, or repair of roads, streets, highways, runways, taxiways, alleys, trails, paths, parking areas, and other similar projects that are not incidental to building or heavy construction.

- **Heavy** The construction on projects that cannot be classified as building, residential, or highway.
- **Residential** The construction, alteration, or repair of single-family houses or apartment buildings of no more than four (4) stories in height. This includes incidental items such as site work, parking areas, utilities, streets and sidewalks. LCDBG block grants are not often awarded for the construction activities listed under "Residential" in the following table; therefore, housing projects funded by this office are rarely covered by Davis-Bacon.

The Four Decision Types Based on Nature of Construction

| Building | Highway | Heavy | Residential |
|---|---|---|---|
| Alteration or addition to buildings | Curbs | Drainage projects | Apartment buildings (4 stories or less) |
| Fire stations | Concrete pavement including sidewalks | Pumping stations (prefabricated drop-in units—not buildings | Married student housing |
| Hotels and motels | Parking lots | Sewers (sanitary, storm, etc.) | Multi-family houses (8 or more) |
| Power plants | Street reconstruction | Sewer collection | Town or row houses |
| Prefabricated buildings | Roadbeds | Water storage tanks | Single family houses (8 or more under one contract) |
| Remodeling, repairing, and renovating buildings | Shoulders | Water and sewage treatment plants (other than buildings) | |
| Warehouses | Street paving | Water mains | |
| Water and sewage treatment plants (buildings only) | | Water wells | |

## OBTAINING A WAGE DECISION

- **Choosing and Downloading the Proper Wage Decision** Multiple factors must be considered to enable the proper choice of wage decision(s). Factors to consider when choosing a wage decision include: (a) decision type—whether building, highway, heavy or residential, (b) project location and (c) special characteristics of the project (such as elevated or ground storage tank), and (d) the possibility that more than one decision may apply. The local government is responsible to ensure that the correct wage decision (s) is chosen and becomes part of the bid document and that the correct wage decision (s) becomes part of the contract between the local government and the prime construction contractor.

  If the local government wishes to request guidance from the Office of Community Development regarding the proper wage decision choice, **Exhibit B-3**, "Initial Wage Decision Request," will facilitate the process. The request of an initial wage decision utilizing the expertise of the labor specialists in the Office of Community Development is an option but is not an LCDBG program requirement. The initial wage rate request guidance may be initiated by phone call, fax, or e-mail. If the request is initiated by phone call, the local government should provide OCD with the information contained in **Exhibit B-3**. If the request is initiated by fax, complete **Exhibit B-3** and fax it to OCD. If the request is initiated by e-mail, complete the form electronically and send it to the Labor Compliance Officer of the Office of Community Development.

The local government may choose to obtain the proper wage decision (s) without OCD's assistance. DOL's website, **www.wdol.gov**, has guidance for choosing the proper wage decision and allows it to be downloaded. If the local government is unable to download a decision(s), the Labor Compliance Officer of the Office of Community Development should be notified. OCD will assist in the process, and if necessary, send the proper initial wage decision to the local government by fax, e-mail, or U.S. Mail.

## TEN DAYS

- **The Process of Updating Wage Decisions** DOL gathers information on a year-round basis regarding wage decisions and often issues an update of a particular wage decision. An update of a wage decision is referred to as a "modification" or "mod." Less frequently, DOL will issue an entire new series of wage decisions, called supersedeas decisions, having a new wage decision number based on a new series year. For example, supersedeas decisions labeled as year 2003 were issued for Louisiana projects on June 13, 2003. Thereafter, for Louisiana, modifications to the 2003 series were issued on various dates until February 9, 2007, when the 2007 series of supersedeas decisions were issued. Regardless of whether a wage decision is updated by modification or by supersedeas decision, it is required that the proper decision(s) be incorporated into bid and contract documents.
- **The Effective Wage Decision** DOL does not intend that bidders have to take into consideration the constantly changing rates when preparing bids. DOL allows the wage decision in effect ten days before the bid opening date to be effective for the duration of the construction if the contract is awarded within 90 days of the bid opening date. Such a wage decision is said to be "locked-in" and is also called the "effective" wage decision. If more than 90 days transpires between the bid opening and contract award, the wage decision in effect on the date of the contract award becomes the "effective" wage decision and the "lock-in" date becomes the date of the contract award.
- **Ten Day Responsibility** It is the local government's responsibility to ensure that the wage decision (s) that is in effect ten days before the bid opening date was part of the original bid package or becomes part of the original bid package by addendum, which must be sent to all who obtained a bid package. The bidders are thus given the opportunity to change their bids prior to bid opening, based on an updated wage decision(s).
- **Ten Day Call** The "ten day call" (see **Exhibit B-4**, Ten Day Call Form) is one option that the local government may use to determine whether a wage decision has been updated since the bid package was prepared. The Ten Day Call is simply a telephone call made by the local government to OCD ten days before the bid opening date. If the day on which the call should be made falls on a weekend, then the call should be made on Friday or Monday. OCD will then examine the **www.wdol.gov** website to determine if there have been any updates. If there has been an update, the local government must obtain (normally download) the updated wage decision and send a copy by addendum to all who obtained a bid package. OCD will enter the

optional ten day call into grant records. It is important to remember that Louisiana law requires that any addenda to a bid package be received at least 72 hours prior to the bid opening.

- **The "Ten Day Search"** is another option that the local government may use to determine whether a wage decision has been updated since the bid package was prepared. The local government may search the DOL website at **www.wdol.gov** to determine if there have been any updates. The website should be examined no more than 10 days before the bid opening date. It is important to remember that Louisiana law requires that any addenda to a bid package be received at least 72 hours prior to the bid opening. If there has been an update, the local government must obtain (download) the updated wage decision and send a copy by addendum to all who obtained a bid package.

- **Follow-up Ten Day Options** If, after the bid opening, the award of the contract is delayed by more than ninety days, then another call or search will need to be done. If there has been a wage decision update, the low bidder must agree, in writing, to abide by the wage decision in effect on the date of the contract award. The wage decision in effect on the contract award date must become part of the construction contract.

- **State—45 Days / Davis-Bacon—90 Days** State law requires contracts to be awarded within 45 days of bid opening unless an extension is agreed upon in writing by both parties, whereas the Davis-Bacon requirement to "lock-in" a particular wage decision for the duration of construction calls for contracts to be awarded within 90 days of bid opening.

- **Failure to Include or Use of Incorrect Wage Decision** Failure to include the effective wage decision in bid documents or contracts will not relieve local governments or contractors from potential liabilities or enforcement actions. In cases of an incorrect decision or failure to include a decision, the local government must either terminate and re-solicit the contract with the valid decision or ensure that all parties sign a supplemental agreement to the contract that makes the effective wage decision retroactive to the beginning of construction.

  If a supplemental agreement is made, there are two ways to structure the agreement. The contractor may agree to include the proper wage decision retroactively with no additional compensation—especially if the wage rate changes are minor. The contractor may require that a change order be made to compensate for an increase in wages due to the observance of the effective wage decision. Such a change order would be an eligible LCDBG cost but would be subject to available grant funds. If grant funds are not available, local funding may be necessary.

- **Calling Requirement when using the Small Purchase Method** On rare occasions the prime contractor may be procured utilizing the "Small Purchase" method provided the low bid is expected to be under $100,000 and the contract award is less than $100,000. Note that the Small Purchase method does not have a bid opening date. Consequently, a procedure to ensure compliance with Davis-Bacon has been developed by OCD for the Small Purchase method. First, a bid tabulation date must be established in advance. Bidders must be informed of the day on which bids will be tabulated and of the possibility of a wage decision update. Next, a ten day call or a ten day search must be made ten days before the bid tabulation date.

If there is a wage decision update, all bidders must be notified in a timely manner and documentation of notification must be maintained in grant records. Notification when the Small Purchase method is used is not restricted to addendum only but may be also be done by telephone call, e-mail, fax, or U.S. Mail. This method will ensure that bidders will have nearly ten days to make changes to bids based on an update of the wage decision.

## VERIFICATION OF WAGE DECISION AND CONTRACTOR ELIGIBILITY

- **Verification of the Wage Decision Choice** Prior to the award of a construction contract to any prime contractor, the local government must obtain verification of the wage decision choice and contractor eligibility. The fact that an optional ten day call or inquiry was made at an earlier date is not sufficient as verification of the wage decision choice. **Exhibit B-5**, Verification of Wage Decision(s) and Contractor Eligibility, or "Verification" form, must be completed and faxed, mailed, or e-mailed to the Office of Community Development for review. OCD will review the wage decision that was made part of the bid package, whether by initial inclusion in the bid package or later by addendum, and determine whether it was the proper choice. If the Office of Community Development agrees with the wage decision choice, line 22 of the Verification form will be executed by an OCD staff person and faxed back to the local government. If the Office of Community Development does not agree with the wage decision choice, a Verification form with a signature on line 22 will not be faxed back to the local government until the issue is resolved.

  If a determination is made that the wage decision choice was incorrect, the lowest responsive and responsible bidder must agree in writing to incorporate the proper decision as part of the bid documents and resulting construction contract. This agreement is to be obtained in writing prior to the award of the contract. If written agreement cannot be obtained, the local government must reject all bids and rebid the project. A contract award must not be made before receipt of the Verification form as reviewed and executed by the Office of Community Development.

  The authorization of a particular wage decision as evidenced by the OCD staff signature on line 22 of the Verification form will expire if the contract is not awarded within 90 days of the bid opening. If more than 90 days transpires between the bid opening and contract award, the local government is responsible to perform a follow-up ten day call or ten day search to determine the effective wage decision. In such case, the local government must ensure that the wage decision in effect at the date of the contract award is made a part of the contract between the low-bidder and the local government. A further Verification form, in addition to the original Verification form, will not be required but may be sent with only the portion that pertains to the wage decision completed. Evidence that the effective decision was utilized will be determined by an examination of the construction contract during a monitoring visit. The local government remains responsible to ensure the proper wage decision choice(s) and may bear liability arising out of an incorrect wage decision choice(s).

- **Verification of Contractor Eligibility** Prior to the award of a construction contract with a **prime** contractor, the local government must obtain contractor clearance from OCD. To obtain clearance, the local government must complete and send to OCD by fax, mail, or e-mail, a Verification of Wage Decision(s) and Contractor Eligibility form (**Exhibit B-5**) (the "Verification" form). To conduct an eligibility review, OCD will search the following web site: **www.sam.gov**. The OCD's search of the web site only determines whether the contractor is debarred; other types of performance information are not gathered. After reviewing the contractor's eligibility status, OCD will indicate the results of the review on the Verification of Wage Decision(s) and Contractor Eligibility form and fax the reviewed form to the local government via the fax number listed on the face of the form. The local government may also search this internet site to obtain information, but the public availability of this site does not alter the requirement for the local government to obtain clearance through OCD. Prior to contract award, the grantee must receive the Verification of Wage Decision(s) and Contractor Eligibility form with OCD's completed review and execution. Specifically, the execution of line 23 of the Verification form by the Office of Community Development indicates the verification of contractor eligibility.

  One exception applies to the timing of the contract award. The date of the contract award may be prior to the local government's receipt of an executed Verification form only if wording in the official minutes of the resolution to award the contract specifies "contingent on verification of wage decision and contractor eligibility". The local government must maintain a copy of the resolution with the required wording as part of the grant records. The contract award would not become effective until the contingency is met although the award date will be listed as the date on which the resolution was made.

- **Subcontractor Clearance** OCD does not clear subcontractors. Prime contractors must be made aware that it is their responsibility to verify subcontractor eligibility based on factors such as past performance, a yellow page listing, proof of liability insurance, possession of a federal ID tax number, debarment, and state licensing requirements. The prime contractor may use the web site listed in the previous heading to determine if a subcontractor has been debarred at the federal level. The prime contractor assumes responsibility for the performance of the subcontractor; therefore, OCD urges prime contractors to closely scrutinize subcontractors.

  The prime contractor should notify the local government's Labor Compliance Officer of contract awards to any subcontractor prior to the subcontractor beginning work on the project. This allows the local government's Labor Compliance Officer to be knowledgeable of the time frame in which to expect the submission of subcontractor payrolls.

  If a contractor or subcontractor is found to be ineligible after award of a contract, the contract must be immediately terminated and the matter reported to OCD.

- **Clearance of Consulting and Engineering Firms** Consulting and/or engineering firms who either are new to the LCDBG Program or have not performed services associated with an LCDBG Program within the previous five years must also be cleared. For clearance of professional firms, use **Exhibit A-42** (Verification of Professional Services Eligibility) of this Handbook.

## CONTRACT AWARD, PRECONSTRUCTION CONFERENCE, ADDITIONAL CLASSIFICATIONS

- **Notice of Contract Award** The local government must submit a completed Notice of Contract Award form to OCD for all prime contracts. This form must be received by OCD within 30 days after award. This form, along with instructions, is provided as **Exhibit B-6.** Along with the Notice of Contract Award, the local government must send a Certified and Itemized Bid Tabulation, which is a listing of bidders and bid amounts for the project.

  Please provide only the bid tabulation along with the Notice of Contract Award. An array of other documentation, such as the Louisiana Uniform Public Work bid form, minutes of bid opening, etc., should not be packaged with the Notice of Contract Award.

- **Preconstruction Conference** The OCD recommends, but does not require, that the local government hold a preconstruction conference with the prime contractor and all available subcontractors prior to the start of construction, at which time they would be advised of their responsibilities and obligations concerning labor standards. If the local government should opt not to have a preconstruction conference, then the local government must utilize some method of its own choosing to advise contractors of their responsibilities and obligations concerning labor standards and other items normally covered at the preconstruction conference. The time of preconstruction conference is normally ideal to initiate the additional classification process as discussed in the following paragraphs.

- **Additional Classifications** A wage decision will state the minimum hourly pay and fringe benefits that must be paid to specific classes of workers such as carpenters, electricians, and backhoe operators. If it is found that a class of laborers or mechanics not listed in the decision will be employed on the project, the contractor must request an additional classification. For instance, a prime contractor installing sewer lines may find that one of its subcontractors needs a boring machine operator, but such a classification is not on the wage decision. Since payrolls must reflect proper classifications for actual work performed, the prime contractor for the sewer project would be required to request and obtain an additional classification of a boring machine operator. Steps to obtain an additional classification include:

  1. The prime contractor requests an additional classification and rate by notifying the local government of the additional classification and rate being requested. The prime contractor will make a request if it determines its own need for an additional classification or if a subcontractor needs the additional classification. The contractor (or subcontractor) would be immediately allowed to pay the worker(s), at a minimum, the requested rate(s) for the classification until a response from DOL is received. While the local government may advise the prime contractor regarding wage rates to be requested, if there is a disagreement, the local government should acquiesce by forwarding a report of the classification at the rate requested by the contractor. Note that the prime contractor makes a request while the responsibility of the local government is to make a report of the request.

2. The local government prepares and sends a Report of Additional Classification and Rate to the Office of Community Development. The Report of Additional Classification and Rate, which is the HUD 4230A form and identified as **Exhibit B-7**, should be used to report the additional classification(s). The form is available online at **www.hud.gov**. The top half of HUD 4230A may be completed by the local government based on information from the contractor. A copy of the applicable wage decision should be provided as attached documentation. The bottom portion of HUD 4230A, beginning where it states "Check All That Apply," is to be completed by the Office of Community Development. This form and relevant supporting documentation, if any, must be sent (by mail, e-mail, or fax) to the Office of Community Development.
3. The Office of Community Development will review and complete the report and send the form and supporting documentation to DOL.
4. DOL will respond by approving the requested rate or specifying a higher rate. DOL will send the Office of Community Development an official response to the contractor's request.
5. The Office of Community Development will forward the DOL response to the local government.
6. The local government will notify the prime contractor of the results of the DOL response. If the request was on behalf of a subcontractor, the prime will pass the DOL response to the subcontractor.
7. If the DOL response indicates approval of the requested rate, further action is unnecessary. If the DOL response indicates a rejection of the request and specifies a higher rate, then the higher rate must be paid to all workers at the particular classification retroactive to the first day of work. Restitution is to be paid at the contractor's expense. Local governments as well as contractors should be aware that the time that may elapse between the request and DOL's response may be approximately 60 days.

- **Additional Classifications Prior to Hiring or Mobilization** After a contract is awarded, a construction contractor will often know immediately whether additional classification(s) will be needed. In order to expedite the process, it is permissible for a contractor to request additional classifications before mobilization or hiring of workers. The preconstruction conference often provides an ideal time for contractors to request additional classifications and to provide information helpful to the local government in the completion of the Report of Additional Classification form, HUD 4230A.
- **Metal Building Erector as an Additional Classification** Building wage decisions that cover the State of Louisiana do not have the classification of "Metal Building Erector." This classification is often needed in the construction of fire stations because the "Ironworker" classification, which was designed for work at much higher elevations and in more dangerous conditions, is more expensive than the lower wages paid for a Metal Building Erector. In such cases, Metal Building

Erector may be requested as an additional classification. The bid documents for fire stations may call attention to bidders regarding the availability of the additional classification of "Metal Building Erector." The rates normally requested for Metal Building Erector are more than the Laborer rate and less than the Ironworker rate.

## TERMINOLOGY AND PROCEDURES OF DAVIS-BACON

- **Prevailing Wages** Total minimum compensation, including both the base rate and fringe benefit amount, as required under Davis-Bacon for a given classification of worker as determined by the U.S. Department of Labor in a document called a wage decision.
- **Laborers and Mechanics - Definition** Those workers whose duties are manual or physical as distinguished from managerial. Generally, mechanics perform the work of a recognized trade, such as an electrician, whereas laborers perform tasks such as cleaning and shoveling that is not normally thought of as a recognized trade. On a wage decision, a classification that is not "laborer" is automatically considered as a "mechanic" classification.
- **Contractor's Guide to Davis-Bacon** The HUD Desk Guide, "A Contractor's Guide to Prevailing Wage Requirements for Federally-Assisted Construction Projects," is a recommended (but not a required) publication that the local government may distribute to contractors. The preconstruction conference is an ideal time for such a distribution. The guide is recommended reading for grantees as well as construction contractors and those who prepare contractor payrolls. It provides a brief explanation of issues associated with labor standards and Davis-Bacon in particular. The guide may be downloaded from HUD's website at **www.hud.gov**.
- **Site of Work** The site of work as related to Davis-Bacon is limited to the physical place(s) where construction called for in the contract will remain when work has been completed and to adjacent or nearby property used by the contractor which can reasonably be included because of proximity.
- **Cleaning** Cleaning performed during construction is subject to prevailing wage provisions. If a specific wage rate for cleaning is not in the wage decision, cleaners must be paid the rate for unskilled laborers.
- **Demolition** Demolition work, which is not related to construction, is not subject to the prevailing wage requirements. However, where demolition is performed to allow construction of a new building, the demolition would require prevailing wages.
- **Family Members** There are no exceptions to labor requirements on the basis of family relationships. Relatives who are performing work for the contractor must be paid the required wage for the classification of job performed and must be included on payrolls.
- **Supply and Installation** The manufacture or furnishing of materials, articles, supplies, or equipment is not subject to prevailing wages unless conducted in connection with and at the site of the construction or in a temporary plant set up specifically to supply the needs of a particular construction project. If a supply contract not otherwise covered requires the supplier to install the product, the installation portion of the contract is subject to prevailing wage

requirements except when the installation involves only minor construction activity. For example, installation of window shades or draperies would not require Davis-Bacon wage rates; however, installation of an elevator or boiler would.

- **Precutting and Prefabrication** Precutting or prefabrication of parts to be used in the construction does not require prevailing wages unless conducted in connection with and at the site of construction or in a temporary plant set up specifically to supply only the needs of a particular Davis-Bacon-covered construction project.

**Items to be Posted at the Job Site** The applicable wage decision(s) for the project or the project Wage Rate Sheet(s) must be posted at the worksite or prominent places readily accessible to all employees for the duration of construction. The project Wage Rate Sheet, if used, should serve to simplify the contents of the wage decision. A copy of this form, along with instructions, is provided as **Exhibit B-8**.

Additionally, the following posters must be posted at the job site:

- "Employee Rights Under the Fair Labor Standards Act" (**http://www.dol.gov/whd/regs/compliance/posters/flsa.htm**)
- "Employee Rights Under the Davis Bacon Act" (**http://www.dol.gov/whd/regs/compliance/posters/davis.htm**)
- "Equal Employment Opportunity is the Law". (**http://www.dol.gov/ofccp/regs/compliance/posters/ofccpost.htm**)

The U.S. Department of Labor's "Poster Page" internet address is: **http://www.dol.gov/oasam/programs/osdbu/sbrefa/poster/matrix.htm#minwage**

To verify posting, **Exhibit B-9** (Verification of Posting Requirements) may be used.

## EMPLOYEE INTERVIEWS

During the course of construction, the local government must conduct interviews of workers to help determine payroll accuracy and compliance with Davis-Bacon. Interviews should be recorded on the "Record of Employee Interview," form HUD-11, **Exhibit B-10.**

- **Minimum Interview Requirements** Employees of the following contractors must be interviewed:
  - All prime contractors
  - Subcontractors whose contract award is $100,000 or more
  - Any subcontractor where there are a large number of payroll problems

One interview session will sometimes be sufficient to meet minimum interview requirements for the above listed contractors. When an interview session is conducted, interviews of the employees of other subcontractors, not listed above, must be conducted if they are on the jobsite on that day.

OCD has determined that interviews must be conducted for at least 50% of the laborers and at least 1 worker of each of the remaining classifications present on the jobsite on the day of the interviews. Additional interviews that exceed minimum requirements that the local government deems necessary to ensure compliance with Davis-Bacon are also required.

- **Place of Interview** Workers currently employed may be interviewed during working hours on the job if the interview can be properly and privately conducted on the premises. Care must be taken to arrange the session at a time convenient to the employer and employees. Interviews may also be conducted at other public places. Employees and former employees may also be interviewed by mail. An interview request by mail should include a cover letter explaining the purpose of the employee interview and ask the employee to complete items 3 through 12 on the Record of Employee Interview. The remaining items on the Record of Employee Interview form should be completed by the local government with items 1 and 2 to be completed before initial mailing and items 13 through 17 completed after the employee returns the document by mail. In off-site interviews or interviews by mail, the amount of interviews required must be similar to the estimated amount that would have been obtained during an on-site session.
- **Initiating the Person-to-Person Interview** The interviewer must confirm his/her identity to the worker. He/she must explain that the project is being constructed with federal assistance, which requires that workers be properly paid, and that the purpose of the interview is to determine whether the required wages are being paid. If a worker does not want to give particular information, the interviewer should not insist.
- **Using the Interview Information** After completing the interviews, the information obtained should be compared to the wage decision and payrolls to determine if the workers are classified and being compensated correctly. If necessary, corrective action should be initiated.
- **Example of Application of the Minimum Interview Requirements** A job has three prime contractors and at least four subcontractors. Three of the four subcontracts are for less than $100,000. The possibility exists that a fence contractor may become a fifth sub as the project nears completion. The fence subcontract will be less than $100,000.

  Employees of all three primes must be interviewed. Employees of the subcontractor whose contract is $100,000 or greater must be interviewed. If all four of these contractors are not present on the day an interview is scheduled, an additional trip(s) must be made to obtain the necessary interviews. Additionally, those subcontractors present on the jobsite on any day on which interviews are done for the four required contractors must be interviewed.

  If a subcontractor having a subcontract for less than $100,000 is not present on the day of an interview, employees of that subcontractor will not have to be interviewed—unless there are payroll problems. If awarded a subcontract for less than $100,000, the employees of future fence subcontractor will not have to be interviewed—unless there are payroll problems.

## HELPERS, APPRENTICES AND TRAINEES

- **Helpers** "Helpers" as a classification listed on a payroll may not be used on LCDBG projects since such a classification is not found on any of the Louisiana wage decisions. The use of helpers who use tools in assisting mechanics and who are paid below the minimum rates for mechanics is not proper, since an apprentice or trainee is the person who is to perform this type of work. If a person listed as a helper on a payroll were to be found working with the tools of a trade, Davis-Bacon would require such a person to be classified as a mechanic and be paid the amount of a mechanic's wages for the associated classification listed on the wage decision for time worked as a mechanic retroactive to the first day of work. If a person listed as a helper on a payroll were to be found doing the work of a laborer, Davis-Bacon would require such a worker to be classified as a laborer and paid at least the minimum for the classification of "laborer."

- **Apprentices** Apprentices will be permitted to work at less than the prevailing wage for their craft when they are employed and individually registered in a bona fide apprentice program registered with the U.S. Department of Labor, Bureau of Apprenticeship and Training. If a worker is an apprentice, the contractor must submit a copy of his/her apprenticeship papers with the first payroll on which that worker appears.

  Any worker listed on a payroll at an apprentice wage rate that is not a trainee as defined in the following paragraph or is not registered as an apprentice shall be paid the wage rate determined by the Secretary of Labor for the classification of work actually performed.

  The wage rate paid to apprentices shall not be less than the specified rate in the registered program for the apprentice's level of progress expressed as a percentage of the journeyman's rate contained in the applicable wage decision. The registered program should also provide information regarding fringe benefit payment levels for apprentices.

- **Trainees** Trainees will be permitted to work at less than the predetermined rate for their craft if they are employed and individually registered in a program that has received prior approval through formal certification by DOL. A copy of a trainee's papers must be submitted by the contractor with the first payroll on which the trainee appears.

  Every trainee must be paid at not less than the rate specified in the approved program for his/her level of progress or a percentage of the associated mechanics rate as listed on the wage decision. The contractor or subcontractor may be required to furnish written evidence of the certification of his/her program, the registration of the trainees, and the ratios and wage rates prescribed in that program.

## USE OF FORCE ACCOUNT LABOR

**Exhibit B-11** (Force Account Record Keeping) explains required record keeping for force account work. If the local government wishes to use force account, prior approval must be obtained from the Office of Community Development. The following paragraphs briefly discuss Force Account Labor.

- **The Meaning of Force Account Labor** Force Account Labor refers to the use of laborers or mechanics who are employed by the local government which serves as a contractor for the LCDBG construction project. In such cases, the local government/contractor does not have to pay the Davis-Bacon wage rates but can, instead, pay the rates normally paid to employees on staff. The amounts paid to workers on force account projects are allowable costs of the LCDBG program.
- **Prerequisites for the Use of Force Account Labor** In order to use force account labor, three criteria must be met: (1) there should be reasonable evidence that construction will cost substantially less than if it were done under contract or that competitive bids cannot be obtained from competent contractors; (2) the local government must have the equipment, supervisory skills, a substantial portion of the required work force, and record keeping system; and (3) the legal counsel for the governing body must make a finding that the project is permissible in accordance with Louisiana laws and does not constitute a major project nor include construction of a building.
- **Labor and Equipment Requirements for Force Account Labor** The local government may hire some employees to work on the specific project to complement existing employees. The cost of using equipment, including the cost of maintenance, operations, and minor field repairs is allowed. For example, the cost to replace a radiator that was punctured accidentally would be an allowable LCDBG cost. However, the cost to replace the engine of a diesel bulldozer on a short-term street project would not be an allowable LCDBG cost. Equipment may NOT be purchased with LCDBG funds. The equipment cost to be allocated to the LCDBG project can be determined by use-allowance or depreciation value. Such allocations of cost must be approved by OCD. In rare instances, such as the breakdown of a primary piece of equipment during a street project, the cost of renting a replacement piece of equipment may be allowed with special written approval from the Office of Community Development.
- **Material Cost for Force Account Labor Projects** The costs of materials, including transportation and storage, are eligible costs under the LCDBG program. When the cost exceeds $20,000, the purchase of materials must be by competitive bid.

## PAYROLL TERMINOLOGY, REQUIREMENTS, AND REVIEW PROCEDURES

Instructions prepared by the Office of Community Development are provided with **Exhibit B-12** (Payroll Form and Statement of Compliance). DOL also provides a sample payroll form (WH-347: DBRA Certified Payroll Form) along with instructions at **http://www.dol.gov/whd/forms/**. A Payroll Review Flowchart is provided as **Exhibit B-13.**

- **Responsibility of Prime Contractor Regarding Subcontractors** The prime contractor on a project is responsible for proper payment to all laborers and mechanics employed by the prime, employed under a subcontract to the prime, or employed under any lower tier subcontract. The construction contract between the local government and the prime contractor must require all subcontracts to contain clauses imposing the Federal Labor Standards Provisions (Part of **Exhibit A-47**, sample Contract Documents Guide, and numbered within the exhibit as HUD 4010). If the

required provisions are not included in a subcontract, the prime contractor ultimately remains responsible for underpayments and Liquidated Damages of subcontractors.

When labor standards violations occur, whether at the contract or subcontract level, the local government will require corrections via the prime contractor. It is the prime contractor's responsibility to ensure corrective action by the applicable subcontractor.

- **Weekly Payroll Submission Requirements and Payroll Numbering** It is the weekly responsibility of each contractor, subcontractor, and any lower tier subcontractor to submit to the local government numbered weekly payrolls from the time work begins on the project until the work is completed. If no work is performed on the project during a given workweek, payrolls do not have to be submitted; however, the local government should be informed by phone or e-mail that no work was done. Once work resumes, use the next consecutive number. Example: Work was done during weeks 1, 2, 3, and 7—the payroll number for week number #7 would be Payroll #4.

  Payrolls of subcontractors are to be submitted via the prime contractor. The prime contractor will review the sub's payrolls and may require corrections. The prime forwards the sub's payroll(s) to the local government. Payrolls may be collected by the project engineer for submission to the local government; however, this does not relieve the prime contractor of responsibility for review of payrolls.

- **Payroll Forms** Contractors may use the payroll form, DOL publication WH-347, which is designated as **Exhibit B-12**. This form along with instructions is available on DOL's website at **www.dol.gov**. The payroll preparer may also use instructions tailored to LCDBG projects prepared by the Office of Community Development which are part of **Exhibit B-12.** The signature page of WH 347, where a contractor certifies wages and fringes, if any, is referred to by DOL as the Statement of Compliance. The Statement of Compliance must be a component of each weekly payroll and must be signed by the contractor. A contractor may use his own payroll form or other computer-generated form if all required items of **Exhibit B-12** are included, but the wording of the Statement of Compliance must be verbatim.

- **Addresses and Social Security Numbers** The first and last name of each worker and last four digits of each worker's social security number are to be listed on each payroll. This procedure will, in nearly all cases, allow unique identification of each worker. In the interest of protecting the worker's privacy, the address and full social security number must not be listed. However, the office or place of recordkeeping of each contractor must retain the full name, address, and social security number of each worker to provide to an authorized person requesting the information.

- **Signature on The Statement of Compliance:** The Statement of Compliance, which is the certification portion of payroll form WH347, must be signed by an owner, officer, or designated employee of the contractor for each weekly payroll. Additionally, the signature must be an original signature. In cases where a designated employee signs, the contractor must submit written authorization signed by an officer of the company.

- **Prompt Submission of Payrolls** The local government should require that all payrolls from the prime contractor and any lower tier subcontractor be submitted by the prime contractor to the local government within seven working days after the payroll ending date. Payrolls must be examined promptly by the local government so that any problems discovered can be corrected early, while contractors are still on the job. Particular attention should be given to payroll review during early stages of construction to ensure that the prime contractor understands and is fulfilling his/her responsibilities concerning payrolls. If acceptable payrolls are not submitted in a timely manner, the local government may withhold contractor payment until acceptable payrolls are submitted.
- **Subcontractor Communication** The local government's contractual relationship is between the local government and the prime construction contractor. Furthermore, a contract with a subcontractor is between the prime contractor and the subcontractor. Therefore, a direct relationship between the local government and subcontractor does not exist. Even though a direct contractual relationship does not exist, the Office of Community Development recognizes the following conditions under which the local government may communicate directly with a lower tier subcontractor regarding labor standards deficiencies: (a) the prime contractor agrees; (b) the subcontractor is cooperative; (c) the issues are not complex; and (d) the prime contractor receives a copy of important documentation or is informed of conclusions that result from the communication.
- **Concurrent Jobs** The payrolls must show only the regular and overtime hours worked on an LCDBG project. If an employee performs work at job sites other than the project for which the payroll is prepared, those "other job" **hours should not be reported** on the payroll. However, the **gross pay from all job sites** must be shown on the payroll.
- **Wage Rates and Proper Classification** Payrolls must be checked against the applicable wage decision(s), engineer's inspection reports (if available), employee interview forms (if available), bid tabulation, and actual work done or in progress to determine if prevailing wage requirements regarding rates and proper worker classifications were met. The proper calculation of straight time rates and "time and a half" rates for overtime hours must be checked as well as mathematical accuracy of calculations pertaining to wages and deductions.

  Parties responsible for meeting or ensuring compliance with Labor Standards requirements, such as construction contractors and administrative consultants working on behalf of the local government, must not utilize or allow utilization of lower paid classifications to perform the work of higher paid classifications. The work of installation of steel or cast iron pipe with bolt-up flanges is properly the work fo the higher-paid "pipefitter" classification and is considered beyond the skill level of the lower-apid "pipelayer" classification. Likewise, the work of installation of electrical panel boxes, conduit and wiring is properly the work of an "electrician" rather than any other classification such as "carpenter." The work of coating manholes with an epoxy coating or construction of manholes is properly the work of a classification with a higher skill level and pay than the classification of "common laborer." Responsible parties of a project with a considerable amount of manhole rehabilitation or manhole construction should request

an additional classification of "manhole rehabilitator" or "manhole builder" if the wage decision covering the project does not have the necessary classifications.

- **Excessive Use of the "Laborer" Classification** Contractors must not be allowed the excessive use of the "laborer" classification on Davis-Bacon covered projects. Since the classification of laborer is often the lowest paid classification on a wage decision, contractors might classify workers as laborers with the knowledge that such workers will actually perform some mechanic work. Payrolls must reflect a reasonable distribution of laborers to mechanics based on the types of work inherent in completing a project. For instance, a fire station project should not have nearly all workers classified as laborers because the nature of the work of constructing a fire station calls for a mixture of classifications including backhoe operator, formbuilder, carpenter, cement finisher, metal building erector, plumber, electrician in addition to laborer. The judgment that laborers are excessively listed on a payroll can be determined by information gathered from (a) inspection reports, (b) observations during a site visit of the project, (c) employee interviews and (d) payroll reviewer knowledge of industry practices regarding worker class distributions.

- **Employees Performing Work in More Than One Classification** A person employed as a laborer or mechanic and performing work in more than one job classification must be paid at least the required rate for the actual hours spent in each classification. Payrolls may be kept according to the hours spent in each classification with a separate row being utilized for each classification. Such payrolls, called "split" payrolls, may be used to apportion hours worked at more than one classification in a workday according to the hours worked in each classification.

  An alternate measure, useful in avoiding the extra work involved in split payroll reporting, is to pay the worker the rate for the highest paid of the multiple classifications for which work was performed in a given workday. Example: Joe, a backhoe operator, gets off of a backhoe to try to find a buried water line. He uses a shovel most of the morning - which is the work of a laborer - and finally finds the water line. Later Joe resumes backhoe work. The employer may list Joe on one row of the payroll as a "backhoe/laborer" if Joe is paid at least the backhoe rate, which is the higher of the two rates.

- **Working Foreman Requirements** A working foreman who devotes more than 20% of his time to laborer or mechanic duties is covered under Davis-Bacon requirements and must be classified according to work performed. Such a classification, for example, an electrician, must come from the applicable wage decision. The "working foreman" if paid a flat salary with "salary" designated on the payroll, must be making prevailing wages for his classification. The amount of the salary must be stated on each payroll. If there is a considerable amount of overtime being worked on a particular project having a salaried working foreman, additional research may be necessary to determine that amounts paid meet Davis-Bacon and CWHSSA requirements.

  The status of a foreman, (working or non-working) should be stated in writing as part of the grant payroll records. Any of the following items will be sufficient to indicate the status of a foreman:

a) a notation on the payroll in the "Comment" section of the Statement of Compliance,

b) a supplementary statement from the contractor,

c) a statement from the inspector associated with the project or

d) a notation on the payroll near or underneath the employee's name that states "non-working foreman" or "working foreman".

- **Classifications** Only the exact classifications appearing on the federal wage decision or additional classifications requested are to be used on payrolls. Generic classifications are not specific enough to allow the reviewer to determine if Davis-Bacon requirements were met. Example: "Operator" is a generic classification; however, "Backhoe" as on the wage decision would be a proper classification.

- **Fringe Benefits** If the wage decision calls for fringe benefits to be paid on behalf of any employee who worked on the project, such payment does not normally have to be verified by contact with the receiving institution. However, if problems are suspected, verification of the payment of fringe benefits should be pursued by the local government.

  Fringe benefits do not appear on the worker's checks but are amounts paid to a receiving institution on behalf of the worker. Sometimes fringe benefits are confused with deductions. For instance, health insurance provided entirely by the employer would be a fringe benefit, whereas health insurance chosen by the employee and paid for by amounts subtracted from the employee's gross wages would be a deduction.

  Fringe benefits that are common to the construction industry may be credited toward meeting Davis-Bacon requirements if they are paid to the employee in cash or into an approved fund, plan, or program on the employee's behalf.

  When this section of the Statement of Compliance mentions the payment of fringes "in cash", actual payment in currency is not the meaning of the phrase but rather the compensation as dispersed on a payroll check is considered as payment "in cash."

  If a wage decision contains fringe benefits for a classification utilized by a construction contractor, box 4a or 4b of the payroll form/Statement of Compliance (**See Exhibit B-12**) must be marked to indicate the method of fringe benefit payment (i.e. in cash or to an approved plan). If there were no classifications used by a construction contractor that required fringe benefits, the boxes should be left blank. Box 4c is used to denote exceptions to box 4a or 4b. For example, if all of the employees are paid fringe benefits in cash except one who gets payment of fringes into an approved plan, box 4b would have been marked for payment of fringes in cash with box 4c also marked indicating and explaining the exception.

  Fringe benefit pay requirements are calculated at a per-hour-worked rate and are not calculated at a "time and a half" rate. However, when fringes are paid in cash the payroll reviewer must be able to differentiate the basic hourly rate from the fringe benefit rate in order to calculate overtime properly. This total hourly compensation (basic hourly rate plus hourly fringe benefits) should be separated into the two components (a) in column 6 of the WH 347 payroll form (b) in

the "Comments" section on the Statement of Compliance or (c) by supplementary signed statement from the employer. If the separate components cannot be identified, the entire monetary compensation per hour must be multiplied times 150% to calculate required overtime minimum rates. The payroll reviewer is not at liberty to guess or try to mathematically calculate the amount of the fringe component—the fringe component must be clearly stated by the contractor. The following is an example where the basic hourly rate and the fringe benefit per hour is properly identified:

| | |
|---|---|
| Basic hourly rate on wage decision | $10.00 per hour |
| Fringe benefits requirement on wage decision | $1 per hour fringe benefits |
| Workweek | 52 hours |
| Regular Pay + Overtime Pay + Fringe Benefits | = Gross Pay |
| (40 x 10) + (12 x 10 x 1.5) + (52 x 1) | = $632 |

Flexibility is allowed in the allocation of how fringe benefits are paid. Using the above example, the contractor has flexible payment options such as (a) pay all of the $632 in cash; (b) pay $580 in cash and $52 in fringes; or (c) pay more or less than $580 in cash and more or less than $52 in fringes with the total paid to be $632.

In contrast, if a total compensation rate of $11.00 were identified with the components of the $11.00 not identified then the proper overtime calculation required by the LCDBG program for the previous example would be:

(40 x 11) + (12 x 11 x 1.5) = $638

The first result, $632, was due to calculation based on the proper separation of the basic hourly rate and fringes. The second result, $638, occurred based on calculations without proper separation of basic hourly rate and fringes.

The basic procedure to follow under the LCDBG program depends on which condition occurs. Condition One: If the payroll differentiates properly, then overtime at 150% of the basic rate must be paid while fringes are paid only at 100% for each hour worked regardless of whether an hour was an overtime hour or a straight time hour. Condition Two: If the payroll does not differentiate what portion of the compensation is the basic rate and what portion is the fringe benefit, then the overtime compensation must be calculated at 150% of the sum of the base rate plus fringe.

It is the responsibility of the contractor to provide payrolls that properly differentiate the basic hourly rate from the fringe benefit amount. If proper differentiation is not initially provided the payroll reviewer may obtain a supplementary statement or corrected payroll(s) from the contractor which indicates the breakdown between basic hourly rates and fringes for each worker. The supplementary statement must be signed by an authorized person and clearly identify which payroll(s) is associated with the supplementary statement.

- **Verifying Fringe Benefits** Fringe benefits may be paid in cash and such payment(s) can be determined by examining the face of the payroll. When fringe benefits are paid in cash, box 4-b of the Statement of Compliance must be checked. Fringe benefits that are paid to an approved plan are not usually posted on the face of the payroll. When fringe benefits are paid to an approved plan, box 4-a of the Statement of Compliance must be checked. Checking box 4-a is an acceptable indication that fringe benefits, equal to the amount stated on the wage decision, were paid. Additional verification normally is not necessary. However, if the basic hourly rate is less than required on the wage decision with the claim that fringes are making up the balance due in order to meet the total Davis-Bacon requirements, verification of the payment of fringe benefits may be considered. If problems are suspected, verification of the payment of fringe benefits may be necessary.

  An approved plan will have an institution(s) that receives fringe payments on some type of regular basis. Fringe benefit payments into an approved plan may be on a weekly, monthly, or quarterly basis but not semi-annually or annually. The applicable contractor will be the source of contact information for the receiving institution. Verification should include the following: (a) institution's name(s), (b) phone number(s), (c) date(s) contacted, (e) results of the inquiry, (f) person(s) contacted at the institution, and (g) the name of the person who made verification for the local government. Verification may be by phone, written correspondence, computer printout, or fax from a receiving institution, computer printout or fax from a union, or a copy of cancelled check(s) from the contractor written to a receiving institution, or a computer printout from the contractor.

- **Deductions** A deduction is an amount subtracted from a worker's gross wages, and must be reviewed to determine if they are permissible. Permissible deductions by law include court ordered deductions, FICA, and federal or state income taxes. Deductions not required by law, such as union dues, 401K deductions, loan payback amounts or uniforms, may be made only with the permission of the employee. The employee must sign a statement that authorizes deductions. The "Payroll Deduction Authorization" form provided as **Exhibit B-14** should be used.

- **Overtime Calculation – Low Basic Hourly Rate but Adequate Total Compensation** Total compensation, (prevailing wages) as indicated on wage decision(s), is required. There is some leeway given regarding the breakdown of total compensation between the two components of the basic hourly rate and the hourly fringe benefit. When calculating overtime pay where total compensation is adequate there is one notable restriction: if the basic hourly rate on the payroll is less than the basic hourly rate on the wage decision then the higher basic hourly rate on the wage decision must be used in the calculation of minimum overtime pay.

- **Payroll Certification of the Self-Employed Contractors** The self-employed contractor has special requirements regarding the certification of payrolls for his/her own wages. Labor Relations Letter, LR-96-01, as published by HUD is available at **www.hud.gov** for further reading.

A self-employed laborer or mechanic (or group of working partners) who has no other employees working on the job is not authorized to sign his/her own payroll and Statement of Compliance. Instead, such a person often called a "working subcontractor," must be listed on the prime's (responsible employer's) payroll. For example, Joe's Backhoe Service has one backhoe and no other workers other than the owner. Joe cannot certify his own payroll for an LCDBG project.

When a working subcontractor has no crew, the minimum information needed on the responsible employer's payroll regarding the working subcontractor are name address, classification(s), hours worked, estimated hourly pay, and estimated gross pay. Deduction amounts for social security and federal taxes of the working subcontractor are not the responsibility of the prime contractor, and such amounts may be unknown to the prime contractor; therefore, deduction listings are not required. The Statement of Compliance should indicate box 4-c for the working subcontractor as an exception to the way fringe benefits may have been paid for regular employees. The explanation for box 4-c could be "Fixed price contract, fringes and eductions not measurable" or similar language.

Sometimes it may be confusing and/or technically impractical for a prime contractor to list on the payroll a working subcontractor along with regular prime contractor employees. In such case, the prime contractor may prepare a separate weekly payroll listing only one person, the working subcontractor, using WH 347 payroll form (**Exhibit B-12**).

Whatever method of compensation is utilized, such as piece work or a weekly contract draw for performance, the amount of estimated weekly compensation divided by the actual hours of work performed for that week must result in an "effective" hourly wage that is not less than the prevailing hourly rate for the type of work involved.

A special exception for truck owner-operators is available. Truck owner-operators must be reported on the prime's (responsible employer's) weekly payrolls but unlike other classifications, do not need to show the hours worked or rates — only the notation "owner-operator." The truck driver having an owner-operator exception should not be confused with a truck driver who is an employee of a prime contractor.

In contrast, owners of a business having at least one crew member can certify their own payroll. For example, if Joe hires at least one employee on a given project, he could certify his own wages as well as the employee's wages. Joe would be considered an owner of a business working with his crew. As such, Joe would list his name, work classification(s) including "owner," daily hours worked and total hours worked. Owners who certify their own wages do not need to list a rate of pay or amount earned.

- **Liquidated Damages** "Liquidated Damages" is a predetermined amount that is paid as a penalty for failure to meet a specified requirement. Liquidated Damages, relative to the review of payrolls in the LCDBG Program, will mean the penalty amount calculated for overtime violations under the CWHSSA. The pre-determined penalty is $10 per worker, per day for overtime violation(s). Please note that penalty amounts paid for overtime violations to a specified

government entity, (such as HUD for LCDBG projects) as Liquidated Damages are separate and distinct from wage restitution paid to workers.

## CORRECTIVE ACTIONS REGARDING LABOR STANDARDS VIOLATIONS

- **Inadequate Payroll Information** The payroll format, **Exhibit B-12**, contains the necessary information for payroll reporting and is a copy of WH-347 from the Wage and Hour Division of DOL. Alternate forms may be used by contractors but must contain the necessary information as on WH-347. If a contractor's alternate form is not sufficient, the contractor will be required to provide the necessary information on an acceptable form or provide a supplementary statement.

  Payrolls that are incomplete, such as those which lack classifications or rates of pay, will require the contractor to provide a corrected payroll and Statement of Compliance that lists the required information.

- **Handwritten Corrections On Face of Payroll By Reviewer Not Allowable** The local government, in reviewing a payroll, is not allowed to make corrections on the face of a payroll or on the Statement of Compliance. Such documents are designed to be sufficient as evidence in a legal proceeding, and corrections by multiple sources do not allow the reader certainty as to who made the corrections. If the local government needs to provide written clarification of a minor payroll item, a note with the reviewer's name and date may be attached.

- **Three Scenarios of Payroll Review** Three scenarios regarding payroll review and corrective actions are identified in **Exhibit B-13**, the Payroll Review Flowchart. The three scenarios are as follows:

  - Scenario One: Error that requires restitution.
  - Scenario Two: Error that does not require restitution.
  - Scenario Three: Error not detected.

  Each scenario triggers a unique set of events. Review the "Payroll Review Flowchart," **Exhibit B-13**, for an overview of the processes involved.

- **Notice to Contractor when Restitution is Required** Scenario One deals with payroll error that requires restitution due to underpayment of wages. Underpayment may result from Davis-Bacon violation(s), CWHSSA overtime violation(s), or both. The local government must promptly notify the prime contractor in writing that payment of back wages is required. See **Exhibit B-15**, Notice of Restitution Due. This notice should identify the name of the prime contractor and the applicable subcontractor, the underpaid worker(s), the correct job classification and wage rate, dates of underpayment, and the amount of underpayment owed. The contractor must be notified of the need to make restitution by using a Certified Correction Payroll (as discussed below).

  If overtime violations under CWHSSA exist, the notice to the contractor should also identify a calculation of Liquidated Damages and inform the contractor to either pay them or request a waiver.

- **Certified Correction Payroll** Under Scenario One a payroll that reflects restitution paid under Davis-Bacon and/or CWHSSA is called a "Certified Correction Payroll." Such a payroll will be prepared by the employer and the Statement of Compliance will be signed by the authorized signatory. The signature on the Statement of Compliance designates the payroll a "certified" correction payroll. A Certified Correction Payroll will only list those workers to whom restitution is paid. The monetary amounts listed, wages and deductions, reflect restitution amounts paid and should not indicate amounts paid and listed on past payrolls.

  Payroll problems that require the employer to prepare a Certified Correction Payroll include the following:

  - Wage rates on the payrolls do not meet Davis-Bacon requirements.
  - Wage rates on the payrolls do not meet CWHSSA requirements.
  - Worker classifications are incorrect, incomplete, or not in accordance with the applicable wage decision resulting in restitution due.
  - Calculations are in error and result in underpayment of wages.

  A Certified Correction Payroll will record the difference between amount paid and the required amount which should have been paid. The deficiency would be multiplied by the applicable number of hours worked at the lower-than-allowable rate. Example: If a worker was paid $10.00 per hour and should have been paid $11.00 per hour for 100 hours during three different non-overtime weeks, the amount of restitution payment as recorded on the Certified Correction Payroll would be $1 x 100 = $100.

  The contractor may submit a Certified Correction Payroll for each applicable workweek or for multiple workweeks. A Certified Correction Payroll, if prepared for multiple weeks, should indicate the weeks covered. Example: Weeks 2 through 8 and 11. In contrast, a Certified Correction Payroll, if prepared for one week at a time, must be numbered the same as the original payroll for that workweek but must indicate the appropriate revision number. Example: "Payroll #2—Revision #1," "Payroll 3, Revision 1," and so forth.

  In most cases the Statement of Compliance, as part of the Certified Correction Payroll, will be sufficient to attest that restitution was made. Cancelled checks, employee initials, or an employee statement are not routinely required as additional proof of payment of restitution. If problems are suspected, additional proof may be required.

- **The Use of Corrected Payrolls to Demonstrate Restitution** Some contractors may wish to provide corrected payrolls with a newly signed Statement of Compliance. A corrected payroll differs from a Certified Correction Payroll in the following ways:

  - A corrected payroll is always for one weekly period whereas a Certified Correction Payroll may cover multiple weekly periods.
  - A corrected payroll lists all workers who worked on a project during a weekly period whereas a Certified Correction Payroll lists only workers to whom restitution was paid.

- A corrected payroll lists the total of original disbursements and disbursements made for the payment of restitution whereas the Certified Correction Payroll will list only the disbursements made for the payment of restitution.

If a contractor chooses to provide a corrected payroll to demonstrate restitution rather than a Certified Correction Payroll, such a provision is acceptable; however, a Statement of Compliance having a later signature and date must accompany the corrected payroll. The corrected payrolls should be numbered so as to be associated with the original payrolls, such as "Payroll 2, Revision 1."

- **Calculation of Liquidated Damages** Scenario One continues assuming that there was restitution due that involved not only Davis-Bacon but also overtime violation(s) under CWHSSA. Overtime rates must be paid at 150%, or time and a half, of the basic hourly rate. Under CWHSSA, Liquidated Damages are computed at the rate of $10 per worker for each calendar day the worker worked in excess of forty (40) hours in a week without payment of overtime rates.

  For instance, if workers worked six days a week for twelve hours per day and were paid straight time for 72 hours, there would be three days of violations. Overtime pay should have started on day four and continued on day five and day six. The Liquidated Damages calculation would be $30 per worker. Liquidated Damages would be calculated in addition to the payment of wage restitution.

- **Steps in Calculation, Assessment, Payment or Appeal of Liquidated Damages** The local government calculates restitution and Liquidated Damages due and notifies the contractor by traceable correspondence (e-mail, fax, or letter). The contractor, having received notification, must make restitution via a Certified Correction Payroll (or a corrected payroll with certification) and must either pay the Liquidated Damages or request a waiver. The contractor is to notify the local government of the choice by traceable correspondence.

  If payment is the contractor's choice, the contractor must use a wire transfer to make payment. Please contact the Labor Compliance Officer at the Office of Community Development for instructions regarding a wire transfer. Such procedures involve completing a special deposit-slip form, which is sent to HUD to enable a receiving account to be established. The contractor will be notified when the wire transfer can be received by an active account at HUD and will be sent a form that is equivalent to a deposit slip. The contractor will use a financial institution to conduct the wire transfer. After the wire transfer and proper notification/documentation of such payment to all parties concerned, the contractor's responsibility for payment of Liquidated Damages will have been met. The financial institution will normally charge the contractor a fee for making the wire transfer.

  If requesting a waiver is the contractor's choice, the contractor is to send the local government written communication explaining the amount of Liquidated Damages for which a waiver is being requested the reason(s) why a waiver is requested. HUD may grant a waiver for two reasons:

- The error was unintentional and due care was exercised.
- A mathematical mistake was made.

The local government will forward the letter to the OCD, who will send the letter to the appropriate HUD agency. Following HUD's response the OCD will communicate HUD's response to the local government by traceable correspondence. The local government is to communicate the response to the contractor(s) by traceable correspondence.

If HUD approves the request for the waiver of the payment of Liquidated Damages, then labor standards requirements regarding liquidated damages will have been met. If HUD does not approve the request for the waiver, contact the Labor Compliance Officer at OCD for further instructions. The contractor will have 60 days to appeal the notice from HUD.

- **The Use of Corrected Payrolls Where Restitution Is Not Due** Under Scenario Two as shown in **Exhibit B-13**, restitution will not be due but some type of correction not involving restitution is necessary. A corrected payroll may be used to reclassify workers, correct math errors, clarify monetary amounts, revise improper dating, etc. Each corrected payroll is for one week only. The weekly numbering of the corrected payroll should be for the same weekly number as the original incorrect payroll. Example: "Payroll 4, Revision 1." The contractor may line through the mistakes and provide the corrections in handwriting or use software or other means to produce a corrected payroll. A new signature and date on a Statement of Compliance must be provided. A copy of the original Statement of Compliance with a new signature and date above the original signature may be provided, or the contractor may prepare a new Statement of Compliance, signed and dated, for any week having a corrected payroll.
- **Supplementary Statements** A supplementary statement from the contractor may be obtained to clarify not only major issues involving restitution but also minor issues that do not involve restitution. Situations where a supplemental statement would be acceptable include: (a) the payroll on which an employee appears does not have the last four digits of the Social Security number and (b) an incorrect employee name. The supplementary statement should be dated, signed by the authorized payroll signatory, and also identify the associated payroll number(s). A Statement of Compliance does not accompany a supplementary statement.
- **No Error Detected** Scenario Three is identified as the scenario under which no error is detected.
- **Labor Standards Enforcement Report** The "Payroll Review Flowchart," **Exhibit B-13**, is a diagram illustrating the three scenarios of payroll review and illustrates why and when a Labor Standards Enforcement Report becomes necessary.

  A Labor Standards Enforcement Report, **(Exhibit B-16**) is required when restitution cumulatively reaches $1,000 or more for any contractor or subcontractor. Instructions for completing the form are included in **Exhibit B-16**.

  The Labor Standards Enforcement Report is to be completed and sent to OCD when most or all of the corrective action has been completed. The Labor Standards Enforcement Report should be sent during construction and before closeout documents are prepared.

- **Final Wage Compliance Report** Under all three scenarios as the flow chart indicates, the last item regarding labor standards, the Final Wage Compliance Report (found in **Exhibit E-4**, Program Completion Report), must be sent to OCD. The Final Wage Compliance Report is to be sent to the Office of Community Development along with other closeout documents. It must be approved by the OCD Labor Compliance Officer before the grant can be conditionally closed out. If there are unresolved labor compliance problems at that time, the OCD Labor Compliance Officer will assist the local government in determining how to correct such problems.

- **Reporting Restitution under Davis-Bacon and CWHSSA** Restitution reported on the Labor Standards Enforcement Report or the Final Wage Compliance Report must be correctly classified. The Davis-Bacon component of restitution will involve an underpayment rate for each hour worked at the deficient rate. The CWHSSA component of restitution will involve the payment of one-half of the hourly deficiency for each overtime hour worked. The following example is provided:

  A laborer worked 48 hours in one work-week. He was paid $10.00 per hour for 40 hours and $15.00 per hour for eight hours. The wage decision calls for $11.00 per hour with no fringe benefits. Most payroll preparers would immediately know that $52.00 of restitution is due; however, some may not realize the proper classification of each of the components of restitution. The $52.00 in restitution is properly calculated and classified as follows:

| | | |
|---|---|---|
| 48 x $1.00 | = $48.00 | Davis Bacon component of restitution |
| 8 x $0.50 | = $ 4.00 | CWHSSA component of restitution |

## WITHHOLDING FUNDS FROM CONTRACTOR BASED ON NON-COMPLIANCE WITH LABOR STANDARDS

If violations regarding restitution have not been corrected within thirty calendar days from the date of the first notice of underpayment, the local government may withhold funds due the prime contractor. Only an amount considered necessary to ensure payment of underpaid wages (and Liquidated Damages, if applicable) may be withheld in order to meet Labor Standards requirements. The local government must notify the prime contractor of the withholding and provide the second notice of underpayment. The local government must, again, specify the identity of underpaid workers, correct job classifications and wage rates, dates when underpayments occurred, and the amounts of underpayments owed. If restitution is not made within 30 days of the second notice of underpayment, or if there is disagreement regarding the finding of wages owed, OCD must be notified.

If OCD determines it appropriate, the local government will be notified to disburse wages owed from the withheld funds to the respective workers to whom they are due. Should such an occasion arise, OCD must be contacted for information on the proper procedure for disbursement of funds.

## UNFOUND WORKERS

If all affected workers cannot be located and restitution made either by the contractor directly or through use of withheld funds, enough funds must be reserved to pay those workers the wages owed. Efforts should continue to be made to locate workers; however, if they have not been located by the

time the closeout of the grant occurs, the local government must return the withheld funds to OCD. A check, made payable to the Louisiana Division of Administration, and a Labor Standards Enforcement Report (**Exhibit B-16**) covering the remaining withheld funds must be submitted to OCD before the grant will be closed.

### FALSIFICATION

If intentional falsification by a contractor is suspected, the local government's Labor Compliance Officer must not return the payroll to the contractor for correction and submittal. OCD must be informed of the suspected falsification.

### WITHHOLDING FUNDS FROM GRANTEE BASED ON NON-COMPLIANCE WITH LCDBG REQUIREMENTS

If a Labor Standards violation(s) does occur that results in the local government not being in compliance with the LCDBG program, the Office of Community Development may suspend payment on the next "Request for Payment." For example, if the local government fails to ensure the timely submission of contractor payrolls by the prime contractor (and any lower-tier subcontractor), then the local government may be considered as being in non-compliance with LCDBG program requirements.

### PAYROLL RETENTION

Payroll records (in addition to all program files) must be retained by the local government for a period of four years from the date of the letter indicating "Final Close" of the LCDBG program relative to the construction project. The payroll records must be available at all times during the retention period for inspection by representatives of OCD, HUD, and DOL.

THIS PAGE INTENTIONALLY LEFT BLANK

# EXHIBITS – SECTION B: LABOR COMPLIANCE

## B-1: APPOINTMENT OF LABOR COMPLIANCE OFFICER

Grantee _____

LCDBG Contract # _____

Name of person hereby appointed as the Labor Compliance Officer _____

Name of person appointing the LCO _____

Title of person appointing the LCO _____

***I hereby appoint the above listed person as the Labor Compliance Officer (LCO) under this Louisiana Community Development Block Grant (LCDBG) contract. The appointed LCO is assigned to oversee the labor portion of the contract and will be responsible for all labor law compliance. The LCO will be responsible for assuring compliance with all federal and LCDBG requirements as explained in the LCDBG Grantee Handbook.***

Signature of person appointing the LCO _____

Date _____

***I acknowledge and accept the appointment and duties of Labor Compliance Officer under the above mentioned LCDBG contract.***

Signature of newly appointed LCO _____

Date _____

## B-2: WAGE DECISION EXAMPLE

General Decision Number: LA100006 03/19/2010 LA6

Superseded General Decision Number: LA20080006

State: Louisiana

Construction Type: Heavy

Counties: Allen, Assumption, Avoyelles, Beauregard, Bienville, Caldwell, Cameron, Catahoula, Claiborne, Concordia, De Soto, East Carroll, East Feliciana, Evangeline, Franklin, Grant, Iberia, Iberville, Jackson, Jefferson Davis, La Salle, Lincoln, Madison, Morehouse, Natchitoches, Pointe Coupee, Red River, Richland, Sabine, St Helena, St Mary, Tangipahoa, Tensas, Union, Vermilion, Vernon, Washington, West Carroll, West Feliciana and Winn Counties in Louisiana.

HEAVY CONSTRUCTION PROJECTS (includes water wells, water & sewer lines, and flood control; excludes elevated storage tanks)

| Modification Number | Publication Date |
|---|---|
| 0 | 03/12/2010 |
| 1 | 03/19/2010 |

ELEC0130-007 12/01/2009

ASSUMPTION AND ST. MARY (Northeast of Atchafalaya River) PARISHES

| | Rates | Fringes |
|---|---|---|
| ELECTRICIAN | $ 25.75 | 8.86 |

---

* ELEC0194-006 03/04/2010

BIENVILLE, CLAIBORNE, DE SOTO, NATCHITOCHES (Northeast of the Red River), and RED RIVER PARISHES

| | Rates | Fringes |
|---|---|---|
| ELECTRICIAN | | |
| Lineman and Heavy Equipment Operator | $ 24.50 | 8.74 |

---

* ELEC0446-004 03/01/2010

CALDWELL, EAST CARROLL, FRANKLIN, JACKSON, LINCOLN, MADISON, MOREHOUSE, RICHLAND, TENSAS, UNION, and WEST CARROLL PARISHES

```
                                  Rates          Fringes

ELECTRICIAN.....................$ 20.55             8.22
----------------------------------------------------------------
* ELEC0576-002 03/01/2010

AVOYELLES, CATAHOULA, CONCORDIA, EVANGELINE, GRANT, LA SALLE,
NATCHITOCHES (Southwest of Red River), SABINE, VERNON, AND WINN
PARISHES

                                  Rates          Fringes

ELECTRICIAN.....................$ 22.50             5.66
----------------------------------------------------------------
 ELEC0861-004 09/01/2009

ALLEN, BEAUREGARD, CAMERON, IBERIA, JEFFERSON DAVIS, ST. MARY
(Southwest of Atchafalaya River), AND VERMILION PARISHES

                                  Rates          Fringes

ELECTRICIAN.....................$ 24.22             9.20
----------------------------------------------------------------
 ELEC0995-002 01/01/2010

EAST FELICIANA, IBERVILLE, POINTE COUPEE, ST. HELENA, AND WEST
FELICIANA PARISHES

                                  Rates          Fringes

ELECTRICIAN.....................$ 22.78             7.82
----------------------------------------------------------------
 ELEC1077-005 09/01/2009

TANGIPAHOA and WASHINGTON PARISHES

                                  Rates          Fringes

ELECTRICIAN.....................$ 21.50             6.34
----------------------------------------------------------------
  SULA2004-008 05/19/2004

                                  Rates          Fringes

CARPENTER (including
formsetting/formbuilding)........$ 14.75             0.00

Laborers:

     Common.....................$  7.60             0.00
     Pipelayer..................$  8.47             0.00

PIPEFITTER (excluding
pipelaying).....................$ 18.75             4.05
```

```
Power equipment operators:
     Backhoe/Excavator...........$ 11.67             0.00
     Boring Machine..............$ 10.25             0.00
     Bulldozer...................$ 11.82             0.00
     Crane.......................$ 13.60             0.00
     Dragline....................$ 13.12             0.00
     Front End Loader............$  9.93             0.00
     Mechanic....................$ 12.50             0.00
     Trackhoe....................$ 11.99             0.00
     Tractor.....................$ 10.43             0.00
     Water Well Driller..........$ 10.73             2.01

Truck drivers:

     Dump........................$ 10.00             0.00
     Water.......................$  8.00             0.00
-----------------------------------------------------------------

WELDERS - Receive rate prescribed for craft performing
operation to which welding is incidental.

=================================================================

Unlisted classifications needed for work not included within
the scope of the classifications listed may be added after
award only as provided in the labor standards contract clauses
(29CFR 5.5 (a) (1) (ii)).

-----------------------------------------------------------------
In the listing above, the "SU" designation means that rates
listed under the identifier do not reflect collectively
bargained wage and fringe benefit rates.  Other designations
indicate unions whose rates have been determined to be
prevailing.

-----------------------------------------------------------------

                    WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can
be:

*  an existing published wage determination
*  a survey underlying a wage determination
*  a Wage and Hour Division letter setting forth a position on
   a wage determination matter
*  a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests
for summaries of surveys, should be with the Wage and Hour
Regional Office for the area in which the survey was conducted
because those Regional Offices have responsibility for the
Davis-Bacon survey program. If the response from this initial
contact is not satisfactory, then the process described in 2.)
and 3.) should be followed.
```

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

==========

END OF GENERAL DECISION

## B-3: INITIAL WAGE DECISION REQUEST (OPTIONAL)

1. Grantee _____
2. LCDBG Contract # _____
3. Requesting Officer (Grantee's Labor Compliance Officer) _____
4. Date of Request _____
5. Estimated bid opening date _____
6. Parish _____
7. Specific description of work _____
8. General Work type(s): Building, Highway, Heavy or Residential _____
9. Identify and list estimated percentage of any "auxiliary" work that could require more than one decision. _____
10. Based on the above information the following wage decision(s) is authorized by the Labor Compliance Officer of the Office of Community Development for inclusion in the bid documents, if the bid document were compiled today. If compiled at a later date, the latest mod or supersedeas decision of the authorized wage decision number should be used.

    Decision Number(s) (Number, Date, Mod) _____

    _____

    Comments _____

    By LCO of OCD _____

    Date _____

    The Office of Community Development (OCD) will inform the grantee's Labor Compliance Officer (LCO) by phone, fax, or e-mail of the wage decision number of the authorized decision(s). It will be the responsibility of the grantee's LCO to download the decision(s) or obtain the decision(s) by other means such as by fax from OCD. The web address is: ***www.wdol.gov***

## B-4: TEN DAY CALL FORM (OPTIONAL)

LGR _____ File: _____ FY_____ Labor

# Ten Day Call Form (Optional)

The LCDBG Contract:

Grantee Name _____

LCDBG Contract # _____

Ten Day Call Information:

Person making the Call _____

Call received by _____

Date of Call _____

Bid Opening Date _____

*(If the Small Purchase method of procurement is used the above entry will be the bid tabulation date.)*

Wage Decision(s):

A _____
Type of work to be done

_____
Decision that was made part of bid documents

_____
Current decision as determined by DOL

Action: ___ None ____ Mailed
___ Faxed ____ Downloaded

_____
To be received or downloaded by

B _____
Type of work to be done

_____
Decision that was made part of the bid documents

_____
Current decision as determined by DOL

Action: ___ None ____ Mailed
___ Faxed ____ Downloaded

_____
To be received or downloaded by

Comments: _____

_____

By: _____

You may complete this form when the optional Ten Day Call is made. Retain. Do not send to OCD.

## B-5: VERIFICATION OF WAGE DECISION(S) AND CONTRACTOR ELIGIBILITY

| **Verification of Wage Decision(s) & Contractor Eligibility**<br>**Please Note:** Verifications must be obtained prior to award of contract | | | |
|---|---|---|---|
| 1. | Grantee Name | | |
| 2. | LCDBG Contract Number | | |
| 3. | Parish | | |
| 4. | Bid Opening Date | | |
| 5. | Description of work covered by the bid package | | |
| • Identification of wage decision(s) made part of the bid package whether by initial inclusion in bid document or by addendum. Example: LA 08 0014, Mod 0, 2/8/08 | | | |
| 6. | Decision Number(s) | | |
| 7. | Modification Number(s) | | |
| 8. | Issue Date(s) | | |
| • Identification of the prime contractor and principals of the firm. | | | |
| 9. | Prime Contractor Name | | |
| 10. | Address | | |
| 11. | City | | |
| 12. | State | | |
| 13. | Zip Code | | |
| 14. | Contractor Phone Number | | |
| 15. | Enter the name of each principal below | Enter the title of each principal | |
| 16. | | | |
| 17. | | | |
| 18. | | | |
| 19. | Grantee's Labor Compliance Officer (Signature or name) | | |
| 20. | Upon verification send to: (email address or fax #) | | |
| 21. | Date of this request | | |
| • State Use Only: Initials & dates below indicate verification by OCD | | | |
| 22. | Wage decision(s) above verified by (Signature, date) (Valid only if awarded within 90 days of bid opening) | | |
| 23. | Prime contractor's eligibility verified (Signature, date) | | |
| 24. | Verification is hereby sent to (Name of Person) | | |

**Instructions for *Verification of Wage Decision & Contractor Eligibility* (Exhibit B-5)**

Note: This form, as executed by OCD, must be received before the award of a contract.

| | |
|---|---|
| 1-3. Name, Contract #, Parish | Name of grant recipient, LCDBG contract #, Parish |
| 4. Bid Opening Date | The date construction bids were opened |
| 5. Description of work covered by the bid package | Describe the work in order to provide information needed for determining the proper Davis-Bacon wage decision(s). Example: Construction of an elevated tank and installation of 3,200 feet of main water line. |
| 6-8. Decision Number(s), Mod numbers(s) & Issue date | The identification of the effective wage decision(s) that was in effect at the bid opening date or if the contract award was delayed more than 90 days the wage decision that was in effect on the date of the contract award. |
| 9-14. Prime Contractor Identification | The legal name of the contracting firm. Address, & Phone |
| 15-18 Identification and titles of Principals of the firm | Since the names are checked against a federal database of debarred names, list the complete name if possible.<br>In the case of corporations, "Principals" are owners or office holders as recorded legally. In sole proprietorships or partnerships, "Principals" are the owner(s).<br>Titles or Position: Examples—President, Vice Pres, Secretary. |
| 19. Grantee's LCO | The typed name or the legible signature of the grantee's Labor Compliance Officer. |
| 20. Upon verification send to email address or fax # | The email address or fax # number of the grantee's Labor Compliance Officer or other person to which the executed form should be faxed. |
| 21. Date of this request | The date on which the verification of eligibility is requested. The remainder of the form will be completed by OCD. |
| 22. Wage decision verified Signature and date | The initials of the employee at OCD who verifies the proper decision choice. The verification is valid only if the contract is awarded within 90 days of the bid opening. The form will not be signed on line 22 until the proper wage decision choice(s) has been verified. |
| 23. Prime contractor's eligibility verified Signature, date | The initials of the employee at OCD who verifies the prime contractor's eligibility. The form will not be signed on line 23 until the contractor's eligibility has been verified. |
| 24. Verification is hereby sent to | Name of person designated to receive the scanned email or fax at the address or number specified on row 20. |

## B-6: NOTICE OF CONTRACT AWARD

LGR: _____ File: _____ FY _____ Labor

# Notice of Contract Award

_____
Date Received by State

- *Louisiana law, LA RS 38:2215, requires mutual written agreement between the parties if the time between the bid opening and contract award exceeds 45 days.*
- *If more than 90 days transpire between bid opening and contract award date, ensure that the wage decision(s) in effect on the contract award date becomes a written part of the construction contract.*
- *Send this Notice to OCD within 30 days of the contract award date.*

1. The LCDBG Contract:

Grantee Name _____

LCDBG Contract # _____

2. A prime construction contract has been awarded as follows:

Name of prime contractor _____

Type of work to be done _____

Bid Opening Date _____

Date of contract award _____

Estimated date of start of construction _____

3. Components of the above listed contract identified by source, purpose and amount:

| Source | Purpose | Amount |
|---|---|---|
| | | |
| | | |
| | | |
| | | |

4. Total Amount of Contract Award (All funds—Local, LCDBG, etc.) _____

5. A copy of the certified and itemized bid tabulation is attached: Yes _____ No _____
Please do not attach unrequested documents such as: minutes of bid opening, list of attendees, LA Uniform Public work bid form, or resolution to award the contract.

6. Comments: _____

7. Signed _____
Grantee's Labor Compliance Officer or CEO

8. Date _____

# Instructions for *Notice of Contract Award* (Exhibit B-6)

| | |
|---|---|
| 1. Grantee Name<br>Contract Number | Name of Municipality or Parish that is the recipient of grant funds.<br>Six-digit contract number between the state and grant recipient. |
| 2. A prime…contract… | Name: of prime contractor.<br>Work Description: Examples: fire station, sewer treatment plant, etc.<br>Bid Opening Date: self-explanatory.<br>Date of Award: official date by action of municipality or parish.<br>Estimate: an educated guess on start date of construction. |
| 3. Components of the above listed contract…source, purpose, & amount | Components of the construction contract must be identified by source, purpose and amount. Example:<br><br>Source — Purpose — Amount<br>LCDBG — Sewer lines — 500,000.00<br>USDA — Sewer treatment plant — 300,000.00<br>Local Gov. — Sewer lines — 50,000.00<br><br>Some construction contracts involve only LCDBG funds and have a single purpose. For such cases, use only a one-line entry. |
| 4. Total amount of contract award | Components amounts added together should equal the total of the prime construction contract referred to under item "2".<br><br>From the example in "3", above, the total would be $850,000.00.<br><br>Enter the original amount of the award prior to any change orders. |
| 5. Copy of the Certified and Itemized Bid Tabulation attached | A bid tabulation should be attached to this notice. Indicate whether the bid tab is attached by marking "yes" or "no". If no, explain why in the comment section of row 6. |
| 6. Comments | Enter any applicable comments. |
| 7. Signature or typed name | Signature or typed name of the grantee's Labor Compliance Officer. |
| 8. Date | Date on which the form is prepared (not the contract award date). It must be sent to OCD within 30 days of the award of the contract. |

## B-7: REPORT OF ADDITIONAL CLASSIFICATION AND RATE

**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**
**REPORT OF ADDITIONAL CLASSIFICATION AND RATE**

**HUD FORM 4230A**
OMB Approval Number 2501-0011
(Exp. 01/31/2010)

**1. FROM** (*name and address of requesting agency*)

**2. PROJECT NAME AND NUMBER**

**3. LOCATION OF PROJECT** (City, County and State)

**4. BRIEF DESCRIPTION OF PROJECT**

**5. CHARACTER OF CONSTRUCTION**

- ☐ **Building**
- ☐ **Heavy**
- ☐ **Highway**
- ☐ **Residential**
- ☐ **Other (specify)**

**6. WAGE DECISION NO.** (include modification number, if any)

☐ **COPY ATTACHED**

**7. WAGE DECISION EFFECTIVE DATE**

| **8. WORK CLASSIFICATION(S)** | **HOURLY WAGE RATES** | |
|---|---|---|
| | **BASIC WAGE** | **FRINGE BENEFIT(S) (if any)** |
| | | |

**9. PRIME CONTRACTOR** (name, address)

**10. SUBCONTRACTOR/EMPLOYER, IF APPLICABLE** (name, address)

### Check All That Apply:

- ☐ The work to be performed by the additional classification(s) is not performed by a classification in the applicable wage decision.
- ☐ The proposed classification is utilized in the area by the construction industry.
- ☐ The proposed wage rate(s), including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage decision.
- ☐ The interested parties, including the employees or their authorized representatives, agree on the classification(s) and wage rate(s).
- ☐ Supporting documentation attached, including applicable wage decision.

### Check One:

- ☐ **Approved, meets all criteria. DOL confirmation requested.**
- ☐ **One or more classifications fail to meet all criteria as explained in agency referral. DOL decision requested.**

**Agency Representative**
*(Typed name and signature)*

*Date*

*Phone Number*

**FOR HUD USE ONLY**
**LR2000:**

**Log in:**
**Log out:**

HUD-4230A (8-03) PREVIOUS EDITION IS OBSOLETE

## ***Instructions for the Report of Additional Classification and Rate HUD 4230-A* (Exhibit B-7)**

(Obtain a "form fill" version of HUD 4230-A at **www.hud.gov**)

**General Procedure: The prime contractor notifies the local government of a request for an additional classification(s) and specifies the rate(s). The local government completes items 1-10 on the "Report of Additional Classification and Rate" and forwards the document(s) to OCD. Contractors may pay, at a minimum, the requested rate(s) until a response from DOL is received. A DOL response may take two months. If DOL does not agree with the requested rate, restitution will be due retroactively from the first day of work performed at the requested classification.**

| | |
|---|---|
| 1. From: | Enter the address of the Office of Community Development as follows:<br>Office of Community Development<br>Post Office Box 94095<br>Baton Rouge, Louisiana 70804-9095 |
| 2. Project Name & Number | Name of the local government and the LCDBG contract number. |
| 3. Location of Project | City, Parish, and State |
| 4. Brief Description of Project | The main objective(s) of the project as funded under the LCDBG contract.<br>Example: Sewer treatment and lines |
| 5. Character of Construction | Choose the type of construction according to Davis-Bacon. |
| 6. Wage Decision Number | The wage decision from the US Dept of Labor (DOL) that is designated as the effective decision for this part of the project. Normally, the wage decision will not need to be attached and the "Copy Attached" box will not be checked.<br>Example: State—Louisiana<br>DOL Wage Decision Year—2008<br>Wage Decision Number—6<br>Modification number—0<br>would be entered on line 6 using the following method:<br>LA 08-0006 Mod 0 |
| 7. Wage Decision Effective Date | The issue date of the effective wage decision. |
| 8. Work Classification(s) | First column: The name(s) of the proposed classification(s) and, if necessary, a brief description(s) of work performed. Second Column: corresponding proposed basic hourly rate(s). Third Column: the proposed fringe benefit amount(s), if any.<br>Example for first column: Metal Building Erector—Installs building framework, siding and metal roofing. |
| 9. Prime Contractor | Name and address of the prime contractor. |
| 10. Subcontractor/employer if applicable | If the employer making the request for an additional classification is not the prime contractor, enter the name and address of the subcontractor. |
| Attachments | Attach any necessary documentation to HUD form 4230-A. Attachments may include any item mentioned under "Check All That Apply". |
| Check All That Apply | Do not complete below this point. OCD will complete these sections. |

## B-8: WAGE RATE SHEET

| Wage Rate Sheet | |
|---|---|
| 1. Name of Grant Recipient | |
| 2. LCDBG Contract Number | |
| 3. Wage Decision Number, Date, Mod | |
| 4. Name of Prime Contractor(s) | |

| 5. Classification | 6. Hourly Rate | 7. Fringe Benefit Rate | 8. Total Package Rate |
|---|---|---|---|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

**Instructions for the *Wage Rate Sheet* (Exhibit B-8)**

Post either (a) the Wage Rate Sheet or (b) Wage Decision in a worker-accessible place.

| | |
|---|---|
| 1, 2. | Self-explanatory. |
| 3. Wage Decision Number Mod, Date | The wage decision from the US Dept of Labor (DOL) that is designated as the governing decision for this part of the project.<br>Example: State—Louisiana<br>DOL Wage Decision Year—2008<br>Wage Decision Number—06<br>Date of Wage Decision—2/8/08<br>Modification number—0<br>Enter the above information using the following method:<br>LA 08-0015, Dated 8/27/04, Mod 4<br>If there is more than one wage decision for the project a separate Wage Rate Sheet must be prepared. |
| 4. Name of Prime Contractor | Name of the prime contractor(s) who is subject to the wage decision listed on this Wage Rate Sheet. |
| 5. Classification | List only those classifications from the Wage Decision that are applicable to this project.<br>Each classification must be written on the Wage Rate Sheet exactly as it appears on the Wage Decision.<br>Additional Classification(s), if any, should also be included. |
| 6, 7. Hourly Rate and Fringe Benefit Rate | List exactly as listed on the Wage Decision.<br>Prior to receiving DOL's response, rates for Additional Classification(s) should be listed at the rates requested by the contractor. After receiving DOL's response, rates must be listed according to DOL requirements. |
| 8. Total Package Rate | List the total of the hourly rate plus the fringe benefit rate. |

## B-9: VERIFICATION OF POSTING REQUIREMENTS

**Verification of Posting Requirements (Optional Form)**

1. Grantee _____

2. LCDBG Contract Number _____

3. Project Description _____

4. Were the following items posted in a location accessible to workers?

(a) Employee Rights Under the Fair Labor Standards Act ____ Yes ____ No

**http://www.dol.gov/whd/regs/compliance/posters/flsa.htm**

(b) Employee Rights Under the Davis-Bacon Act ____ Yes ____ No

**http://www.dol.gov/whd/regs/compliance/posters/davis.htm**

(c) Equal Employment Opportunity is the Law ____ Yes ____ No

**http://www.dol.gov/ofccp/regs/compliance/posters/ofccpost.htm**

(d) Wage Decision or the Wage Rate Sheet ____ Yes ____ No

Signature of Grantee's Labor Compliance Officer _____

Date _____

Photograph(s) may be attached below:

## B-10: RECORD OF EMPLOYEE INTERVIEW FORM

# Record of Employee Interview

**U.S. Department of Housing and Urban Development**
**Office of Labor Relations**

OMB Approval No. 2501-0009
(exp. 12/31/2013)

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. The information is collected to ensure compliance with the Federal labor standards by recording interviews with construction workers. The information collected will assist HUD in the conduct of compliance monitoring; the information will be used to test the veracity of certified payroll reports submitted by the employer. **Sensitive Information**. The information collected on this form is considered sensitive and is protected by the Privacy Act. The Privacy Act requires that these records be maintained with appropriate administrative, technical, and physical safeguards to ensure their security and confidentiality. In addition, these records should be protected against any anticipated threats or hazards to their security or integrity that could result in substantial harm, embarrassment, inconvenience, or unfairness to any individual on whom the information is maintained. **The information collected herein is voluntary, and any information provided shall be kept confidential**.

| | |
|---|---|
| 1a. Project Name | 2a. Employee Name |
| 1b. Project Number | 2b. Employee Phone Number (including area code) |
| 1c. Contractor or Subcontractor (Employer) | 2c. Employee Home Address & Zip Code |
| | 2d. Verification of identification? Yes ☐ No ☐ |

| 3a. How long on this job? | 3b. Last date on this job before today? | 3c. No. of hours last day on this job? | 4a. Hourly rate of pay? | 4b. Fringe Benefits? | 4c. Pay stub? |
|---|---|---|---|---|---|
| | | | | Vacation Yes ☐ No ☐<br>Medical Yes ☐ No ☐<br>Pension Yes ☐ No ☐ | Yes ☐ No ☐ |

5. Your job classification(s) (list all) --- continue on a separate sheet if necessary

6. Your duties

7. Tools or equipment used

| | Y | N | | Y | N |
|---|---|---|---|---|---|
| 8. Are you an apprentice or trainee? | ☐ | ☐ | 10. Are you paid at least time and ½ for all hours worked in excess of 40 in a week? | ☐ | ☐ |
| 9. Are you paid for all hours worked? | ☐ | ☐ | 11. Have you ever been threatened or coerced into giving up any part of your pay? | ☐ | ☐ |

| | |
|---|---|
| 12a. Employee Signature | 12b. Date |

13. Duties observed by the Interviewer (Please be specific.)

14. Remarks

| | | |
|---|---|---|
| 15a. Interviewer name (please print) | 15b. Signature of Interviewer | 15c. Date of interview |

## Payroll Examination

16. Remarks

| | |
|---|---|
| 17a. **Signature of Payroll Examiner** | 17b. **Date** |

**Previous editions are obsolete** **Form HUD-11 (08/2004)**

## Instructions for the *Record of Employee Interview (Begin Quotation from HUD Instructions)*

This form is to be used by HUD and local agency staff for recording information gathered during on-site interviews with laborers and mechanics employed on projects subject to Federal prevailing wage requirements. Typically, the staff that will conduct on-site interviews and use this form are HUD staff and fee construction inspectors, HUD Labor Relations staff, and local agency labor standards contract monitors.

Information recorded on the form HUD-11 is evaluated for general compliance and compared to certified payroll reports submitted by the respective employer. The comparison tests the veracity of the payroll reports and may be critical to the successful conclusion of enforcement actions in the event of labor standards violations. The thoroughness and accuracy of the information gathered during interviews is crucial.

Note that the interview itself and the information collected on the form HUD-11 are considered confidential. Interviews should be conducted individually and privately. All laborers and mechanics employed on the job site must be made available for interview at the interviewer's request. The employee's participation, however, is voluntary. Interviews shall be conducted in a manner and place that are conducive to the purposes of the interview and that cause the least inconvenience to the employer(s) and the employee(s).

### Completing the form HUD-11

Items 1a - 1c: Self-explanatory

Items 2a – 2d: Enter the employee's full name, a telephone number where the employee can be reached, and the employee's home address. Many construction workers use a temporary address in the locality of the project and have a more permanent address elsewhere from which mail may be forwarded to them. Obtain a more permanent address, if available. Ask the employee for a form of identification (e.g., driver's license) to verify their name.

Items 3a – 4c: Enter the employee's responses. Ask the employee whether they have a pay stub with them; if so, determine whether the pay stub is consistent with the information provided by the employee.

Items 5 – 7: Be certain that the employee's responses are specific. For example, job classification (#5) must identify the trade involved (e.g., Carpenter, Electrician, Plumber) – responses such as "journeyman" or "mechanic" are not helpful for our purposes.

Items 8 – 12b: Self-explanatory

Items 13 – 15c: These items represent some of the most important information that can be gathered while conducting on-site interviews. Please be specific about the duties you observed the employee performing. It may be easiest to make these observations before initiating the interview. Please record any comments or remarks that may be helpful. For example, if the employee interviewed was working with a crew, how many workers were in the crew? Was the employee evasive?

The level of specificity that is warranted is directly related to the extent to which interview(s) or other observations indicate that there may be violations present. If interviews indicate that there may be underpayments involving a particular trade(s), the interviewer is encouraged to interview as many workers in that trade(s) that are available.

Items 16 – 17b: The information on the form HUD-11 may be reviewed for general compliance, initially. For example, are the job classification and wage rate stated by the employee compatible with the classifications and wage rates on the applicable wage decision? Are the duties observed by the interviewer consistent with the job classification?

Once the corresponding certified payroll reports are received, the information on the HUD-11 shall be compared to the payroll reports. Any discrepancies noted between the HUD-11 information and that on the payroll report shall be noted in Item 16, Remarks. If discrepancies are noted, follow-up actions to resolve the discrepancies must be taken.

**(End of Quotation from HUD Form 11 Instructions)**

## B-11: FORCE ACCOUNT RECORDKEEPING

FORCE ACCOUNT RECORDKEEPING

Labor Cost Records:

1. Hiring and personnel records to include dates of employment, name, address, social security number, work classification, rate of pay, fringe benefits and other pertinent information.

2. Payroll and time distribution records to include daily time records showing straight and overtime hours worked, project location and description of work, gross wages earned at the end of the payroll period, authorized deductions, net wages to the employees, canceled checks, and proof of payment of fringe benefits and deductions by the Grantee. (Overtime pay will be governed by the Grantee's local policy).

3. The payroll system must have a method to report hours separately for employees who split their work between normal local government activities and a particular LCDBG-funded project. Such separate reporting may be indicated on the face of each weekly payroll or by supplemental statement to each weekly payroll.

Equipment Use Record:

1. Daily use records to include description of equipment, project description and location where equipment was used, number of hours used, name of operator, and use rate.

2. Records to support use allowance or depreciation charge.

Materials Procurement Records: (The documentation will vary according to whether or not materials were obtained based upon quotes or competitive bids.)

1. Bid documents including description of materials,

2. Notarized proof of advertisement for bids,

3. Minutes of bid opening,

4. Bidders' proposals,

5. Evaluation and recommendations of award,

6. Resolution of award,

7. Contract documents,

8. Delivery and inventory records (itemized), and

9. Invoice and payment records (itemized).

Project Execution and Administration Records:

1. Determination to use force account to include opinion of legal counsel,
2. Written approval from Office of Community Development allowing the use of force account.
3. Architect-Engineer Contract,
4. Plans and specifications,
5. Cost Estimates,
6. Work orders and change orders,
7. Inspection reports,
8. Progress payments,
9. Field measurements, test, surveys, etc., and
10. Other documentation related to the force account project (Note: Records to support the Grantee's compliance efforts with respect to other program requirements, equal opportunity, housing, citizen participation, etc., are not described here).

## B-12: PAYROLL FORM AND STATEMENT OF COMPLIANCE

**U.S. Department of Labor**
Wage and Hour Division

**PAYROLL**

**(For Contractor's Optional Use; See Instructions at www.dol.gov/whd/forms/wh347instr.htm)**
*Persons are not required to respond to the collection of information unless it displays a currently valid OMB control number.r*

U.S. Wage and Hour Division
Rev. Dec. 2008

| NAME OF CONTRACTOR OR SUBCONTRACTOR | ADDRESS | OMB No.: 1235-000 Expires: 01/31/2015 |
|---|---|---|
| PAYROLL NO. / FOR WEEK ENDING | PROJECT AND LOCATION | PROJECT OR CONTRACT NO. |

| (1) NAME AND INDIVIDUAL IDENTIFYING NUMBER (e.g., LAST FOUR DIGITS OF SOCIAL SECURITY NUMBER) OF WORKER | (2) No. of Withholding Exemptions | (3) WORK CLASSIFICATION | OT. OR ST. | (4) DAY AND DATE HOURS WORKED EACH DAY | | | | | | | (5) TOTAL HOURS | (6) RATE OF PAY | (7) GROSS AMOUNT EARNED | (8) DEDUCTIONS FICA | WITH-HOLDING TAX | | | OTHER | TOTAL DEDUCTIONS | (9) NET WAGES PAID FOR WEEK |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | O | | | | | | | | | | | | | | | | | |
| | | | S | | | | | | | | | | | | | | | | | |
| | | | O | | | | | | | | | | | | | | | | | |
| | | | S | | | | | | | | | | | | | | | | | |
| | | | O | | | | | | | | | | | | | | | | | |
| | | | S | | | | | | | | | | | | | | | | | |
| | | | O | | | | | | | | | | | | | | | | | |
| | | | S | | | | | | | | | | | | | | | | | |
| | | | O | | | | | | | | | | | | | | | | | |
| | | | S | | | | | | | | | | | | | | | | | |
| | | | O | | | | | | | | | | | | | | | | | |
| | | | S | | | | | | | | | | | | | | | | | |
| | | | O | | | | | | | | | | | | | | | | | |
| | | | S | | | | | | | | | | | | | | | | | |
| | | | O | | | | | | | | | | | | | | | | | |
| | | | S | | | | | | | | | | | | | | | | | |

While completion of Form WH-347 is optional, it is mandatory for covered contractors and subcontractors performing work on Federally financed or assisted construction contracts to respond to the information collection contained in 29 C.F.R. §§ 3.3, 5.5(a). The Copeland Act (40 U.S.C. § 3145) contractors and subcontractors performing work on Federally financed or assisted construction contracts to "furnish weekly a statement with respect to the wages paid each employee during the preceding week." U.S. Department of Labor (DOL) regulations at 29 C.F.R. § 5.5(a)(3)(ii) require contractors to submit weekly a copy of all payrolls to the Federal agency contracting for or financing the construction project, accompanied by a signed "Statement of Compliance" indicating that the payrolls are correct and complete and that each laborer or mechanic has been paid not less than the proper Davis-Bacon prevailing wage rate for the work performed. DOL and federal contracting agencies receiving this information review the information to determine that employees have received legally required wages and fringe benefits.

**Public Burden Statement**

We estimate that is will take an average of 55 minutes to complete this collection, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. If you have any comments regarding these estimates or any other aspect of this collection, including suggestions for reducing this burden, send them to the Administrator, Wage and Hour Division, U.S. Department of Labor, Room S3502, 200 Constitution Avenue, N.W. Washington, D.C. 20210

(over)

Date _____

I, _____ _____
(Name of Signatory Party) (Title)

do hereby state:

(1) That I pay or supervise the payment of the persons employed by

_____ on the
(Contractor or Subcontractor)

_____; that during the payroll period commencing on the
(Building or Work)

_____ day of _____, _____, and ending the _____ day of _____, _____,

all persons employed on said project have been paid the full weekly wages earned, that no rebates have been or will be made either directly or indirectly to or on behalf of said

_____ from the full
(Contractor or Subcontractor)

weekly wages earned by any person and that no deductions have been made either directly or indirectly from the full wages earned by any person, other than permissible deductions as defined in Regulations, Part 3 (29 C.F.R. Subtitle A), issued by the Secretary of Labor under the Copeland Act, as amended (48 Stat. 948, 63 Start. 108, 72 Stat. 967; 76 Stat. 357; 40 U.S.C. § 3145), and described below:

_____

_____

_____

_____

(2) That any payrolls otherwise under this contract required to be submitted for the above period are correct and complete; that the wage rates for laborers or mechanics contained therein are not less than the applicable wage rates contained in any wage determination incorporated into the contract; that the classifications set forth therein for each laborer or mechanic conform with the work he performed.

(3) That any apprentices employed in the above period are duly registered in a bona fide apprenticeship program registered with a State apprenticeship agency recognized by the Bureau of Apprenticeship and Training, United States Department of Labor, or if no such recognized agency exists in a State, are registered with the Bureau of Apprenticeship and Training, United States Department of Labor.

(4) That:

(a) WHERE FRINGE BENEFITS ARE PAID TO APPROVED PLANS, FUNDS, OR PROGRAMS

☐ – in addition to the basic hourly wage rates paid to each laborer or mechanic listed in the above referenced payroll, payments of fringe benefits as listed in the contract have been or will be made to appropriate programs for the benefit of such employees, except as noted in section 4(c) below.

(b) WHERE FRINGE BENEFITS ARE PAID IN CASH

☐ – Each laborer or mechanic listed in the above referenced payroll has been paid, as indicated on the payroll, an amount not less than the sum of the applicable basic hourly wage rate plus the amount of the required fringe benefits as listed in the contract, except as noted in section 4(c) below.

(c) EXCEPTIONS

| EXCEPTION (CRAFT) | EXPLANATION |
|---|---|
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |

REMARKS:

| NAME AND TITLE | SIGNATURE |
|---|---|
| | |

THE WILLFUL FALSIFICATION OF ANY OF THE ABOVE STATEMENTS MAY SUBJECT THE CONTRACTOR OR SUBCONTRACTOR TO CIVIL OR CRIMINAL PROSECUTION. SEE SECTION 1001 OF TITLE 18 AND SECTION 231 OF TITLE 31 OF THE UNITED STATES CODE.

## Comments Regarding the Payroll Form

### (Prepared by the Labor Compliance Officer of the Office of Community Development)

**General:** Department of Labor Form WH-347 has been made available for the convenience of contractors and is not mandatory. Properly completed, this form will satisfy the requirements of the LCDBG program. Form WH-347 along with instructions in greater detail can be found at: **http://webapps.dol.gov/libraryforms/go-us-dol-form.asp?FormNumber=38** .

**Heading Information:** Fill in the contractor name, address, payroll number, week ending date, project location, and LCDBG project number.

Payrolls are numbered according to weeks having work activity. Example: Work was done during weeks one and two but the work was stopped due to rain during weeks three and four. Work resumed and the job was completed during week five. The payrolls for the entire project would be numbered 1-initial, 2, and 3-final. The prime contractor should inform the grantee's Labor Compliance Officer, weekly, for any week during which there is no work done. "No work" payrolls are not required.

**Column 1—Name and Last Four Digits of Social Security Number of Employee:** In this block, enter the complete name, and the last four digits of the social security number of each employee.

**Column 3—Work Classifications**: Enter the classification as it is listed on the applicable Davis-Bacon wage decision. Note that "Operator" is not a proper classification since such a classification does not come directly from any wage decision. However, "Backhoe Operator" may be a proper classification if such a classification is on the applicable wage decision.

**Columns 4 & 5—Hours Worked and Total Hours:** Only enter hours worked on the LCDBG project—not hours from any other job.

**Column 6—Rate Per Hour**: Enter the rate of pay on the LCDBG project, including any cash paid in lieu of fringe benefits. When fringes are paid in cash, the preferred method is to differentiate between basic hourly pay and fringe benefits paid in cash in column 6 on the straight-time row. On the overtime row of column 6 enter the overtime rate of pay including amount paid in cash for fringes. An example follows where John Doe is paid $10.00 basic hourly rate with $3.00 in fringe benefits paid in cash. The overtime rate of $15.00 is 150% of the basic hourly rate of $10.00—then add the $3.00 for each hour of fringe benefits. The amount due for each overtime hour becomes $18.00. In contrast, if the basic hourly rate would not have been identified separately from the fringe and entered as a single figure of $13.00 then the 150% would have to be applied to the full $13.00 resulting in a higher overtime rate requirement of $19.50.

| | | Column 6 |
|---|---|---|
| John Doe 5555 | O | 18.00 |
| | S | $10.00 3.00 |

**Column 7—Gross Amount Earned:** This column has blocks which are split into two parts, the upper left and the lower right. In the upper left portion of the block enter the gross amount earned from the LCDBG project. In the lower right portion of the block enter the gross amount earned from all projects.

**Column 8--Deductions and Column 9—Net Wages:** Deductions are to be based on all projects, both LCDBG and non-LCDBG, and will be deducted from the weekly gross amount earned from all projects. Likewise, net wages are based on all projects.

**The Second Page of WH 347—The Statement of Compliance:** The following instructions for the Statement of Compliance are quoted directly from the Department of Labor's instructions that accompany the Payroll Form, WH 347.

(Begin quotation) **Item 4 FRINGE BENEFITS - Contractors who pay all required fringe benefits:** If paying all fringe benefits to approved plans, funds, or programs in amounts not less than were determined in the applicable wage decision of the Secretary of Labor, show the basic cash hourly rate and overtime rate paid to each worker on the face of the payroll and check paragraph 4(a) of the statement on page 2 of the WH-347 payroll form to indicate the payment. Note any exceptions in section 4(c).

**Contractors who pay no fringe benefits:** If not paying all fringe benefits to approved plans, funds, or programs in amounts of at least those that were determined in the applicable wage decision of the Secretary of Labor, pay any remaining fringe benefit amount to each laborer and mechanic and insert in the "straight time" of the "Rate of Pay" column of the payroll an amount not less than the predetermined rate for each classification plus the amount of fringe benefits determined for each classification in the application wage decision. Inasmuch as it is not necessary to pay time and a half on cash paid in lieu of fringe benefits, the overtime rate shall be not less than the sum of the basic predetermined rate, plus the half time premium on basic or regular rate, plus the required cash in lieu of fringe benefits at the straight time rate. In addition, check paragraph 4(b) of the statement on page 2 the payroll form to indicate the payment of fringe benefits in cash directly to the workers. Note any exceptions in section 4(c).

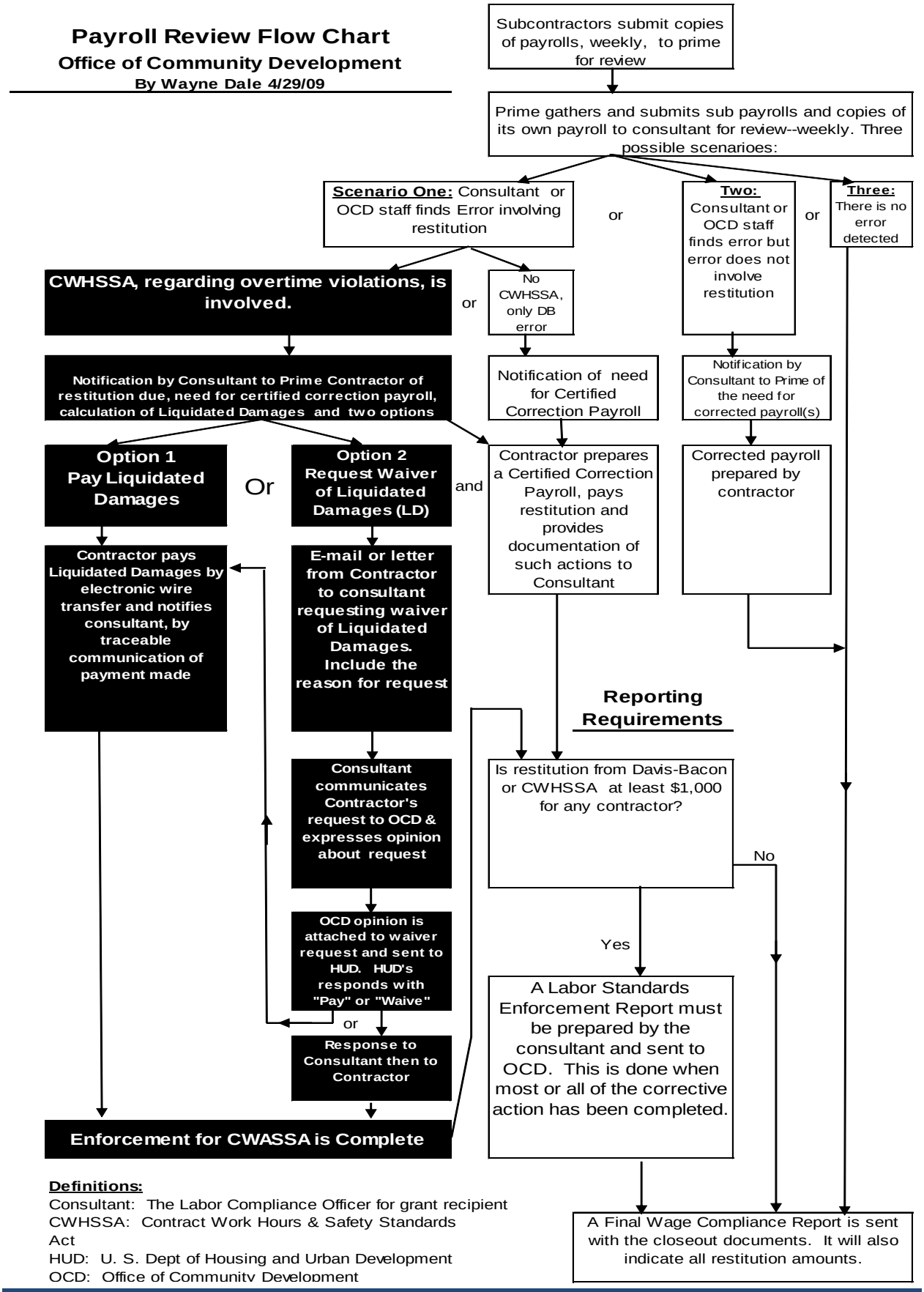
**Use of Section 4(c), Exceptions**

Any contractor who is making payment to approved plans, funds, or programs in amounts less than the wage determination requires is obliged to pay the deficiency directly to the covered worker as cash in lieu of fringe benefits. Enter any exceptions to section 4(a) or 4(b) in section 4(c). Enter in the Exception column the craft, and enter in the Explanation column the hourly amount paid each worker as cash in lieu of fringe benefits and the hourly amount paid to plans, funds, or programs as fringe benefits. The contractor must pay an amount not less than the predetermined rate plus cash in lieu of fringe benefits as shown in section 4(c) to each such individual for all hours worked (unless otherwise provided by applicable wage determination) on the Federal or Federally assisted project. Enter the rate paid and amount of cash paid in lieu of fringe benefits per hour in column 6 on the payroll. See paragraph on "Contractors who pay no fringe benefits" for computation of overtime rate. (End Quotation)

An additional quotation from the US Department of Labor's instructions for Form WH 347 regarding the Statement of Compliance states penalties for falsification.

(Begin Quotation) "**Statement Required by Regulations, Parts 3 and 5:** While the "statement of compliance" need not be notarized, the statement (on page 2 of the payroll form) is subject to the penalties provided by 18 U.S.C. § 1001, namely, a fine, possible imprisonment of not more than 5 years, or both. Accordingly, the party signing this statement should have knowledge of the facts represented as true." (End Quotation)

## B-13: PAYROLL REVIEW FLOWCHART




**Definitions:**

Consultant: The Labor Compliance Officer for grant recipient
CWHSSA: Contract Work Hours & Safety Standards Act
HUD: U. S. Dept of Housing and Urban Development
OCD: Office of Community Development

## B-14: PAYROLL DEDUCTION AUTHORIZATION

# Payroll Deduction Authorization

Name of grant recipient _____

LCDBG Contract # _____

Employee _____

Employer _____

One box should be marked with an "x". Occasionally more than one box will be marked. In addition to deductions authorized by law, such as social security and income taxes, the following deduction(s) will be subtracted from the employee's paycheck(s)

| | |
|---|---|
| | I authorize weekly deduction(s) as described below. |
| | I authorize a one-time deduction(s), as described below. |
| | I authorize deduction(s), below, to be subtracted from my paycheck for _____ weeks. |

| Description of Additional Deductions* | Amount |
|---|---|
| | |
| | |
| | |
| | |
| | |
| | |
| | |

Employee Signature _____

Date _____

*Types of deductions may include retirement, health insurance, uniforms, loans and advance on wages. Deductions for garnishments, such as court orders and child support, may be authorized by this form or an appropriate legal document.

## B-15: NOTICE OF RESTITUTION DUE

### Notice of Restitution Due

| | | |
|---|---|---|
| 1. | To Prime Contractor: | |
| 2. | From Labor Compliance Officer: | |
| 3. | Name of Local Government: | |
| 4. | LCDBG Contract Number: | |
| 5. | First Tier Subcontractor(s): | |
| 6. | Lower Tier Subcontractor(s): | |
| 7. | Signature of Preparer: | |
| 8. | Date: | |

9. Purpose of The Restitution Due Table: The Restitution Due Table provides a listing of employees who are due restitution and a calculation of liquidated damages. Please review the table for completeness and accuracy. The topic, "Corrective Actions Regarding Labor Standards Violations," in Section B of the most recent Louisiana Community Development Block Grant (LCDBG) Grantee Handbook provides guidance for proper payroll review and corrective actions. The LCDBG Grantee Handbook is located at: **www.doa.louisiana.gov/cdbg/cdbgHome.htm** →Grants Management→Policy Manuals→Grantee Handbooks→Latest Edition.

10. Restitution: Restitution must be made by each contractor to each underpaid worker. Payrolls issued as part of the restitution process must be submitted by the prime contractor to the local government for review.

11. Liquidated Damages: A contractor having any liquidated damages deficiency, applicable if column 19 has any amount listed for a given contractor, must address the deficiency by one of two methods: (1) payment of the liquidated damages penalty by wire transfer or (2) contractor request to HUD for the waiver of the payment of the liquidated damages penalty. If wire transfer is chosen, the contractor must contact the Labor Compliance Officer of the Office of Community Development at (225) 342-7412 for detailed instructions. If a waiver is requested from HUD, the contractor must prepare the "waiver" letter on company letterhead. The waiver letter should have an explanation of overtime deficiencies, number of days per worker on which overtime deficiencies occurred, amount of the liquidated damages penalty for which a waiver is requested, and a statement indicating whether the deficiencies were intentional or unintentional. The contractor must submit the waiver letter to the local government for review and further processing.

| 12. Restitution Due Table (Use the format below and attach the table to the notice.) | | | | | | |
|---|---|---|---|---|---|---|
| 13. Contractor Prime or Sub | 14. Employee Name | 15. Date of Underpayment | 16. Payroll # | 17. Davis Bacon | 18. CWHSSA | 19. Liq. Damages |
| | | | | | | |
| 20. Reason for Restitution: | | | | | | |

| Instructions: Notice of Restitution Due | |
|---|---|
| A payroll review letter to the prime contractor should be prepared by the local government explaining Labor Standards requirements and payroll review details. The Notice of Restitution Due is an optional form designed to be an attachment to a payroll review letter that allows restitution information to be listed in a standard format. | |
| 1. | To Prime Contractor: The prime contractor is the addressee. Example: ABC Contractors, Inc. |
| 2. | From Labor Compliance Officer: The Notice is from the local government's Labor Compliance Officer. |
| 3. | Name of Local Government: Example: Abbeville |
| 4. | LCDBG Contract Number: Six digit LCDBG contract number. Ex: 765432 |
| 5. | First Tier Subcontractor: Enter the name(s) of any first tier subcontractor(s) which has (have) a direct contractual relationship with the prime contractor. Ex: DEF, Inc.<br><br>Additional first tier subcontractors may be listed on a separate sheet or, alternatively, a separate Notice of Restitution Due may be prepared for each first tier subcontractor. |
| 6. | Lower Tier Subcontractor: Enter the name and "position identification" of any lower tier subcontractors. For example, an entry of "Holly Builders, Inc./DEF/ABC", would signify that Holly Builders, Inc., is a sub of DEF, Inc., which is a sub of ABC, Inc.<br><br>Additional lower tier subcontractors and "position identification" may be listed on a separate sheet or, alternatively, a separate Notice of Restitution Due may be prepared for each lower tier subcontractor. |
| 7. | Signature of Preparer: Signature of person responsible for preparation—normally the local government's Labor Compliance Officer. |
| 8. | Date: Date on which the Notice of Restitution Due is completed. |
| 9. | Purpose: Standard paragraph intended to enhance contractor knowledge. |
| 10. | Restitution: Standard paragraph intended to enhance contractor knowledge. |
| 11. | Liquidated damages: Standard paragraph intended to enhance contractor knowledge. |
| 12. | Restitution Due Table: A table entitled, "Restitution Due Table," is to be prepared and attached to the Notice of Restitution Due. The general format of the table is provided; however, the landscape orientation is recommended instead of portrait, as shown. One table may be prepared covering all contractors or multiple tables may be prepared with a separate table for each contractor. A user friendly, form-fill version of the Restitution Due Table is available on the OCD website—in landscape orientation. |
| 13. | Contractor, Prime or Sub: Enter the name of the prime or subcontractor who pays each employee for each day on which an employee was underpaid. |
| 14. | Employee Name: Enter the name of each employee for each day underpaid. |
| 15. | Date of Underpayment: Enter the date associated with each underpayment for each employee. Ex: If John Doe was underpaid three days in a row, Friday, Saturday and Sunday on payroll 15, then three rows with three different dates would be used for John Doe relative to payroll 15. The date of underpayment is not automatically the same date as the payroll ending date. The day by day entries per employee are needed to help determine the amount, if any, of liquidated damages under the Contract Work Hours and Safety Standards Act (CWHSSA). |
| 16. | Payroll Number: Enter the relevant contractor's payroll number for each day on which an underpayment occurred. |

| | |
|---|---|
| 17. | Davis Bacon: Enter the amount of restitution to be paid under Davis-Bacon for each listed date. Calculate the Davis Bacon amount as follows: The (amount of underpayment per hour of the basic hourly rate and hourly fringe benefits) (times 100%) (times all the hours worked in a given day) will equal the amount of restitution due under Davis-Bacon for that date. |
| 18. | CWHSSA: Enter the amount of restitution to be paid under CWHSSA for each listed date. Calculate the CWHSSA amount as follows: The (amount of underpayment per hour of the basic hourly rate) (times 50%) (times only the overtime hours worked on a given day) will equal the amount of restitution due under CWHSSA for that date.<br><br>If there was not any overtime restitution due on a given date enter 0 for that date. |
| 19. | Liquidated Damages: The entry for each row will be either $10.00 or $0. If there is any amount of restitution on the row in CWHSSA column 18, then enter $10.00 on the row for column 19. The liquidated damages penalty is $10.00 per worker per day on which overtime was not properly paid.<br><br>The payroll review letter, discussed at the beginning of these instructions, should provide the prime contractor with a statement of the total amount of liquidated damages due from each applicable contractor. The total amount of liquidated damages due per contractor is derived from adding amounts associated with each contractor in column 19 of the Restitution Due Table(s). |
| 20. | Reason For Restitution: Each row having restitution data will have an accompanying row for the provision of a reason why restitution is necessary. This row must be completed for each date for which restitution due was detected. Example for John Doe: Classified as laborer. Worked as carpenter. Underpaid 1.00 per hour. |

## B-16: LABOR STANDARDS ENFORCEMENT REPORT

LGR_____ File: _____ FY _____ Labor

# Labor Standards Enforcement Report

Required when any contractor has restitution of $1,000 or more.

1. Grantee Name & LCDBG Contract # _____
2. Report Number _____
3. Prime Contractor _____
4. Project Type _____
5. Effective Wage Decision(s) _____
6. Restitution Paid under Davis-Bacon _____
7. Restitution Paid under CWHSSA _____
8. Liquidated Damages Paid _____
9. How was underpayment(s) discovered? _____
10. Were any violations willful?
    If yes, explain. _____
11. Current status of corrective actions taken
    or in progress. Explain briefly. _____
12. Prepared by Whom & Date Prepared _____

**Attachments**

13. If Liquidated Damages were calculated, provide the following attachments:

    (a) copy of the communication from the grantee's Labor Compliance Officer to the contractor(s) explaining the calculation of Liquidated Damages and the contractor's responsibility to pay or request a waiver Attached? ____ Yes ____No ____Not applicable

    (b) copy of the contractor(s) response. If the contractor's response involves a wire transfer, a statement on the progress of the wire transfer should be included.
    Attached? ____Yes ____No ____Not Applicable

14. Attach a Schedule of Restitution due or paid and a calculation of Liquidated Damages, if any. A sample format providing column headings is shown by items 15-21. The preparer must add rows as necessary. (A separate wider page layout in "landscape" view would allow more room for data entry).

| 15. Contractor Prime or Sub | 16. Employee Name | 17. Date | 18. Payroll # | 19. Davis-Bacon Restitution | 20. CWHSSA Restitution | 21. Liquidated Damages |
|---|---|---|---|---|---|---|
| | | | | | | |

**Instructions for the *Labor Standards Enforcement Report* (Exhibit B-15)**

| Item # and Description | Instructions |
|---|---|
| 1,2. Name, Contract | Name of local government, Six digit LCDBG Contract Number |
| 2. Report Number | Sequentially numbered under the LCDBG contract. Begin with #1. |
| 3. Prime Contractor | Name of one prime contractor only. Do not list any subcontractor in item 4. If there is more than one prime, then prepare multiple reports. |
| 4. Project Type | Examples: fire station, water well, sewer lines |
| 5. Effective Wage Decision(s) | The locked in wage decision that governed the project. Example: LA 08-06, dated 2/8/08, Mod 0 |
| 6. Restitution Paid Under Davis-Bacon | Amount associated with this report actually paid. Example: 52 hours worked, underpaid $1.00 per hour, Restitution of $52 paid under Davis Bacon |
| 7. Restitution Paid Under CWHSSA | Amount associated with this report actually paid. Example: 52 hours worked, underpaid $1.00 per hour, Restitution of $6 paid under CWHSSA |
| 8. Liquidated Damages paid | Total of amounts paid (not just calculated but paid) by wire transfer ($10 per person, per day, for each day with overtime underpayments) |
| 9. How was the under--payment(s) discovered? | Indicate who found the underpayment and a description of the occasion(s). Example: John Doe during routine payroll review. |
| 10. Were any violations willful? If yes, explain. | Check "yes" or "no" and explain any yes answer. This answer will be from the point of view of the person preparing this report who will often be the grantee's Labor Compliance Officer (LCO) |
| 11. Current status of corrective actions… | Whether completed or in progress. Example: Restitution complete. Liquidated Damages in progress. |
| 12. Prepared by Whom & Date Prepared | Preparer is usually the grantee's LCO. Date is when wage restitution and action for Liquidated Damages has been completed or nearly completed. |
| 13. (a)—Attachment: Communication to the Contractor | If Liquidated Damages are involved, a written communication must be sent from the grantee's LCO to the prime and may be copied to any relevant sub containing the following: calculation Liquidated Damages and an explanation calling for the contractor to pay or request a waiver of Liquidated Damages. |
| 13. (b)—Attachment: Contractor's Response | If Liquidated Damages are involved, the contractor who underpaid, whether a prime or a sub, is the preferred respondent. The response will be a letter requesting a waiver or agreeing to pay. If "pay" is the choice the current status of the wire transfer process should be stated on the attachment. |
| 14. Attachment—Schedule | Schedule of Restitution (for any wage underpayment) and any Liquidated Damage (regarding overtime) calculation. This schedule pertains to all relevant amounts whether paid or unpaid. |
| 15. Contractor | Contractor who underpaid—whether prime or sub. |
| 16. Employee Name | Employee name as listed on the payroll. |
| 17. Date(s) | Each date on which an underpayment occurred. |
| 18. Payroll # | Payroll number covering the date(s) listed under 17. |
| 19. Davis-Bacon Restitution | Amount(s) of DB restitution due for the date(s) listed under 17. |
| 20. CWHSSA Restitution | Amount(s) of CWHSSA restitution due for date(s) listed under 17 |
| 21. Liquidated Damages Calculation | Corresponding to the date(s) listed under 17. Liquidated Damages Calculation: $10 per person, per day, for each day of deficiency. |

# C. ACQUISITION/ANTI-DISPLACEMENT/RELOCATION/DEMOLITION

## ACQUISITION

### INTRODUCTION

This section presents the requirements that apply to property acquisition in connection with the Louisiana Community Development Block Grant (LCDBG) Program. The acquisition of property, as used in this section of the handbook, will include the acquisition of parcels of land, servitudes, leases and rights-of-way.

Local governments are required to own and provide documentation of property ownership for property involving an LCDBG project. Property will include property owned by the local government before a specific LCDBG project was considered, property obtained in anticipation of an LCDBG project and property obtained as part of an LCDBG project.

Proof of property ownership must be documented by an attorney's opinion or a copy of the title to the property as recorded at the parish courthouse. For streets, there is an additional option which will prove ownership under Louisiana Revised Statute 48:491. LRS 48:491 allows maintenance logs or other substantial written proof of maintenance for at least three years to be considered as written documentation of ownership of the respective streets.

Property acquired for an LCDBG project must be legally recorded. Such recordation is to be filed at the parish courthouse.

### APPLICABILITY OF THE UNIFORM ACT

There was a need for a standardized set of acquisition procedures on federally funded projects in order to avoid the myriad of variations occurring from state to state. In response to this need, Congress passed the Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970. This law is commonly called the "Uniform Act".

### ACQUISITION OF SPECIFIC PARCELS OF PROPERTY BY PURCHASE

Much of the property that an agency acquires for any activity funded in whole or in part with LCDBG funds is subject to the Uniform Act. An agency is a village, town, city, parish, or any other entity that has "Eminent Domain". Eminent Domain is the legal power to condemn land and acquire privately held property under Article I, Section 2, of the Louisiana Constitution. The following examples illustrate common types of acquisition that are subject to the Uniform Act:

- A parcel of property owned by John Doe is needed by the local government for a fire station. LCDBG funding has been awarded for the project. The acquisition of this parcel by the local government would be subject to the Uniform Act.
- A parcel of property owned by Private Enterprise, Incorporated, is needed for the installation of a water well involving an LCDBG funded project. The life expectancy of the water well is estimated to be as much as 40 years. Private Enterprise, Incorporated, is willing to enter into a

lease with the local government for the long term use of the parcel for a water well. Acquisition of a leasehold agreement from Private Enterprise, Incorporated, by the local government would be subject to the Uniform Act.

- The local government needs to obtain permanent roadside rights of way for sewer lines that are part of the installation of a new sewer system that is funded, in part, with LCDBG funding. Some of the rights of way are expected to be donated while others are expected to be purchased. Acquisition of such rights of way, whether by donation or purchase, would be subject to the Uniform Act.

### ACQUISITION BY PRIVATE ENTITIES

Even though private entities do not have condemnation powers, LCDBG economic development project acquisitions are covered by the Uniform Act, including acquisitions funded by the private entity. The following is an example of acquisition by a private entity that would be subject to the Uniform Act:

- The local government, on behalf of Widget Incorporated, has been funded for a LCDBG economic development project. A parcel of land is to be acquired by Widget, Incorporated. The Office of Community Development will provide funds for infrastructure associated with the expansion but Widget Incorporated will be the entity that acquires the parcel of land. Such acquisition would be subject to the Uniform Act.

### PURCHASES, DONATIONS, PARTIAL DONATIONS

Purchases, donations, and partial donations are subject to the Uniform Act when property is obtained for LCDBG projects from individuals or entities that do not have Eminent Domain.

### ADDITIONAL RIGHTS OF WAY—STREET PROJECTS

If a road or street is being widened or extended it will often be necessary to obtain additional rights-of-way. The local government may own the street and a small right of way along the street but not the larger right of way needed. This additional right of way, when obtained from private individuals or entities which do not have Eminent Domain, would be subject to the Uniform Act.

### TIMING

The timing of an acquisition can also make it subject to the Uniform Act. Regardless of the source of funds, any acquisition made by a local government after submission of the LCDBG application to finance an activity on that property is subject to the Uniform Act. Also, an acquisition that took place before the application submission may be subject to the Uniform Act if there is clear evidence that the acquisition was done in anticipation of obtaining LCDBG funds.

### LEASES SUBJECT TO THE UNIFORM ACT

Leases which are for a duration of 15 years or longer are subject to the Uniform Act. Leases which are for a duration of less than 15 years but are automatically renewable are also subject to the Uniform Act.

## LEASE APPROVALS

Should the local government decide to lease rather than purchase a piece of property, the Office of Community Development must be furnished the terms of the proposed lease and an estimate of the property value prior to the execution of the lease agreement.

The Office of Community Development will examine the lease for at least three factors: duration, cost, and compliance with the Uniform Act. The lease should be for a duration that is, at a minimum, as long as the anticipated life of the project improvements. The cost of the lease must be reasonable and will be compared to the cost of an outright purchase. If the duration of the lease is less than 15 years, this office must determine that the duration was not established for the intentional purpose of avoiding the requirements of the Uniform Act.

## HUD WEBSITE

HUD provides a Real Estate Acquisition and Relocation website at ***http://www.hud.gov/offices/cpd/library/relocation/index.cfm***. This site provides access to HUD Handbook 1378, Tenant Assistance Relocation and Real Property Acquisition, and the HUD brochure, When a Public Agency Acquires Your Property.

## ACQUISITION PROCEDURES UNDER THE UNIFORM ACT

### *Steps For Meeting LCDBG and Uniform Act Acquisition Requirements*

Certain steps regarding acquisition of property are necessary to meet LCDBG and Uniform Act requirements. The steps for the purchase of property under the Uniform Act, and the order in which they should occur are as follows:

1. Determine ownership
2. Send the Preliminary Acquisition Notice
3. Determine if an appraisal and review appraisal will be required
4. Obtain a valuation of the property
5. Prepare the Statement of Just Compensation
6. Send the written offer to purchase
7. Conclude final negotiations
8. Prepare a sales contract and complete the sale
9. Provide a Statement of Settlement Costs
10. Recordation of Title

Notices, letters, and other documents regarding acquisition must be sent by certified or registered mail, return receipt requested, or hand delivered with receipt documented.

If the owner or occupant does not read or understand English, the local government must provide translations and assistance. Each notice must give the name and telephone number of a person who may be contacted for further information.

### *Determine Ownership*

The local government is responsible for determining ownership of property which may be needed for an LCDBG project. A title search to determine ownership is often necessary.

### *Send the Preliminary Acquisition Notice*

As soon as possible after the local government decides that it wants to acquire property, a Preliminary Acquisition Notice must be sent to the owner (**Exhibit C-1**, Sample: Preliminary Acquisition Notice/Brochure). One important element of the Preliminary Acquisition Notice is that it explains that it is not a notice to vacate and does not establish eligibility for relocation payments or assistance. The Preliminary Acquisition Notice must be accompanied by the brochure, "When a Public Agency Acquires Your Property" (**Exhibit C-1**), which is usually the local government's acquisition policy. If the local government chooses to adopt a different policy, it must at least be as stringent as the Uniform Act; it must be written and sent to the owner along with the Preliminary Acquisition Notice.

### *Determine if an Appraisal and Review Appraisal will be Required*

Generally, either of two conditions will require an appraisal: (1) the value of the property is estimated to be more than $10,000, (2) the owner of the property wants an appraisal. In certain instances, the costs of appraisals may begin to exceed acquisition costs. In those cases, it is up to the discretion of the Office of Community Development to determine if appraisals are necessary (subject to the valuation of the property being uncomplicated and the anticipated value being estimated at $10,000 or less). If an appraisal is required, a review appraisal will automatically be required, and the owner of the property must be invited to accompany the appraisers.

### *Obtain a Valuation of the Property*

Regardless of whether an appraisal is required it will be necessary to obtain valuation of the property in order to prepare the Statement of Just Compensation as discussed in Step 5.

If an appraisal and review appraisal are required, the valuation will be based on the appraisals. However, the review appraisal, if higher in monetary valuation than the first appraisal, is the controlling document.

If an appraisal and review appraisal are not required, a knowledgeable person may provide a written opinion as to the value of the property. It should be signed and dated and made a part of acquisition records. It does not have to be notarized. A knowledgeable person may be a real estate broker, salesperson, banker, or some other type of locally recognized authority on the value of local property. The scope and cost of the service should be substantially lower than the cost of an appraisal and review appraisal.

The written valuation does not need to be complicated or detailed. The written opinion is not required to be based on a selection of chosen "comparables" as is often the case with a formal appraisal. The

knowledgeable person should state the following in the written opinion: (1) His/her qualifications in one short paragraph, (2) Brief description (but not an official legal description) of the property and (3) Estimate of the value of the property.

### *Prepare the Statement of Just Compensation*

After valuation of the property, the Sample Statement of the Basis for the Determination of Just Compensation (**Exhibit C-2**) must be prepared. The amount determined to be just compensation must be based on the fair market value as determined in the valuation. It must contain the following elements:

1. Legal description and location of the property
2. Description of the interest to be acquired (e.g., full ownership, servitude, etc.)
3. Inventory identifying the building, structures, fixtures, etc., which are considered to be a part of the real property
4. The amount of the offer
5. A statement to the effect that the amount offered is the full amount believed by the local government to be just compensation, is not less than the fair market of the property, disregards any increase or decrease in the fair market value attributable to project for which the property was acquired, and does not include any consideration or allowance for relocation costs
6. Definition of fair market value
7. Explanation of the method used to value the property
8. In the case of tenant-owned improvements, the amount determined to be just compensation for the improvement and the basis as set forth in Handbook 1378
9. In the case of owner retention of improvements, the amount determined to be just compensation for these improvements and the basis as set forth in Handbook 1378
10. Any purchase option agreement should be attached
11. If only a part of the parcel is to be acquired, a statement apportioning the just compensation between the actual piece to be acquired and an amount representing damages and benefits to the remaining portion.

### *Send the Written Offer to Purchase*

Send the owner a Written Offer to Purchase (**Exhibit C-3**), along with the written Statement of the Basis of the Determination of Just Compensation. In addition to the amount of just compensation, the offer must specify the date on which negotiation for the sale of the property will begin. This date must be the same date as the written offer. As with all notices, it should be sent certified or registered mail, return receipt requested.

If the property is tenant or owner-occupied, a written Notice of Displacement must be issued within 30 days of the date specified for the initiation of negotiation. For more details on Relocation Procedures

and Anti-Displacement under Section 104(d) of the Act, refer to the information on Relocation and Anti-Displacement in this Section of this handbook or HUD Handbook 1378.

### *Conclude Final Negotiations*

The sale is then negotiated. The owner may accept the fair market value and the local government can enter into an agreement. The owner must be provided an opportunity to discuss the offer and propose a higher value and document that higher value. Any amount which exceeds fair market value must be examined and approved by the Office of Community Development before signing the contract of sale if acquisition is to be paid with LCDBG funds. Approval or disapproval by this office is to be evidenced either by e-mail communication or faxed copy of the documentation dated and initialed by the acquisition specialist of the LCDBG staff. The use of LCDBG funds which are in excess of fair market value and are not approved by the Office of Community Development prior to disbursement will be disallowed. The local government may consider an offer exceeding fair market value, obtain a new valuation, initiate condemnation proceedings, or decide not to acquire the property. Documentation of negotiation proceedings should be placed in the project acquisition file.

### *Prepare a Sales Contract and Complete the Sale*

Following successful negotiations, an act of sale must be prepared and executed and transfer of documents secured. The local government must also reimburse the owner to the extent deemed fair and reasonable for incidental costs associated with transfer of title (i.e., recording fees, transfer taxes, penalty cost or other charges for prepayment of any pre-existing recorded mortgages, etc.).

### *Provide a Statement of Settlement Costs*

The local government must give the owner a Statement of Settlement Costs (**Exhibit C-4**) which identifies all settlement costs regardless of whether they are paid at, before, or after closing, and must clearly separate charges paid by the owner. If a title or escrow company is used, their standard form is acceptable. The Statement of Settlement Costs must be dated and certified as true and correct by the closing attorney or other person handling the transaction.

The local government must also be able to prove the payment of the purchase price by retaining a copy of the canceled check and the Act of Sale.

### *Recordation of Title*

Once the acquisition process has been completed, and all settlement costs have been finalized, the title (which is now owned by the local government) must be filed and recorded at the parish courthouse so that proof of ownership is officially on record.

## DECIDING NOT TO ACQUIRE

If the local government decides not to buy or expropriate a property at any time after the Preliminary Acquisition Notice has been sent to the property owner, written notification must be sent to the owner and any tenants occupying the property that the local government does not intend to acquire the property and that any person moving from the property thereafter will not be eligible for relocation

payment and assistance. This notice must be sent within 10 days of the decision not to acquire (**Exhibit C-5**, Sample Notice of Intent Not to Acquire Property).

## DONATIONS

If a property is to be fully donated, the local government should inform the owner of his rights under the Uniform Act and obtain a signed waiver. A sample waiver form is included as **Exhibit C-6** (Property and/or Servitude Acquisition Waiver). The owner must be given a copy of the HUD brochure, "When a Public Agency Acquires Your Property". If property is to be partially donated, the local government must follow the procedures of the Uniform Act as detailed in the steps herein and the property owner must sign a waiver of his/her rights for the donated portion of the property. If donations are being made by elderly, very poor, functionally illiterate or non-English speaking persons, the local government should carefully document the efforts made to insure the owner understands their rights in order to demonstrate the owner is not persuaded or coerced into donating their property.

## APPRAISALS UNDER THE UNIFORM ACT

### *Selecting Appraisers*

The local government must select an independent appraiser. The appraiser should have no interest in the property or be related to, or in business with, anyone having any interest in the property to be acquired. The appraiser should be qualified, reputable and professional. Generally, only people who obtain at least 50 percent of their income from performing appraisals and who belong to a professional association that has a code of ethics should be considered. Appraisers who have had experience performing the types of appraisals needed should be sought after. An appraiser who usually establishes values for vacant, unimproved land may not be appropriate for establishing accurate values of houses. State-certified or licensed real estate appraisers eligible to perform appraisals for federally related transactions are listed on the Internet. The National Registry of State-Certified or Licensed Appraisers' Website is: ***https://www.asc.gov/Home.aspx***.

The local government must follow procurement procedures described in *Section A, Program Administration* and employ only qualified appraisers. A minimum of one appraisal is required; however, if the project is potentially controversial (as with an unwilling seller or a conflict of interest involving a public official) or where property values exceed $100,000, it is recommended that two independent appraisals be conducted. A review appraisal must be prepared for each appraisal conducted.

### *The Contract for Appraisal Services*

The local government must execute a professional services contract with the independent appraiser. **Exhibit C-7**, Agreement for Appraisal Services (Acquisition), is a sample appraisal contract that has the required elements for use in the LCDBG program. Other contract formats may be used if they contain the elements found in **Exhibit C-7**. The contract must require the appraiser to invite the property owner to accompany the appraiser during the property inspection and not to consider race, color, religion or the ethnic characteristics of a neighborhood in estimating the value of residential real property. Compensation for an appraisal shall not be based on the amount of the valuation.

**Exhibit C-8**, Uniform Appraisal Standards for Federal Land Acquisitions, sets forth standard requirements for appraisals involving federally funded acquisitions.

### *Property Valued at $250,000 or More*

A contract (fee) appraiser making a detailed appraisal on property valued at $250,000 or more must be certified and licensed in accordance with State law implementing Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), P.L. 101-73 and must be currently active on the Louisiana State Certified Appraisers General Appraisal list. The review appraiser must also be on the State's General Appraisal list.

### *Property Valued at Less Than $250,000*

For property valued below $250,000, the local government may use a General Appraiser or a Residential Appraiser for the appraisal and review appraisal.

### *Owner Invitation*

Before the first appraisal is undertaken, the local government or the appraiser on behalf of the local government must formally invite the property owner to accompany the appraiser during inspection of the property (**Exhibit C-9**, Sample Invitation to Accompany an Appraiser). This notice must be in writing and a copy placed in the property acquisition file along with evidence of receipt by the owner. The requirement to invite the property owner to accompany the appraiser is optional for the review appraisal.

### *Servitude Appraisal Forms*

**Exhibit C-10** (Short Appraisal Form for Servitude Takings) is an example of a short form that can be accepted for an appraisal establishing the value of servitudes. This form summarizes complete documentation which the appraiser must have on file.

### *The Review Appraisal*

Once the appraiser has prepared and submitted the appraisal a review appraisal must be obtained. The review must be conducted by a qualified staff appraiser or an independent fee appraiser. The review appraiser is required to visit the property. The review must be written, signed and dated. It should assess the adequacy of the original appraiser's supporting data, the appraisal procedures used, the soundness of the appraiser's opinion of fair market value, and the reviewer's recommendation of the fair market value of the property. **Exhibit C-11,** the Review Appraisal Report, contains the required elements needed in a review appraisal. If the review appraiser disagrees with the fair market value of the original appraisal, the locality can request that the original appraiser modify and document any changes in the original report. When differences in the first appraisal and the review appraisal are not resolved by the modification of the first appraisal, the review appraisal is authoritative. The local government also has the option of obtaining another appraisal and review appraisal.

## ACQUIRING PROPERTY WITHOUT AN APPRAISAL

(42 USC 4651 (2); 49 CFR 24.102 (c) (2)): If the local government can determine that the valuation of a parcel of land or servitude does not exceed $10,000, and if the owner does not desire an appraisal, then an offer can be made to the owner(s) of the property without a formal appraisal but a written valuation of the property by a knowledgeable person will be required. If an appraisal is not required then a review appraisal will not be required. Additionally, in certain instances where appraisal costs begin to approach or exceed acquisition costs, the Office of Community Development may decide on a case-by-case basis to waive the appraisal process (provided the valuation of the property is uncomplicated and that fair market value of the property is estimated to be $10,000 or less).

An option to increase the $10,000 valuation amount to $25,000 may be requested in writing from the Office of Community Development.

## EXPROPRIATION

### *Expropriation Proceedings*

If the local government cannot negotiate the sale, expropriation proceedings may be instituted. Expropriation is not necessarily cheaper than negotiated sales. Courts may be very generous and expropriation can be substantially more expensive than negotiation. The local government is required to pay the amount established by the court.

### *Initiation of Expropriation Proceedings*

Expropriation is a legal action and must be carried out by the local government's attorney. The local government should authorize the proceedings by resolution. Copies of surveys and maps relating to the subject property in the parish are recorded. Expropriation proceedings can then be initiated in the district court of the parish in which the property is located. The court will establish the compensation to be paid for the property. The judgment of the court will vest full ownership title to the property expropriated in the local government. When title is vested, the local government may enter upon the property taken and takeover and dispose of existing improvements. The local government will deposit the amount determined to be just compensation in escrow with the court.

### *Quick Take*

The 2003 Louisiana Legislature authorized the expropriation of property by "quick-take". Contact the Office of Community Development for instructions, forms and approval prior to undertaking this action.

## ACQUISITION NOT SUBJECT TO THE UNIFORM ACT

### *Types of Acquisition that are Not Subject to the Uniform Act*

Five types of acquisition are not subject to the requirements of the Uniform Act; however, they are still subject to Louisiana law and specific LCDBG requirements. These five types are:

1. Acquisition from another public agency
2. Temporary construction servitudes/easements

3. Short term leases
4. Voluntary acquisition
5. Acquisition of streets under LRS 48:491

### *Acquisition from Another Public Agency*

When a local government acquires property from another public agency which also has the power of Eminent Domain, such acquisition is not subject to the Uniform Act.

- Example: A municipality acquires a water well site from a parish for an LCDBG funded project. This acquisition is not subject to the Uniform Act.

### *Temporary Construction Servitudes/Easements*

A construction easement should be obtained for any temporary construction to be undertaken on private property, and is not subject to the Uniform Act (**Exhibit A-45**).

- Example: A local government is constructing a new sewer system with LCDBG funds that will serve 100 homes. It is determined that these homes qualify for service line connections under the LCDBG program. The local government must obtain a temporary construction easement from each homeowner before beginning work on each respective parcel of property. Acquisition of the 100 temporary construction servitudes would not be subject to the Uniform Act.

### *Short Term Leases*

Leases which are for a duration of less than 15 years and are not automatically renewable are considered short term leases not subject to the Uniform Act.

- Example: A sewer lift station must be installed on an emergency basis due to an unexpected chain of events. The lift station is needed for only five more years at which time a new force main system will be installed which will render the lift station obsolete. The local government chooses to obtain a ten year lease, not automatically renewable, from an appropriate property owner. Acquisition of the ten year lease would not be subject to the Uniform Act.

### *Voluntary Acquisition*

Voluntary acquisition occurs when the local government acquires real property at fair market value from an owner who has submitted a proposal to the community for purchase of their property in response to a public advertisement. The local government may undertake a voluntary acquisition when a site needed for an LCDBG project can be satisfied by more than one property. Property owners can then voluntarily, in response to the advertisement, notify the local government of the availability of their property and enter into negotiations for the sale of the property. Voluntary acquisition is not subject to the Uniform Act.

**Voluntary Acquisition Property Valuation** Valuation of parcels of property must be established and may be done by the appraisal process or by a knowledgeable person. If the appraisal process is used a

review appraisal is not mandatory because voluntary acquisition is not subject to the Uniform Act. If a knowledgeable person does a valuation of the property it must be in writing. The valuation does not need to be complicated or detailed. The written opinion is not required to be based on a selection of chosen "comparables" as is often the case with a formal appraisal. The knowledgeable person should state the following in the written opinion: (1) His/her qualifications in one short paragraph (2) Brief description (but not an official legal description) of the location of the property and (3) Estimate of the value of the property.

**Voluntary Acquisition Example**

- Example: A parcel is needed for an LCDBG funded fire station. The fire station could be placed on many different parcels located in the municipality. The local government adopts a Voluntary Acquisition Policy. The local government advertises in the local newspaper for a parcel of property for the fire station. Acquisition of the parcel for the fire station is not subject to the Uniform Act.

**Voluntary Acquisition Policy** The local government must have or prepare a formal, written policy that authorizes voluntary acquisition. **The Voluntary Acquisition Policy in Exhibit C-12 must be used**. The public invitation or solicitation should include a description of what the local government wants to buy and all other conditions of which a seller should be aware, as stated in **Exhibit C-12**. The solicitation must also indicate that if a mutually satisfactory agreement cannot be reached, the local government will not condemn the property for the same purpose.

**Caution** Voluntary acquisition is a useful technique in certain situations. It is not a way to circumvent the Uniform Act. The OCD staff can provide advice, early in the process, which can assist in structuring the local government's policy and public solicitations to avoid potential problems.

### *Ownership of Streets under LRS 48:491*

Ownership of streets under LRS 48:491 is not subject to the Uniform Act. LRS 48:491 provides ownership status to local governments that provide evidence of local government maintenance of respective streets for a period of three years. In order to document street ownership on an LCDBG project, the three year period should have been completed by the date the LCDBG application was submitted to the Office of Community Development.

## PROCEDURES REQUIRED FOR ACQUISITION NOT SUBJECT TO THE UNIFORM ACT

Requirements for acquisition of property which are not subject to the Uniform Act generally include the following steps:

1. determination of ownership
2. valuation of the property
3. offer and acceptance
4. act of sale or transfer
5. a statement of settlement costs
6. recordation

7. in general, any documentation of acquisition activity from start to finish and
8. proof of at least one public advertisement, if property is obtained via voluntary acquisition.

### ACQUISITION RECORDKEEPING

#### *List of Parcels*

For each project, the grantee's files shall include a list identifying all parcels to be acquired for the project. Such a list may be maintained in a computer generated format that also indicates, for project management purposes, progress made in carrying out the acquisition program.

#### *Acquisition Case File*

Acquisition notices, letters and other documents which are mailed are required to be sent by registered or certified mail, return receipt requested. If hand delivered the delivery should be evidenced by signature and date. An Acquisition Composite List (**Exhibit C-13**) must be completed on LCDBG projects having any acquisition. A Real Property Acquisition Checklist (**Exhibit C-14**) must be completed for each parcel acquired.

For each parcel acquired the grantee files shall include:

1. Identification of property and property owner(s)
2. Determination of ownership
3. If applicable, evidence that owner received a Preliminary Acquisition Notice accompanied by the notice entitled "When a Public Agency Acquires Your Property"
4. A copy of valuation for each parcel obtained by purchase whether by appraisal or opinion of a knowledgeable person
5. If applicable, a Statement of the Basis For the Determination of Just Compensation
6. If applicable, a copy of the written purchase offer and documentation of the date of delivery
7. If applicable, as in the case of a donation, a Property and/or Servitude Acquisition Waiver
8. Copy of a Contract of Sale or Act of Donation
9. Copy of a Statement of Settlement Costs and evidence (via a copy of a cancelled check) that the owner received net proceeds (if applicable) due from sale
10. Copy of recordation at the appropriate parish courthouse
11. If applicable, a copy of an appeal or complaint filed and Agency response

## ANTI-DISPLACEMENT

### INTRODUCTION

On August 17, 1988, HUD published an interim rule (53FR31234) setting forth policies and requirements governing displacement, relocation, real property acquisition, and replacement of low/moderate income housing under the CDBG programs. One of the major purposes of the rule was to implement revisions to

Section 104 (d) of the Housing and Community Development Act of 1974 (the "Act") made by Section 509 of the Housing and Community Development Act of 1987, approved February 5, 1988. The revised section provides that grants under Sections 106 and 119 of the Act may be made only if the grantee certifies that it has adopted and is complying by following an Anti-Displacement and Residential Relocation Plan.

## RESIDENTIAL ANTI-DISPLACEMENT AND RELOCATION ASSISTANCE PLAN

Every grantee is required to adopt a Residential Anti-Displacement and Relocation Plan before any funds may be dispersed to that grantee. This plan must be adopted by resolution through the governing body and must designate in the plan a contact person for Anti-Displacement Activities. (See **Exhibit C-15**, Residential Anti-Displacement and Relocation Assistance Plan Under Section 104(d) of the Housing and Community Development Act of 1974, as amended)

The plan contains two components:

1. A requirement to replace all occupied and vacant occupiable low/moderate-income dwelling units that are demolished or converted to a use other than low/moderate-income housing in connection with an activity assisted under the HCD Act (see CFR 570.496a(c)(1) and 24 CFR 570.606(c)(1); and
2. A requirement to provide certain relocation assistance to any lower income persons displaced as a direct result of (1) the demolition of any dwelling unit or (2) the conversion of a low/moderate-income dwelling unit to a use other than a low/moderate-income dwelling in connection with an assisted activity.

The grantee must certify (**Exhibit C-16**) that it is following the Residential Anti-Displacement and Relocation Assistance Plan.

## DISPLACED PERSONS

The term "displaced person" means any lower income family or individual that moves from real property, or moves his/her personal property from real property, permanently and involuntarily, as a direct result of the conversion of an occupied or vacant occupiable low/moderate-income dwelling unit or the demolition of any dwelling unit, in connection with an assisted activity.

Examples:

1. A person who moves permanently from the real property, after the person receives a notice from the Agency to move permanently, is considered a displaced person if the move occurs after the Agency initially submits a request for financial assistance that is later provided for the requested activity.
    a. Whenever the Agency is a private property owner, e.g., a private developer or nonprofit organization, the request for financial assistance is the initial application by the property owner (or person in control of the site) that is submitted to the grantee (includes State recipient).
    b. Whenever the Agency is the grantee (includes State recipient), the request for financial assistance is:
        i. For the State CDBG Program, the initial submission of an application to the State by the State recipient requesting assistance under 24 CFR Subpart G;

2. A person who moves permanently from the real property before notification is considered a displaced person if HUD or the grantee (includes State recipient) determines that the displacement resulted directly from the conversion of an occupied or vacant occupiable low/moderate-income dwelling unit to another use or the demolition of any unit in connection with the assisted activity.
3. Each tenant-occupant of a dwelling unit who will be temporarily displaced must be provided timely notice and reimbursed for any out-of-pocket expenses. Any such tenant who moves permanently from the real property will qualify as a displaced person if any one of the following three situations ((a), (b), or (c)) has occurred:
    a. The tenant moves permanently after the execution of the Agreement without prior written notice offering the tenant the opportunity to occupy a suitable decent, safe, and sanitary dwelling unit in the same building/complex following the completion of the project under reasonable terms and conditions. Reasonable terms and conditions include:
        i. No unreasonable change in the character or use of the property;
        ii. A monthly cost for rent and utilities that does not exceed the greater of:
            A. The tenant's monthly rent and estimated average monthly utility costs before the execution of such agreement; or
            B. The "Total Tenant Payment" for that person.
    b. The tenant was required to relocate temporarily for the project but
        i. the tenant was not offered payment for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation, including moving expenses to and from the temporary unit and any increased housing costs, or
        ii. other conditions of the temporary relocation were not reasonable. (If the tenant returns to the building/ complex, he or she is not a displaced person, but this does not relieve the Agency of its obligation to reimburse the person for such out-of-pocket expenses); or
    c. The tenant is required to move to another unit in the same building/complex, but is not offered reimbursement for all reasonable out-of-pocket expenses incurred in connection with the move.
    d. Persons Not Considered a "Displaced Person." If a comparable dwelling unit is available to the displaced person at a monthly cost (rent plus estimated average monthly utility cost) that does not exceed the "total tenant payment per month or a Section 8 certificate or voucher is made available to that person."
    e. When In Doubt. The Agency should, at any time, ask the State or the HUD field office administering these relocation assistance requirements to determine whether a specific displacement is or would be covered by these rules.

### RELOCATION ASSISTANCE UNDER SECTION 104(D)

The basic relocation assistance payments under Section 104(d) that an individual can receive are either at the Uniform Relocation Assistance (URA) levels or at greater levels under Section 104 (d).

Guidance on this subject is provided in the HUD Handbook 1378, available on HUD's website at **www.hud.gov/relocation**. The level of assistance under Section 104(d) should be reviewed closely before any individual is displaced under the LCDBG Program.

Prior to any demolition or displacement of any individuals covered by Section 104(d) you must contact the Office of Community Development for instructions on how to proceeds.

## RELOCATION/DEMOLITION

### INTRODUCTION

"Displacement" means the involuntary movement of persons (individuals, families, businesses, organizations, or farms) from their properties as a result of: (1) an activity assisted in whole or in part with CDBG funds; or (2) a non-CDBG assisted activity, where such activity is a prerequisite for an activity carried out with CDBG funds (e.g. acquisition of land with local funds for a neighborhood facility to be constructed with CDBG funds).

Title I of the Housing and Community Development Act of 1974 as amended through 1983 requires States to have their local government recipients certify that they will minimize displacement of persons as a result of activities assisted with Title I funds.

### DEVELOPING A LOCAL RELOCATION/DEMOLITION POLICY

Section 570.606 of the federal regulations governing the LCDBG program states that where one or more CDBG activities could result in displacement, as defined in 570.606, the grantee shall develop, adopt, and make public a statement of local policy indicating the steps that will be taken, consistent with other goals and objectives of the CDBG program, to minimize displacement of persons from their homes and neighborhoods and to mitigate the adverse effects of any such displacement on low and moderate income persons. **Exhibit C-17** contains a Recommended Local Relocation Policy/Grievance Procedure.

When the CDBG funded project or activity results in the acquisition of real property or the displacement of persons as a result of CDBG funded acquisition activities, the Uniform Act and its implementing regulations set forth in 24 CFR 42 shall apply. If there is no real property acquisition involved in the displacement of persons resulting from CDBG funded activities the displacement is not subject to the Uniform Act. Such payments and assistance may be higher than the levels established in the Uniform Act, however, the recipient can make such payments and assistance only upon a written determination that the payments are appropriate. The recipient must adopt a written policy available to the public setting forth the relocation payments and assistance it elects to provide and providing for equal payments and assistance within each class of displacee. The policy must insure fair, consistent, and equitable treatment of persons displaced as a result of CDBG funded activities regardless of race, color, religion, national origin, sex, age, handicap, status or source of income.

The State requires, at a minimum, that the local relocation policy provide for:

1. The payment of reasonable moving expenses;
2. The provision of advisory services as needed to help the displacee in moving, including:
    a. Replacement site requirements
    b. Need for outside specialists required for move
    c. Early identification and resolution of realty/personal property issues
    d. Estimated time needed to vacate
    e. Anticipated difficulty in locating replacement site
    f. Identification of advanced relocation payments required for the move
3. For residential tenants and owners, financial and advisory assistance sufficient to enable the persons displaced to obtain decent, safe, and sanitary housing at an affordable rental cost. In providing advisory assistance to displaced persons to obtain such housing, recipients shall advise them of their rights under the Federal Fair Housing Law (Title VIII), and of replacement housing opportunities in such manner that, wherever feasible, the displacees have a choice between relocating within their own neighborhoods consistent with the recipient's responsibility to affirmatively further fair housing;
4. Under the local policy, rental cost shall be considered to be affordable, if the rent plus the cost of utilities when not included in the rental rate, does not exceed the greater of the rent plus utilities paid by the tenant prior to the displacement activity or does not exceed 30 percent of the gross monthly income of all adult members of the tenant's household, including supplemental income from other public agencies, whichever is higher. Purchase cost shall be considered affordable if the monthly housing cost, including the cost of all mortgage payments, real property taxes, and reasonable utility charges, does not exceed the greater of the monthly housing cost paid by the displacee prior to the displacement activity or does not exceed 30 percent of the displacee's household, including supplemental income from other public agencies, whichever is higher;
5. The basis for determining the amount of relocation payments;
6. A relocation plan to provide decent, safe, and sanitary housing at affordable costs;
7. Transportation to inspect replacement housing;
8. The grantee cannot propose or request a displaced person to waive his/her rights or entitlements to relocation assistance and benefits provided by the Uniform Act and this regulation.

Elements that must be included in the local policy are:

1. The conditions under which displacement may occur.

   a. A statement that identifies the community development program that will cause displacement to occur and the area in which the displacement will take place; and basis for displacement (both temporary and permanent),e.g. acquisition, code enforcement, specifying codes involved, relocation/demolition, or rehabilitation.

2. Eligibility requirements for benefits and assistance.
   a. Conditions for eligibility;
   b. Conditions for providing temporary relocation payments;
   c. Occupancy requirements for benefits and assistance (including types of occupancy, e.g. owner/renter, and term of occupancy of at least 180 days for homeowner occupants and 90-days for tenants.

3. Benefits and assistance.
   a. Types and amounts of payments for owner/renters;
   b. Conditions of each type of payment;
   c. Moving expenses, including the amount and conditions under which such expenses will be paid or not paid;
   d. Under which circumstances benefits and assistance will be denied, e.g. early move and relocation into substandard housing;
   e. Availability of other social services, if applicable.

4. Replacement housing.
   a. Procedures for selecting safe, sanitary, and decent, including inspections, approval process, use of realtors and Civil Rights statement; counseling and advisory service to be provided by the recipient to the displacee in locating replacement housing;
   b. Under the local policy, replacement housing need not be functionally equivalent to and substantially the same as the housing from which the displacee is required to move. However, the replacement housing must be safe, sanitary and decent and meet local housing and occupancy codes. See HUD Handbook 1378 for the definition of safe, decent, and sanitary.

5. Claims for payments and assistance.
   a. Explanation of how, when, and where claims are to be filed;
   b. Claim forms with an explanation of where assistance in completing claims can be obtained.

6. Project location maps.
   a. A copy of detailed maps showing project location in the jurisdiction and specific location of each activity (houses, streets, etc.).

7. Replacement housing inventory.
    a. The recipient should maintain a list of all know available housing and realtors who manage and typically list low-cost housing.
8. Guidelines for displacees.
    a. Explanation of displacee rights, responsibilities, and privileges;
    b. Outline of specific steps they should follow in order to file an appeal;
    c. Explanation of how the appeal will be reviewed;
    d. Time limits for processing and reviewing appeals;
    e. Statement of the displacee's rights to appeal to the State if they are not satisfied with the local agency's decision. This should include identification of the address and telephone number of the Department of Community Affairs;
    f. Statement of the displacee's rights to appeal to the courts if not satisfied with the local agency's decision;
    g. Statement of displacee's rights under the Civil Rights Act (Title VI and Title VII).

When developing the local policy, the recipients should use the recommended Local Relocation Policy included in this manual. If the locality decides to develop a relocation policy that is substantially different from the recommended local policy, State approval of the policy should be obtained before adoption.

## UNDERSTANDING BASIC RELOCATION REQUIREMENTS

Most relocation in connection with the CDBG project may be subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. If the project entails relocation, refer to ***www.hud.gov*** and download Handbook 1378, Tenant Assistance Relocation and Real Property Acquisition, and copies of the HUD brochures, "Relocation Assistance to Tenants Displaced From Their Homes" and "Relocation Assistance to Displaced Homeowners "(**Exhibit C-18**). These brochures are for residential relocation only. There are different requirements for the relocation of farms, commercial and industrial uses. If the program involves non-residential relocation, OCD will provide you additional materials and guidance since non-residential relocation is a more complicated process.

Persons displaced may be eligible for two types of relocation payments: moving costs and replacement housing payments. For a summary of relocation eligibility and benefit guidelines, see **Exhibit C-19** (Relocation Eligibility and Benefits Chart).

## MOVING COSTS

All displaced persons are eligible for moving costs if the move occurs after initiation of acquisition negotiations or after acquisition. The displaced person can choose to receive either actual moving and related expenses, supported by invoices and other documentation or receive a fixed payment. Actual moving and related expenses include:

- Transportation up to 50 miles for moving him/herself, his/her family, and personal property;
- Packing and unpacking personal property;
- Disconnecting, dismantling, reassembling and reinstalling relocated household appliances and other personal property;
- Storage;
- Replacement value of property lost, stolen or damaged during the move;
- Insurance in connection with move and storage;
- Other costs related to move if approved by recipient as reasonable.

Alternatively, an eligible displaced person may also elect to take a fixed payment for moving expenses that is based on the Federal Highway Administration allowances.

## REPLACEMENT HOUSING PAYMENTS

These payments are available to 180-day owner-occupants and 90-day owner-occupants and tenants. The 180-day owner-occupants must meet the following criteria:

1. Owned and occupied the acquired dwellings for 180-days prior to initiation of acquisition negotiations;
2. Purchases and occupied decent, safe and sanitary units within one year after the date of receipt of final acquisition payment or the date of the move from the acquired unit, whichever is later;
3. Filed a claim within 18 months of the time the move is completed.

An 180-day owner-occupant who relocates to an ownership unit is eligible for a maximum replacement housing payment of up to $22,500, unless otherwise stipulated in the grantee's locally adopted Relocation Policy. The payment represents the combined costs of:

- The cost difference between the acquisition price of the acquired unit and the purchase price of comparable replacement housing or the price of the actual unit purchased, whichever is less;
- Increased interest costs;
- Eligible incidental settlement costs.

However, section 205(c)(3) of the URA precludes displacement from a dwelling unless a comparable replacement dwelling is available. Therefore, if the payment exceeds $22,500, the additional assistance will be provided, according to the grantee's locally adopted Relocation Policy.

The 90-day tenants and owner-occupants must meet the following criteria:

1. Occupied the acquired units 90-days prior to initiation of acquisition negotiations;
2. Relocated into decent, safe and sanitary unit within one year after –
    a. In the case of a tenant, the date he/she moves from the acquired unit;

b. In the case of an owner-occupant, the date of receipt of final acquisition payment or the date of the move filed a claim within 18 months of the time the move is completed.

A tenant or owner-occupant that relocates into a rental unit is eligible for a maximum $5,250 Rental Assistance Payment. This payment represents 42 times the monthly difference between his/her housing cost at the original dwelling and the monthly housing cost of comparable replacement housing, or the actual unit rented, whichever is less. This payment must be made in one payment unless the displaced person specifically requests that the payment be made in installments.

A tenant who relocates to an ownership unit is eligible for a maximum $5,250 Down Payment Assistance Payment. This payment may be increased according to eligible circumstances described in HUD Handbook 1378.

The Down payment Assistance Payment must be applied to the purchase price of the replacement dwelling and related incidental expenses. The payment is determined on the basis of the amount required to obtain conventional financing for the decent, safe and sanitary dwelling actually purchased and occupied.

Certain benefits may be prorated for unrelated individuals living together. For guidance, check Handbook 1378.

The benefits under the Uniform Act are rights to which the individual is entitled and all displacees must receive the maximum amount of benefit to which they are entitled regardless of income level.

## DEFINING RELOCATION PROCEDURES

The basic benefits described in *Acquisition/Anti-Displacement/Relocation/Demolition: Developing Local Relocation/Demolition Policy* must be provided by the local program. The grantee may choose to provide payments higher than these by formal action of the governing body. If higher benefits are adopted, the local relocation policy must define those higher benefits.

The grantee must determine how the Uniform Act will be implemented. Procedures should be developed covering responsibility for the following: notification of eligibility and available assistance, processing claims, making payments, handling grievances, and providing documentation.

## GRIEVANCE PROCEDURE

The grantee's Grievance Procedure must outline the appeals process, including the grounds for filing an appeal, which appeals should be filed in your locality, appropriate time limits, and the right of appeal to the State. Requirements concerning appeals are contained in HUD Handbook 1378. For the LCDBG program, substitute the word "State" each time the word "HUD" is used. Also, the Commissioner of Administration will function in place of the HUD Area Director.

## PROVIDING INFORMATION AND COUNSELING

It is the grantee's responsibility to inform occupants of their rights, send them the required notices and assist them to find replacement housing. Therefore, identify the people to be relocated as soon as possible. Notice(s) of Eligibility for Relocation Assistance (**Exhibit C-20**) must be sent to all owner-

occupants or tenants in occupancy within 30 days of the written offer to purchase the property if the occupant is going to be relocated. This Notice must be accompanied by a copy of the program's relocation procedures or the appropriate brochure, and a copy of the Grievance Procedure.

All notices must be written in plain, understandable language. THEY MUST BE EITHER HAND DELIVERED WITH RECEIPT DOCUMENTED, OR SENT CERTIFIED MAIL, RETURN RECEIPT REQUESTED. The Notices must also contain the name and phone number of a person who may be contacted for answers to questions or other assistance. The Grievance Procedure should be mailed or hand delivered with the Notice of Displacement and receipt documented. If there is any reason to believe the recipient may have difficulty understanding the printed materials, hand delivery is preferable. Receipt must be documented.

If relocatees do not speak or read English, notices must be available in appropriate translations. Some cities have already translated these notices in various languages and the OCD can assist in obtaining copies. If another city's translation is used, make sure that its notices/procedures are the same as the grantee's.

As soon as these initial notices are sent out, interview each recipient, in person, to determine his/her need for assistance. A sample interview format, the first section of a Sample Household Case Record, is provided to show the type of information that is required (**Exhibit C-21**). This includes data identifying the parcel and dwelling; number of individuals and family units; family composition (including age, sex, location of employment, source and amount of income); description of current dwelling (number and type of rooms); length of time of occupancy; amount of housing payment or rent; replacement housing preferences regarding type of tenure, location and willingness to increase monthly payments; and other important characteristics (health/disability problems, special needs such as furniture, public assistance, etc.).

The staff conducting these surveys and having personal contact with the individuals to be relocated should be very patient people capable of understanding the distress of displacement and of dealing with the relocatee in a non-threatening, helpful manner.

During the family survey, the relocation process should also be reviewed with the relocatee. Special attention must be give to: (1) the assistance to be provided by the grantee; (2) the benefits available; (3) the fact that replacement housing payments cannot be made unless the household relocates into a standard unit; (4) the importance of keeping in touch with the grantee; and (5) the need to notify the grantee <u>before</u> they move. All significant contacts with displacees must be logged into Section 5 of **Exhibit C-21**, Household Case Record.

## IDENTIFYING REPLACEMENT HOUSING NEEDS

REPLACEMENT HOUSING CANNOT BE PROVIDED UNLESS THE LOCAL GOVERNMENT IS ACTING UNDER A CODE ENFORCEMENT POLICY OR PLAN IN CONJUNCTION WITH STATE LAW AND LOCAL ORDINANCE.

A primary purpose of the household survey is to provide the information needed to determine replacement-housing needs. All replacement housing must be decent, safe and sanitary, and must meet local housing or occupancy codes.

The only times that local housing or occupancy codes do not define "decent, safe and sanitary" are when such codes do not exist or when the replacement unit is Section 8 assisted. In the latter instance, Section 8 Existing Housing Quality Standards define "decent, safe and sanitary". The unit must also be free of lead-based paint hazards and or architectural barriers, if serving a physically disabled person. A Sample Inspection Report Format is shown as **Exhibit C-22**.

### COMPARABILITY/FUNCTIONALLY SIMILAR

In addition to being decent, safe and sanitary, the replacement unit must also be functionally similar to the acquired unit with respect to the number of rooms and living space. The term "functionally similar" means that the comparable replacement unit must perform the same function, provide the same utility and be capable of contributing to the same lifestyle as the acquired dwelling. While it need not contain every feature of the acquired dwelling, the principal features must be present.

This applies unless additional or larger rooms are needed to meet decent, safe and sanitary criteria (especially overcrowding). This means that a family of six living in a two-bedroom unit may require a four-bedroom replacement unit to meet local codes or Section 8 standards, if applicable. On the other hand, a person currently living alone in a three-bedroom unit is entitled to a three-bedroom unit. They may choose a smaller unit, but must be provided with three (3) reasonable choices of comparable replacement units before issuing a 90-day notice to vacate.

### AFFORDABILITY

Further, the referral units must be affordable; that is, the monthly housing costs shall not exceed 30 percent of the household's income with the replacement housing costs. Since the acquisition price for a substandard house may be low, the purchase price coupled with even the maximum replacement housing payment ($22,500) may be insufficient to purchase (free and clear) a comparable unit with monthly mortgage, taxes and utility costs that do not exceed 30 percent of monthly income or established fair market rents.

If comparable, affordable replacement housing using these standards cannot be identified, the project may be jeopardized. Other means of assisting displacees is shown under the "Last Resort Replacement Housing" provisions of the regulations.

Such alternatives include rehabilitation of, and/or additions to, an existing replacement dwelling; a replacement housing payment in excess of normal limits; construction of new units; relocation of a replacement dwelling; and removal of barriers to the physically disabled in a replacement dwelling.

### LOCATING REPLACEMENT HOUSING

Having identified the replacement housing needs, the grantee must begin to inventory available housing resources. In doing this, be aware of affirmative action criteria that must be met when relocating low-income and minority persons. The regulations require that the community make comparable replacement housing available to low-income or minority relocatees in areas that do not have concentrations of either low-income or minority households if such opportunities are available. This means that if there are vacant, standard, affordable units available in middle/upper income areas or predominantly non-minority areas of the community, low-income or minority relocatees must be given

at least one replacement housing choice in those areas before the grantee can give such relocatees a 90-day notice to vacate.

Furthermore, the grantee must make available to low-income and minority families counseling and related services, (e.g., transportation and escort services). Many cities have focused their search for replacement units in low-income or minority areas because those areas were where the less expensive housing was concentrated. Every community must broaden its search to include middle income and predominantly non-minority areas.

In inventorying available resources, contact landlords, realtors, and movers; read the classified ads; and tour neighborhoods looking for available property signs. Often affordable units are not advertised. These listings can be inspected' and, if found to be decent, safe and sanitary, placed on a referral list.

The process of finding comparable housing will involve continuous contact with displacees to solicit information, establish rapport, provide referrals to rehousing resources, and accompany displacees to inspect possible dwellings. Up-to-date information on the availability and prices of comparable sales and rental housing must be provided. All units must be inspected and certified as meeting local housing and occupancy codes before being placed on a referral list.

## SELF-RELOCATIONS

Some relocatees will search for their own units and relocate themselves, which can be problematic. Occupants who relocate themselves risk not receiving the compensation to which they are entitled because: (1) the occupants do not know they are entitled to money and fail to apply; (2) the locality is unable to trace them to their new quarters; (3) the new quarters are substandard (in which the relocatees still receive moving expenses); or (4) a pre-move inspection of their new quarters does not occur, or is ineffective.

If an individual locates or moves into a replacement unit that is not decent, safe and sanitary, the grantee must try to upgrade the unit to minimum code in order to entitle the relocatee to benefits. This can include providing any assistance for which the unit is eligible with CDBG funds or securing comparable assistance from other sources. In the event that the grantee cannot get the unit brought up to code, the relocatees must be informed that if they remain in or move to another substandard unit, they will not be eligible for replacement housing payments, but will be eligible for moving expenses. The grantee must also inform them that if they move into a standard dwelling within one year from the date they received payment for their acquired dwelling or from the date they moved from the acquired dwelling, whichever is later, and file a claim within 18 months, they will be eligible for a replacement housing payment. A sample notification letter is **Exhibit C-23** (Sample Letter to Relocate in a Substandard Unit).

## HOUSING DISCRIMINATION IN RELOCATION

Private landlords are sometimes discriminatory in their renting practices. Individual displacees who have been discriminated against may not know how to take action on their own; and legal action is often too expensive to be a practical solution for them. The grantee must provide assistance in cases of

housing discrimination and must assist with displacees' claims of discrimination. The local Fair Housing Ordinance should be reviewed for guidance.

If a displacee has been discriminated against, there are two (2) alternatives. Suit may be filed in a federal court, in which case he/she should either consult an attorney or the local Legal Aid Society for assistance. If the court finds in favor of the displacee, it can halt the sale of the house or the rental of the apartment to someone else, and award the displacee damages and court costs. Instead of taking his/her complaint directly to court, the second alternative is for the displacee to send the complaint to DOA/OCD within 180-days of the incident. Upon receipt of the complaint, the DOA/OCD will follow its complaint procedure and forward it to the Louisiana Department of Justice.

## COMMON DEFICIENCIES

The following are common deficiencies that occur during the relocation process:

1. Failure to provide assistance in locating suitable housing.
2. Failure to provide replacement housing opportunities outside areas of low-income and/or minority concentration.
3. Failure to provide assistance in identifying and remedying instances of discrimination in sales and rentals of housing units.

## COMPLETION OF RELOCATION

When the grantee has made choices of comparable replacement housing opportunities available to the relocatee, the Sample 90-DAY NOTICE TO VACATE/30-DAY NOTICE TO VACATE (**Exhibit C-24**) should be issued. This notice cannot be issued before the Notice of Displacement has been issued or before a reasonable choice of comparable replacement housing has been made available that meet the criteria described in **Exhibit C-20**. The notice must state the date by which the property must be vacated, and indicate that a second notice will be issued at least 30 days in advance of the date the property must be vacated. The date on which the property must be vacated cannot be less than 30 days after the grantee has obtained title to the property or legal right of possession, whichever comes earlier.

Prior to, and following, the 90-day notice, the grantee will continue to work with the relocatees -- inspecting units, certifying they meet code; assisting or preparing mortgage applications, sales agreements, or leases as appropriate; assisting or preparing claim forms which are available from OCD; processing and verifying claims; documenting claims and making payments. Every effort to expedite relocation should be made since claims may be filed up to 18 months following the completion of the move.

If there are unsettled relocation cases at the time of program close-out, show maximum payments for each potential claimant as unpaid costs on the Closeout Form.

Claim forms and their instructions for relocation payments are included in the Exhibits. They include: Claim for Moving and Related Expenses, **Exhibit C-25**; Claim for Replacement Housing Payment for 180-Day Homeowners, **Exhibit C-26**; and Claim for Rental Assistance or Down Payment Assistance, **Exhibit C-27**.

## TIMELY PAYMENT

Relocation payments should be issued within 30 days following the submission of sufficient documentation to support the claim. The regulations further state that advance payments must be made where they would avoid or reduce a hardship. When advance payments are made, the recipient must sign a letter acknowledging receipt of relocation payments (**Exhibit C-28**, Sample Letter of Acknowledgement Services and Payments Rendered).

## USE OF RELOCATION PAYMENTS

Payments for down payment assistance must be applied to the purchase price of a replacement dwelling and related incidental expenses. Payments for rental assistance to owners or renters need not be applied to housing costs. The rental assistance payment must be made in a single payment unless the recipient specifically requests otherwise.

## DENYING A CLAIM

If a claim is to be denied because the replacement unit is not free of lead-based paint, notify the OCD 15 days in advance of the denial and indicate the efforts made to secure compliance with the lead-based paint poisoning prevention requirement. In *Acquisition/Anti-Displacement/Relocation/Demolition: Locating Replacement Housing*, the grantee's responsibilities if a person makes a claim for payment which must be denied because the unit is substandard was discussed. Inform the claimant why the claim is being denied, indicate the assistance available for bringing the current unit up to code, and the ongoing opportunity to qualify for assistance by moving to a standard unit.

Further, inform the claimant that the move to a standard unit must be completed within 12 months of the date of removal from the acquired dwelling or receipt of final payment (if owner-occupant), whichever is later; and that the claim must be submitted within 18 months of the completion of the move. **Exhibit C-23** is a sample letter containing this information.

If payments are not made, fully document efforts to provide payments, the reasons payments were not made, and signed waivers of payment if possible.

The regulations mandate that any claim for payment be submitted to the grantee within a period of 18 months after displacement. Fully document when the grantee initially notified the recipient of this requirement and all subsequent reminders.

## WAIVER OF RELOCATION BENEFITS

A tenant's relocation benefits <u>cannot</u> be waived by the owner.

Relocation benefits are rarely waived, however, should a relocatee choose to waive relocation benefits, a Waiver of Relocation Assistance must be completed (**Exhibit C-29**) and documented in the file. Any case involving a waiver of relocation benefits will be carefully examined to insure no coercion was involved.

## RELOCATION RECORDKEEPING

**Exhibit C-30**, Relocation Composite List, must be maintained by the grantee in its project files. Additionally, the grantee must maintain a separate case file on each displaced household for four years after final project closeout or after the relocation payments, whichever is later. The Relocation File Checklist (**Exhibit C-31**) identifies all the information required for each displaced household file. A copy of **Exhibit C-31** must be attached to and maintained for each relocation file for tracking purposes and to facilitate state and local review.

## CONFIDENTIALITY OF RECORDS

Records maintained by the grantee/Agency to demonstrate compliance with the policies in this handbook are confidential. They shall not be made available as public information, unless required by applicable law. Only authorized staff of the grantee/Agency, the State or HUD shall have access to them. However, upon the written request of an affected person, the grantee/Agency shall give the person or his designated representative the opportunity to inspect and copy all pertinent records during normal business hours, except material which the grantee/Agency determines should not be disclosed to the person for reasons of confidentiality.

In addition, the following information at a minimum shall be maintained for at least four years after each owner of the property and each person displaced from the property have received the final payment to which they are entitled.

1. List of Occupants. For each project, the grantee's files shall include a list or lists identifying the name and address of:

    a. All persons occupying the real property at the beginning of the project. Generally, this is the date of the initial submission of the application for assistance by the property owner to the grantee or by the grantee to the State; however, if site control is not obtained until after submission of the application, the date of site control is usually considered the beginning of the project;

    b. All persons moving into the property on or after the date on which the project begins but before completion of the project; and

    c. All persons occupying the property upon completion of the project.

    The list(s) may be maintained in a suitable computer generated format that also indicates, for project management purposes, progress made in carrying out the program.

2. Tenants Not Displaced. Documentation on tenants not displaced shall include:

    a. Evidence that the tenant received timely written notice that the tenant would not be displaced by the project.

    b. For a tenant-occupant of a dwelling, evidence that the tenant received (a) a timely offer of an opportunity to lease and occupy a suitable, affordable, decent, safe and sanitary dwelling in the building/complex upon completion of the project under reasonable terms and

conditions, and (b) reimbursement of any out-of-pocket expenses incurred in connection with any temporary relocation or a move to another unit in the building/complex.

c. For each tenant that is not displaced but elects to relocate permanently, an indication of the reason for the move and any personal contact to explain available alternatives and that the tenant will not qualify for relocation payments as a displaced person. This information must be available for all tenants who occupied the property before project completion but did not occupy the property after project completion and did not receive relocation assistance as a displaced person.

d. Racial/ethnic/gender identification as required by program rule (implementing section 562 of the Housing and Community Development Act of 1987 and section 808(e)(6) of the Fair Housing Act).

e. A copy of any appeal or complaint filed and grantee/Agency response.

3. Displaced Persons: For persons displaced, there shall be separate case files that include:

a. Identification of the person's name, address, racial/ethnic group classification and date of initial occupancy. For residential tenant-occupants, include age, sex, and income of all members of the household and monthly rent and average monthly utility costs for the displacement dwelling. For homeowners, include grantee/Agency acquisition cost of unit. For nonresidential occupants, include type of enterprise.

b. Evidence that the person received early written notice of the possible displacement and a general description of the relocation payments and advisory services for which the person may be eligible, basic eligibility conditions and the procedures for obtaining payments.

c. Evidence that person received timely written notice of eligibility for relocation assistance and, for those displaced from a dwelling, the specific comparable replacement dwelling and the related cost to be used to establish the upper limit of the replacement housing payment.

d. Identification of relocation needs and preferences, dates of personal contacts and services provided.

e. Identification of referrals to replacement properties, date of referral, rent/utility costs or sale price (if dwelling), date of availability, and reason(s) person declined referral.

f. Copy of 90-day notice and vacate notice, if issued.

g. Identification (address) of actual replacement property, rent/utility costs or sale price (if dwelling) and date of relocation.

h. Copy of replacement dwelling inspection report showing condition of unit and date of inspection.

i. Copy of each approved claim form and related documentation, evidence that person received payment and, if applicable, Section 8 Certificate or Housing Voucher.

j. Copy of any appeal or complaint filed and grantee response.

For additional recordkeeping requirements, refer to *Program Administration: Recordkeeping and Reporting*.

# EXHIBITS – SECTION C: ACQUISITION / ANTI-DISPLACEMENT / RELOCATION / DEMOLITION

## C-1: SAMPLE PRELIMINARY ACQUISITION NOTICE/BROCHURE

# SAMPLE: Preliminary Acquisition Notice/Brochure

September 10, 2004 CERTIFIED MAIL

RETURN RECEIPT

Mr. Willie Smith

Post Office Box 515
Anytown, Louisiana 71357

RE: Preliminary Acquisition Notice/Brochure
FY 20_ LCDBG Program

Dear Mr. Smith:

The Town of Anytown is considering the acquisition of a specific easement to be used in conjunction with the Town's FY 20 _ Louisiana Community Development Block Grant (LCDBG) Program. Our records indicate that the easement being considered is owned by you and Ms. Leola Bart. If our records are incorrect, please comment accordingly in the comment section provided on the Preliminary Acquisition Notice Form.

A brochure describing your rights and the Town's procedures for acquiring easement is enclosed for your information. The brochure states you have the right to donate or sell your easement.

The Town has employed an independent appraiser to establish fair market value for your easement unless you choose to release the Town of such obligations. You or your representative will have the right to accompany him on his inspection of the easement if you wish to do so. A letter inviting you or your representative will be sent by the appraiser at least five days prior to his visit.

Enclosed are one (1) original and one (1) copy of a Preliminary Acquisition Notice Form for your completion. The title opinion, legal description, and a plat map of the easement being considered are attached to the form marked "COPY". Please check the appropriate statement concerning disposition of your easement, return the completed form marked "ORIGINAL" in the enclosed self-addressed, stamped envelope and retain the form marked "COPY" for your files.

If your response is not received within ten (10) calendar days of receipt of this letter, we will assume that you choose to sell your easement to the Town. We will then proceed with the policies set forth by the Uniform Relocation Assistance and Real Properties Acquisition Policies Act of 1970 (Uniform Act) and the U. S. Department of Housing and Urban Development requirements governing HUD-assisted programs.

Mr. Willie Smith
Page 2
September 10, 2004

This letter is not a notice to vacate and does not establish eligibility for relocation payments or other relocation assistance. If you have any questions, please call me at (225) 342-7412 or our consultant Mr. Jones at (225) 342-7500.

Very truly yours,

Mayor Bob Filo

BF/WG:al

Enclosures: As stated

FILE NO.: _____

PRELIMINARY ACQUISITION NOTICE FORM

After reading your letter and reviewing the enclosed brochure concerning acquisition and donation of my easement, I have made the following decision:

_____ I DO INTEND TO SELL my easement to the Town after an appraisal has been obtained and I have been offered just compensation.

_____ I DO INTEND TO DONATE my easement after having been informed of the right to receive just compensation based on an appraisal of the easement and do hereby release the Town from such obligations of obtaining an appraisal.

_____ I DO NOT INTEND TO SELL OR DONATE my easement.

COMMENTS:_____

_____

_____

_____

_____

_____

_____

_____

_____

SIGNATURE: _____

DATE: _____

ADDRESS: _____

STATE: _____ ZIP CODE: _____

TELEPHONE: _____

# WHEN A PUBLIC AGENCY ACQUIRES YOUR PROPERTY

US Department of Housing and Urban Development

Office of Community Planning

HUD-1041-CPD, March 2005

www.hud.gov/relocation

## Introduction

This booklet describes important features of the **Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970**, as amended (URA) and provides general information about public acquisition of real property (real estate) that should be useful to you.

Most acquisitions of real property by a public agency for a Federal project or a project in which Federal funds are used are covered by the URA. If you are notified that your property will be acquired for such a project, it is important that you learn your rights under this important law.

This booklet may not answer all of your questions. If you have more questions about the acquisition of your property, contact the Agency responsible for the project. (Check the back of this booklet for the name of the person to contact at the Agency.) Ask your questions before you sell your property. Afterwards, it may be too late.

## General Questions

### What Right Has Any Public Agency To Acquire My Property?

The Federal Government and every State government have certain powers which are necessary for them to operate effectively. For example, they have the power to levy taxes and the power to maintain order. Another government power is the power to acquire private property for public purposes. This is known as the power of eminent domain.

The rights of each of us are protected, however, by the Fifth and Fourteenth Amendments of the U.S. Constitution and by State constitutions and eminent domain laws which guarantee that if a public agency takes private property it must pay "just compensation" to the owner. The URA provides additional protections, as explained in this booklet.

### Who Made The Decision To Buy My Property?

The decision to acquire a property for a public project usually involves many persons and many determinations. The final determination to proceed with the project is made only after a thorough review which may include public hearings to obtain the views of interested citizens.

If you have any questions about the project or the selection of your property for acquisition, you should ask a representative of the Agency which is responsible for the project.

### How Will The Agency Determine How Much To Offer Me For My Property?

Before making you an offer, the Agency will obtain at least one appraisal/valuation of your property by a competent real property appraiser who is familiar with local property values. The appraiser (or “knowledgeable person” in cases of valuations) will inspect your property and prepare a report that includes his or her professional opinion of its current fair market value. For appraisals, after the appraiser has completed his work, a review appraiser will examine the appraisal report to assure that the estimate is fair and the work conforms with professional appraisal standards.

The Agency must offer you "just compensation" for your property. This amount cannot be less than the appraised fair market value of the property. "Just compensation" for your property does not take into account your relocation needs. If you are eligible for relocation assistance, it will be additional.

### What Is Fair Market Value?

Fair market value is sometimes defined as that amount of money which would probably be paid for a property in a sale between a willing seller, who does not have to sell, and a willing buyer, who does not have to buy. In some areas a different term or definition may be used.

The fair market value of a property is generally considered to be "just compensation." Fair market value does not take into account intangible elements such as sentimental value, good will, business profits, or any special value that your property may have for you or for the Agency.

### How Does An Appraiser Determine The Fair Market Value Of My Property?

Each parcel of real property is different and therefore no single formula can be devised to appraise all properties. Among the factors an appraiser typically considers in estimating the value of real property are:

- How it compares with similar properties in the area that have been sold recently.
- How much rental income it could produce.
- How much it would cost to reproduce the buildings and other structures, less any depreciation.

### Will I Have A Chance To Talk To The Appraiser?

Yes. You will be contacted and given the opportunity to accompany the appraiser on his or her inspection of your property. You may then inform the appraiser of any special features which you believe may add to the value of your property. It is in your best that nothing of allowable value will be overlooked. If you are unable to meet with the appraiser, you may wish to have a person who is familiar with your property represent you.

### How Soon Will I Receive A Written Purchase Offer?

Generally, this will depend on the amount of work required to appraise your property. In the case of a typical single-family house, it is usually possible to make a written purchase offer within 45 to 60 days of the date an appraiser is selected to appraise the

property.

Promptly after the appraisal has been reviewed (and any necessary corrections obtained), the Agency will determine just compensation and give you a written purchase offer in that amount along with a "summary statement," explaining the basis for the offer. No negotiations are to take place before you receive the written purchase offer and summary statement.

**What Is In The Summary Statement Of The Basis For The Offer Of Just Compensation?**

The summary statement of the basis for the offer of just compensation will include:

- An accurate description of the property and the interest in the property to be acquired.
- A statement of the amount offered as just compensation. (If only part of the property is to be acquired, the compensation for the part to be acquired and the compensation for damages, if any, to the remaining part will be separately stated.)
- A list of the buildings and other improvements covered by the offer. (If there is a separately held interest in the property not owned by you and not covered by the offer (e.g., a tenant-owned improvement), it will be so identified.)

**Must I Accept The Agency's Offer?**

No. You are entitled to present your evidence as to the amount you believe is the fair market value of your property and to make suggestions for changing the terms and conditions of the offer. The Agency will consider your evidence and suggestions. When fully justified by the available evidence of value, the offer price will be increased.

**May Someone Represent Me During Negotiations?**

Yes. If you would like an attorney or anyone else to represent you during negotiations, please inform the Agency. However, the URA does not require the Agency to pay the costs of such representation.

**If I Reach Agreement With The Agency, How Soon Will I Be Paid?**

If you reach a satisfactory agreement to sell your property and your ownership (title to the property) is clear, payment will be made at a mutually acceptable time. Generally, this should be possible within 30 to 60 days after you sign a purchase contract. If the title evidence obtained by the Agency indicates that further action is necessary to show that your ownership is clear, you may be able to hasten the payment by helping the Agency obtain the necessary proof. (Title evidence is basically a legal record of the ownership of the property. It identifies the owners of record and lists the restrictive deed covenants and recorded mortgages, liens, and other instruments affecting your ownership of the property.)

**What Happens If I Don't Agree To The Agency's Purchase Offer?**

If you are unable to reach an agreement through negotiations, the Agency may file a suit in court to acquire your property through an eminent domain proceeding. Eminent

domain proceedings are often called condemnations. If your property is to be acquired by condemnation, the Agency will file the condemnation suit without unreasonable delay.

An Agency may also decide not to buy your property, if it cannot reach agreement on a price, and find another property to buy instead.

**What Happens After The Agency Condemns My Property?**

You will be notified of the action. Condemnation procedures vary, and the Agency will explain the procedures which apply in your case.

Generally, when an Agency files a condemnation suit, it must deposit with the court (or in an escrow account) an amount not less than its appraisal of the fair market value of the property. You should be able to withdraw this amount, less any amounts necessary to pay off any mortgage or other liens on the property and to resolve any special ownership problems. Withdrawal of your share of the money will not affect your right to seek additional compensation for your property.

During the condemnation proceeding, you will be provided an opportunity to introduce your evidence as to the value of your property. Of course, the Agency will have the same right. After hearing the evidence of all parties, the court will determine the amount of just compensation. If that amount exceeds the amount deposited by the Agency, you will be paid the difference, plus any interest that may be provided by law.

To help you in presenting your case in a condemnation proceeding, you may wish to employ an attorney and an appraiser. However, in most cases the costs of these professional services and other costs which an owner incurs in presenting his or her case to the court must be paid by the owner.

**What Can I Do If I Am Not Satisfied With The Court's Determination?**

If you are not satisfied with the court judgment, you may file an appeal with the appropriate appellate court for the area in which your property is located. If you are considering an appeal, you should check on the applicable time limit for filing the appeal and consult with your attorney on whether you have a basis for the appeal. The Agency may also file an appeal if it believes the amount of the judgment is too high.

**Will I Have To Pay Any Closing Costs?**

You will be responsible for the payment of the balance on any mortgage and other liens on your property. Also, if your ownership is not clear, you may have to pay the cost of clearing it. But the Agency is responsible for all reasonable and necessary costs for:

- Typical legal and other services required to complete the sale, recording fees, revenue stamps, transfer taxes and any similar expenses which are incidental to transferring ownership to the Agency.
- Penalty costs and other charges related to prepayment of any recorded mortgage on the property that was entered into in good faith.
- Real property taxes covering the period beginning on the date the Agency acquires your property.

Whenever possible, the Agency will make arrangements to pay these costs directly. If you must incur any of these expenses yourself, you will be repaid--usually at the time of closing. If you later discover other costs for which you should be repaid, you should request repayment from the Agency immediately. The Agency will assist you in filing a claim. Finally, if you believe that you were not properly repaid, you may appeal the decision to the Agency.

**May I Keep Any Of The Buildings Or Other Improvements On My Property?**

Very often, many or all of the improvements on the property are not required by the Agency. This might include such items as a fireplace mantel, your favorite shrubbery, or even an entire house. If you wish to keep any improvements, please let the Agency know as soon as possible.

If you do arrange to keep any improvement, the Agency will deduct only its salvage value from the purchase price you would otherwise receive. (The salvage value of an item is its probable selling price if offered for sale on the condition that the buyer will remove it at his or her own expense.) Of course, if you arrange to keep any real property improvement, you will not be eligible to receive a relocation payment for the cost of moving it to a new location.

**Can The Agency Take Only A Part Of My Property?**

Yes. But if the purchase of only a part of your property reduces the value of the remaining part(s), you will be paid for the loss in value. Also, if any remaining part would have little or no utility or value to you, the Agency will offer to buy that remaining part from you.

Occasionally, a public project will increase the value of the part which is not acquired by the Agency. Under some eminent domain laws, the amount of such increase in value is deducted from the purchase payment the owner would otherwise receive.

**Will I Have To Pay Rent To The Agency After My Property Is Acquired?**

If you remain on the property after the acquisition, you may be required to pay a fair rent to the Agency. Such rent will not exceed that charged for the use of comparable properties in the area.

**How Soon Must I Move?**

If possible, a mutually agreeable date for the move will be worked out. Unless there is an urgent need for your property (e.g., your occupancy would present a health or safety emergency), you will not be required to move without at least 90 days advance written notice.

If you reach a voluntary agreement to sell your property, you will not be required to move before you receive the agreed purchase price. If the property is acquired by condemnation, you cannot be required to move before the estimated fair market value of the property has been deposited with the court so that you can withdraw your share.

If you are being displaced from your home, you will not be required to move before a comparable replacement home is available to you.

**Will I Receive Relocation Assistance?**

Title II of the URA requires that certain relocation payments and other assistance must be provided to families, individuals, businesses, farms, and nonprofit organizations when they are displaced or their personal property must be moved as a result of a project that is covered by the URA.

The Agency will furnish you a full explanation of any relocation assistance to which you may be entitled. If you have any questions about such assistance, please contact the Agency. In order for the Agency to fulfill its relocation obligations to you, you must keep the Agency informed of your plans.

**My Property Is Worth More Now. Must I Pay Capital Gains Tax On The Increase?**

Internal Revenue Service (IRS) Publication 544 explains how the Federal income tax would apply to a gain or loss resulting from the sale or condemnation of real property, or its sale under the threat of condemnation, for public purposes. If you have any questions about the IRS rules, you should discuss your particular circumstances with your personal tax advisor or your local IRS office.

**I'm A Veteran. How About My VA Loan?**

After your VA home mortgage loan has been repaid, you will be permitted to obtain another VA loan to purchase another property. Check on such arrangements with your nearest Veterans Administration Office.

**Is It Possible To Donate Property?**

Yes. You may donate your property or sell it to the Agency for less than its fair market value. The Agency must obtain an appraisal of the property and offer just compensation for it, unless you release the Agency from these obligations.

**Additional Information**

If you have any questions after reading this booklet, contact the Agency and discuss your concerns with the Agency representative.

Agency:

Address:

Office Hours:

Telephone Number:

Person to Contact:

## C-2: SAMPLE STATEMENT OF THE BASIS FOR THE DETERMINATION OF JUST COMPENSATION

# SAMPLE:

# STATEMENT OF THE BASIS FOR THE DETERMINATION OF JUST COMPENSATION

Description and Location of Property

The City of West Linn proposes to purchase land and improvements on Gus Young Avenue (Lot 8, Square 6, Palmer Extension) from owner Elizabeth Richardson at 134 Gus Young Avenue, West Linn, Louisiana. It is a single-family residential unit which conforms to zoning, present use, surrounding land use, and area trends.

Purpose of Purchase

The City of West Linn intends to use the whole parcel for the construction of an addition to the Eden Park Community Service Center.

Improvements

It is a one-story single-family residence of wood frame construction with concrete foundation, stucco siding, a tar and gravel roof and aluminum gutters and downspouts.

It contains a living room, kitchen, center hall, two bedrooms and one bath.

The kitchen has counters and painted wood cabinets. There are no built in appliances.

Heat is gas-fired, forced air from Atlas, 120,000 BTU furnace.

The house is 25 years old. Design is good. Maintenance is poor.

Declaration of Offer

Based on the two appraisals, the City of West Linn hereby makes you an offer in the amount of $32,500.00 for the purchase of your property. This offer is for the fair market value of your property and does not include any consideration of decrease or increase in value attributable to the project for which it is being acquired. It reflects no relocation payments which the owner/tenant may be entitled to receive under the Louisiana Community Development Block Grant Regulations.

Definition of Fair Market Value

"Fair Market Value is the highest price estimated in terms of money which the property would bring if exposed for sale in the open market, allowing a reasonable time in which to find a purchaser buying with knowledge of all the uses and purposes for which it is adapted and for which it is capable of being used."

Appraisal Techniques

Two major techniques, cost approach and market data approach, were utilized to determine the fair market value of this property.

Cost Approach

Land:

To estimate the value of the land, as if unimproved, the market was searched for vacant land sales which might throw some light on the value of subject land.

Estimated Replacement Cost:

To estimate the cost of replacing the home minus depreciation based on age and observed condition, 20 percent.

Total by Cost Approach $32,500.00

Market Data

To estimate the value of the property by this approach, the market was searched for sales of properties in the area which might throw some light on the value of subject property by comparison.

After adjusting these sales, approximately six comparable properties, for time and points of difference, the indicated value of subject property, by comparison, is $32,100 - $33,000.

_____

Signature of Authorizing Official Date

**MUST BE SENT CERTIFIED/REGISTERED MAIL**
**RETURN RECEIPT REQUESTED**

## C-3: WRITTEN OFFER TO PURCHASE

# WRITTEN OFFER TO PURCHASE

November 25, 2007

Mrs. Elizabeth Richardson
4134 Gus Young Avenue
West Linn, Louisiana 00000

Dear Mrs. Richardson:

This will introduce to you Mr. Bob Adams, who represents the City of West Linn, Louisiana, in the capacity of Right-of-Way Agent and who will discuss with you the acquisition by the City of the property which our records indicate is owned by Elizabeth Richardson. This property is required for construction of the proposed addition to Eden Park Community Service Center.

We have had the property appraised by a competent and unbiased fee appraiser and this report has been thoroughly analyzed by a competent review appraisal analyst and found to be well supported. Based on the appraisal and review, the City hereby makes you a firm offer in the amount of $32,500 for the purchase of your property.

We feel that the above offer is most equitable and we urge your favorable consideration and acceptance of it. If this meets with your approval, Mr. Adams will assist in any way convenient to you in finalizing the acquisition. Negotiations for the purchase of your property begin November 25, 2007.

Thank you very much for your cooperation and favorable consideration of this offer.

Very truly yours,

Deron Troy
Mayor

Enclosure: Statement of the Basis for the Determination of Just Compensation.

MUST BE SENT CERTIFIED/REGISTERED MAIL RETURN RECEIPT REQUESTED

If a preliminary acquisition notice is not sent, be sure and reference in the letter and include a copy of the brochure, "When a Public Agency Acquire your Property".

## C-4: STATEMENT OF SETTLEMENT COSTS

STATEMENT OF SETTLEMENT COSTS

Owner _____

Identification of Property _____

Purchase Price $_____

| Expenses Incidental to Transfer of Title | Paid by City | Paid by Owner | Total |
|---|---|---|---|
| 1. Recording Fees | | | |
| 2. Transfer Taxes | | | |
| 3. Revenue Tax Stamp | | | |
| 4. City/County Tax Stamps | | | |
| 5. Survey and Legal Description | | | |
| 6. Penalty Costs Associated with Prepayment of Pre-existing Recorded Mortgages | | | |
| 7. Pro Rate Portion of Prepaid Taxes and Public Service Charges: | | | |
| a. Real Property Taxes - County | | | |
| b. Real Property Taxes - City | | | |
| c. Water Service | | | |
| d. Sewage Service | | | |
| e. Trash Collection _____ | | | |
| TOTAL | $ | $ | |

This statement of settlement costs is certified as true and correct.

Signed: _____ Date _____

Closing Official

_____ Date _____

## C-5: SAMPLE NOTICE OF INTENT NOT TO ACQUIRE PROPERTY

SAMPLE

NOTICE OF INTENT NOT TO ACQUIRE

December 20, 2004

Mr. Wade Breaux
4150 Gus Young Avenue
West Linn, Louisiana 00000

Dear Mr. Wade Breaux,

The City of West Linn has determined not to acquire your Fourth Street property. Any person moving from the premises from the date of this notice will not be eligible for relocation payment or benefits.

Sincerely,

Deron Troy
Mayor

c: Mrs. Julia Mastus, Tenant

MUST BE SENT CERTIFIED/REGISTERED MAIL RETURN RECEIPT REQUESTED

## C-6: PROPERTY AND/OR SERVITUDE ACQUISITION WAIVER

PROPERTY AND/OR SERVITUDE ACQUISITION WAIVER

I, _____, state that I have been approached by a representative of the community of _____ (herein known as the Agency) who has informed me of the Agency's intent to obtain a servitude across certain property-(ties) owned by me or obtain a certain parcel of property-(ties) owned by me.

1. I hereby acknowledge that said representative has explained to me the legal boundaries as they are set forth in the Exhibit(s) attached to this document.

   The representative of said agency has further advised me of my rights under the Uniform Relocation and Real Property Acquisition Policies Act of 1970 as implemented in HUD Handbook 1378 which requires the following:

   a. That I have received the HUD brochure. "When a Public Agency Acquires Your Property."

   b. That I have the RIGHT to have a formal appraisal of the property to be acquired by the Agency prepared by an independent professional appraiser. I understand that I am entitled to receive no less than the FAIR MARKET $ VALUE of the property as established by the appraisal.

   c. That if I choose to have an appraisal, I have a RIGHT to accompany the appraiser who prepares such appraisal when he inspects my property and that I am entitled to a written notice called an "Invitation to Accompany the Appraiser" stating the time and date on which the appraiser will examine my property and that this written document must be delivered to me by certified mail.

   d. That if I choose to have an appraisal, I have the RIGHT to a written Purchase Offer that states the amount of money said agency will pay me for this servitude or property and that this written Purchase offer must be delivered to me by certified mail.

   e. That if I choose to have an appraisal, I have the RIGHT to a written Statement of the Basis of Just Compensation which explains in detail the basis of the amount offered to me by said Agency for said servitude or property, and that this document must be delivered to me by certified mail.

2. I acknowledge that the rights listed above in Section 1 have been explained to me in detail by a representative of the Agency and that I waive these rights and agree to donate to the Agency a servitude or parcel of property which boundaries are described in the Exhibit(s) attached to this document.

IN WITNESS WHEREOF, I have signed this document as my free and voluntary act this _____ day of _____, 20 ____.

_____
Landowner

_____
Witness: Name and Title of Community Official or Staff

STATE OF LOUISIANA

PARISH OF _____

Signed and acknowledged before me this _____ day of _____, 20 __ by _____, and his/her free and voluntary act and deed.

_____
Notary Public

My Commission expires _____, 20 _____.

## C-7: AGREEMENT FOR APPRAISAL SERVICES (ACQUISITION)

AGREEMENT FOR APPRAISAL SERVICES (ACQUISITION)

THIS PROFESSIONAL SERVICES AGREEMENT, entered into this ___ day of _____ _____, 20__, by and between _____ of the City of_____, State of _____, hereinafter referred to as the "Agency", and _____, hereinafter referred to as the "Appraiser".

WITNESSETH THAT:

WHEREAS, the Agency proposes to acquire certain real property and desires that the Appraiser furnish the Agency certain services with respect to such property, including an appraisal of each parcel of the property, and the Appraiser represents that he is fully qualified to perform such services and will furnish such services personally; and

WHEREAS, the services to be provided under this Agreement are necessary to achieve the purposes of _____ and the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Uniform Act).

NOW, THEREFORE, the Agency and the Appraiser, for the consideration and under the conditions hereinafter set forth, do agree as follows:

ARTICLE 1. Property To Be Appraised. A description of the real property to be appraised, including an identification of any interests in the real property to be specifically excluded from appraisal, are set forth in the attached Attachment A. A separate appraisal is to be furnished for each "parcel". (The term "parcel" means any tract or continuous tracts of land in the same ownership, whether any such tract consists of one or more platted lots for a fractional part of a lot. An easement or other separately held interest in two or more parcels shall be considered to be a separate parcel for appraisal purposes and an exception to the title to the parcels so encumbered. An easement in a parcel that is appurtenant to another parcel to be acquired by the Agency shall be considered parcel encumbered). Each parcel shall be considered to include all right, title, and interest of the owner in or to any adjacent or abutting streets, alleys, or other public rights of way.

ARTICLE 2. Purpose and Basis of Valuations.

(a) Purpose and Significance of Appraisals. The appraisals to be furnished under this agreement are required by the Agency for its guidance in making fair and impartial determinations of fair market value and the just compensation to be offered to each property owner. The Appraiser shall be guided by those objectives when estimating values. Appraisal reports will be reviewed carefully by the Agency. Accordingly, the text of each appraisal report must cover all matters germane to the required valuation findings and must provide a full explanation of the Appraiser's reasoning and his analyses of the evidence of value, so that a reviewer will be able to follow the Appraiser's analyses and understand how he reached his valuation conclusions.

(b) Appraisal Requirements. The appraisals under this agreement shall be based on nationally recognized appraisal standards and techniques to the extent that such principals are consistent with the concepts of value and the rules on the admissibility of evidence of value under the eminent domain law of the State. Factors relating to race, color, religion, sex or national origin, or to racial, religious and ethnic identification of neighborhoods are not relevant to the estimation of value and shall not be considered in connection with appraisals of residential real property.

(c) Date of Valuation. The Appraiser's valuation shall be as of a date concurrent with the preparation of his report, unless the Agency has specified some other date of valuation.

(d) Relocation Assistance. The Appraiser's analyses and opinions or property value shall not reflect any allowance for the relocation payments and other assistance provided under Title II of the Uniform Act.

(e) Influence of Project on Property Value. In forming his opinion(s), the Appraiser shall disregard any decrease or increase in the fair market value of the real property to be acquired, prior to the date of valuation, caused by the project for which the property is to be acquired, or by the likelihood that the property would be acquired for such project, other than that due to physical deterioration within the reasonable control of the owner. (In the case of a partial acquisition, using the before-and-after method of valuation, the Appraiser's opinion of the value of the remaining not-to-be-acquired portion of the property shall reflect any increase or decrease in value attributable to the project.) If the determination of changes in value caused by the project is a problem, the Appraiser's report shall cite the ruling followed and its source and shall explain the effect of the ruling on his opinion of value.

ARTICLE 3. Scope of Appraiser's Services. The Appraiser agrees to perform the following services.

(a) Appraise each parcel and prepare and deliver to the Agency, within _____ calendar days after the date of this agreement, _____ copies of the appraisal reports conforming to the provisions of this agreement. The Appraiser shall personally inspect each parcel, including all buildings, structures, fixtures, and other improvements to the property.

The Appraiser shall give the owner or his designated representative an opportunity to accompany the Appraiser during his detailed inspection of the property. If the owner is of a compensable interest in the property or a representative of such owner does not accompany the Appraiser during the inspection, the Appraiser shall include in his appraisal report a copy of his notification to the owner of the opportunity to accompany the Appraiser and evidence of the owner's receipt of such notification. In the process of inspecting the property, the Appraiser shall, to the extent practicable, ascertain the rights of all parties in possession and note for consideration all factual information and comments furnished by the owner or his representative relevant to the appraisal.

(b) Testify as an expert witness in behalf of the Agency in any judicial proceeding involving

any property appraised under this agreement. Such services shall include such reasonable time as may be required for re-inspection of the property, updating the Appraiser's valuation, participation in pretrial conferences with counsel for the Agency, and testifying in the judicial proceeding. The compensation for such services shall be determined in accordance with Article 6.

(c) Modify or furnish supplements to any appraisal report furnished under this agreement, without additional cost to the Agency, if (1) applicable principles of law with respect to the valuation of the property require the modification or supplementing of such appraisal, (2) material omissions, inaccuracies, or defects in the appraisal report are discovered after delivery and acceptance of the report by the Agency or (3) the Appraiser receives or becomes aware of relevant additional appraisal information in existence prior to the date the Appraiser signed the report. If there is a significant delay between the date of valuation and the date of acquisition of any parcel or if the property has been materially altered since the appraisal by a fire, a revised determination of the boundaries of the property to be acquired, or other cause, the Appraiser shall, if requested by the Agency, furnish the Agency a supplementary report updating this valuation and the supporting data and analysis to a current date. The compensation for such updating of an appraisal shall be determined in accordance with Article 6.

(d) Estimate the value of any right or interest proposed to be reserved by the owner in a property appraised by the Appraiser, such as an easement for access to other property of the owner, the right to continue occupancy for an extended period after the Agency acquires the property, or the right to remove any building, structure, fixture, or other improvement. The compensation to be paid to the Appraiser for furnishing any such valuation shall be determined in accordance with Article 6.

(e) Consultant with the Agency and its legal counsel regarding services to be performed by the Appraiser, at such time(s) as may be mutually convenient for the parties to this agreement. The Appraiser shall initiate such consultations whenever he is in doubt as to whether an element of property is real or personal property or needs legal advice on any aspect of the appraisals to be furnished under this agreement. There shall be no charge by any party for such consultations.

ARTICLE 4. Contents of Appraisal Reports. Each appraisal report to be furnished by the Appraiser under this agreement shall contain certain information and the Appraiser's conclusions and opinions, together with the data and analysis by which they were derived, as set forth below. A separate report shall be submitted for each parcel.

However, if more than one parcel is to be appraised, all general data may be included in a separate data volume that is referenced in the separate appraisal reports on the individual parcels. The appraisal report on each parcel shall include the following:

(a) A summary headed "Appraisal Report for (name of Agency)" that provides the following:

(1) Project name and number.

(2) Date of the report.

(3) Parcel number, address of the property, brief identification of all interests in the property appraised, and the name of the owner(s) including any tenant-owners.

(4) Date(s) of the Appraiser's inspection of the property with the owner(s) or the owner's designated representative, including the name of each owner or representative of an owner who accompanied the Appraiser during his inspection and the interest held in the property or the representative capacity of each such person.

(5) The Appraiser's estimate of the fair market value of the entire parcel and the fair market value of the same interest in the land, as if vacant.

(6) The limiting conditions of the appraisal, which may include assumptions (i) that the title is good and marketable, (ii) that no responsibility is assumed by the Appraiser for legal matters, especially those affecting the title to the property, (iii) that the legal description of the property and the interest in the property to be appraised, furnished to the Appraiser by the Agency, is correct, and (iv) that no survey of the property has been made. Any other appropriate assumption or limiting condition may be added if it has been specifically approved in writing by the Agency.

(7) The certifications of the Appraiser (i) that he personally made a through inspection of the property (ii) that, to the best of his knowledge and belief, everything contained in the report is true and no relevant and important fact has been omitted, (iii) that neither his employment nor his compensation is contingent on the valuation reported, and (iv) that he has no past, present, or prospective interest (including that of real estate agency or broker) in the property, the parties involved, or any other interest that would conflict in any way with the services performed or the making of an impartial report.

(8) A certification that, in the Appraiser's opinion, the fair market value of the property is (an amount to be stated) as of (the date of valuation).

(9) The signature of the Appraiser

(b) <u>The name and address of the owner</u> of the property and the name of any other party known or believed to hold a separate compensable interest in the property.

(c) <u>The street address and an accurate description of each parcel</u> and all interests in the parcel appraised. The property description shall identify all conditions, restrictions, easements, servitudes, and reservations affecting the title. The property description shall specifically exclude and describe any separately held interest in the property that is to be acquired separately or as part of another parcel. The description shall also specifically exclude all separately held interests which are not to be acquired and will not be affected adversely

by the Agency's project. If there are any separately held interests in a parcel, which are to be acquired with other interests in the same parcel, such as leaseholds, tenant-owned improvements, life estates, easements, and water, gas, oil, or mineral rights, a description of each such separate interest and the name of its owner shall be furnished.

(d) Off-record title information concerning interests or instruments that affect title, but are not of record, such as leases, options to renew a lease, contracts of sale, and other interests or rights of parties in possession. Such information shall be reported, and if available facts are sufficient, the Appraiser's report shall be based on such additional title information and so noted in the appraisal report. Otherwise, the Appraiser shall refer the matter to the Agency and defer completion of the appraisal until the question is resolved.

(e) Basic property data including pertinent information with respect to such matters as (1) the environment and location of the property, (2) the zoning and any restrictive covenants, conditions, or servitudes affecting the available use or occupancy of the land, (3) the assessed value of the real property and the current annual real estate tax burden, (4) the use and occupancy of the property at time of appraisal, (5) the public improvement, services, and utilities serving and providing access to the property, (6) the character, topography, dimensions, and area of the land, (7) the freedom of the property from special hazards, (8) the current rental and rental history of the property, if rented, (9) the estimated annual costs of ownership and for operation and maintenance of the property, and (10) a description of the buildings, structures, and other improvements, if any, including relevant information as to type of improvement, designed use, construction materials and finish, equipment, dimensions, floor area, age, condition, space or room arrangement, functional utility, and any other characteristics or attributes of the improvements germane to the value of the real property. The appraisal report shall contain a general sketch plat showing the shape and dimensions of the land, the location of the principal improvements on the land, the location of any easements in the land, and the abutting streets, alleys, or other public right of way. The report shall also include such photographs, clearly identified, as may be appropriate.

(f) Report of any condition or occupancy of the property in violation of law that may affect the value of the property.(g) The Appraiser's opinion as to the highest and best use for the property. The appraisal report shall also include the Appraiser's opinions as to any other use(s) for which the property is reasonably suitable or adaptable. If the property is unused vacant land or the highest and best use is not self-evident or is found to differ significantly from the present use, the appraisal report shall contain the analysis by which the Appraiser reach his conclusions as to the highest and best use and as the relative suitability or adaptability of the property for any other use(s) for which the property could reasonably be considered to be suitable or adaptable. The analysis of a potential use shall include consideration of relevant matters, such as the suitability of the location, the environment and the legal and physical attributes of the property for such use, the estimated cost, if any, of converting the property to such use, and the supply, sale price levels, and relative desirability of other properties that would compete for the same kind of use. The analysis of the property for the future use or uses found to be the highest and best use is part of the process of appraising the property and, therefore, may be included

in the valuation analysis furnished in accordance with Paragraph 4 (h) below.

(h) The opinion of the Appraiser as to the fair market value of the property. The appraisal report shall contain a description of the reasoning process used by the Appraiser in reaching his conclusion as to value and all data and analysis needed to explain and support his valuation. The supporting data and analysis furnished in the appraisal report shall include the following:

(1) An analysis of the property, from the point of view of evaluating the effect of its characteristics and attributes on its value for the available use or uses for which the property is best suited. Particular attention shall be given to the characteristics or the property most relevant to its value, such as, in the case of an investment property, the income potential and the expenses of ownership, maintenance, and operation.

(2) An identification of the most recent sale of each property appraised and any other sales of such property during the last five (5) years preceding the appraisal. Such sale(s) of the property appraised and all recent sales of comparable properties considered by the Appraiser in forming his opinion(s) of fair market value shall be verified insofar as practical. The information furnished with respect to each such sale shall include, among other pertinent facts, the names of the grantor and grantee, the date of the sale, the sale price, any special terms or conditions or circumstances of the sale that affected the transaction, and a description of the property and its condition at time of sale in sufficient detail for use in making the appraisal.

(3) The analysis that constitute the principal basis for the Appraiser's opinion of the fair market value. The appraisal report shall contain the Appraiser's evaluation with respect to previous sales of the property appraised and any recent offer of the owner to sell the property. The appraisal report shall also contain the

Appraiser's analysis of each comparable property and its sale in relation to the property appraised. The Appraiser's analysis shall reflect appropriate allowances for the difference in the time of the sale of the comparable properties and the date of appraisal and the differences in the utility, desirability, and productivity of the properties that are pertinent to their relative value. The appraisal report shall contain a valuation data map showing the location of the property appraised and the comparable properties referred to in the appraisal report.

(4) All other information, analysis, and estimates considered by the appraiser to be relevant to the estimation of the fair market value of the property.

(5) If the property appraised is part of a larger parcel in the same ownership or is less than the entire interest of the owner in the property, the appraisal report shall contain the Appraiser's opinion of just compensation for taking of such property or interest, using the before-and-after method of valuation as interpreted under State law unless it is obvious that there would be no damages or benefits to the

remaining property or interest of the owner. However, if the part or interest to be taken can be more accurately estimated directly, that method may be used if permitted under State law, without estimating the fair market value of the entire property of the owner. The foregoing opinions of the Appraiser shall be supported in his report by the data and analysis by which he reached his conclusions.

For information purposes, the appraisal report shall also contain the Appraiser's estimates of the fair market value of the to-be acquired part of the whole property and the net damages or benefits to the remaining property of the owner. If in the opinion of the Appraiser, acquisition of the part of, or interest in, the property proposed for acquisition would leave the owner with an uneconomic remnant, the Appraiser shall furnish a separate estimate of the fair market value of a "parcel" comprising both the parcel proposed for acquisition and the uneconomic remnant. (A remainder parcel or interest shall be considered to be an uneconomic remnant if by itself it has little or no utility or value to the owner.)

(6) Such maps, plans, photographs, or other exhibits, as necessary, to explain or illustrate the analysis of the Appraiser.

(7) The Appraiser's evaluation of the indications of value deduced from his separate analysis of the various evidences of value and an explanation of how he reached his final conclusion as to the fair market value of the property.

(i) The opinion of the Appraiser as to the fair market value of the land, as if vacant. The valuation shall be for the same interest in the land as is to be acquired in the real property. The report shall contain information with respect to the available use or uses for which the land would be suitable if vacant, the opinion of the Appraiser as to its highest and best use, and the Appraiser's analysis of the evidences of value and of the use potential by which he reached his conclusions as to the highest and best use of the and the land value.

(j) A property analysis if the property is a commercial, industrial, institutional, governmental, or farm property that involves substantial quantities and kinds of fixtures such as machinery and equipment. Any building, structure fixture, or other improvement, which would be real property if owned by the owner of the land, shall be considered to be real property (even if the improvement is the property of a tenant who has the right to remove it or the obligation to remove it at the expiration of his term). The property analysis must be approved by the Agency before the appraisal is completed and, as approved by the Agency, shall be included as an exhibit in the Appraiser's report. The property analysis shall list, identify, and classify as to ownership and type of improvement, all items of physical property considered to be part of the real property. The property analysis shall also identify tangible personal property located on the premises to the extent reasonably necessary to prevent misunderstandings as to what is regarded as being real or personal property. Buildings, structures, fixtures and other improvements, including their accessories and spare parts, shall be identified and

classified as to ownership and type of property as follows:

(1) Ownership.

(i) Owner of the land.

(ii) Each tenant in occupancy.

(iii) Each non-occupant owner of any fixtures or other improvements, or personal property on the premises.

(2) Type of property.

(i) Building, structure, or fixed improvement.

(ii) Building equipment, removable.

(iii) Fixtures, classified as to whether economically removable for reuse, removable for salvage only, or irremovable.

(iv) Personal property, identified as to types and approximate amounts, or

otherwise, as needed to prevent misunderstandings as to the classification of any item.

If any building, structure, fixture of other improvement is not to be acquired, it will not be adversely affected by the Agency's project, and will not be required by the agency to be removed, such as a pipeline in an easement not to be acquired, such improvement shall be identified as excluded from the appraisal.

(k) If machinery and equipment or other fixtures used in a trade or business, farm operation, or institutional or governmental function constitute part of the real property, the appraisal report shall contain a separate schedule which provides separate estimates for each item, as prescribed below. If there is more than one owner of such items, a separate schedule shall be furnished for each owner. The information and conclusions to be furnished on each item are as follows:

(1) Description of the item, including, as appropriate, the manufacturer, model and serial number, size or capacity, age and condition, and degree of obsolescence. Accessories and spare parts, special foundations, and power wiring and process piping generally shall be listed separately, following the listing of the item(s) to which they apply.

(2) Estimate of the replacement cost installed of the item as listed and identified (exceeding any elements listed separately). Separately identify the basis of estimated replacement cost (new or used).

(3) The contributive (enhancement) value of the item to the fair market value of the real property as a whole.

(4) Estimated fair market value of the item for removal from the property at a purchaser's expense. Such value shall be considered to be the probable selling price if the item were offered for sale for removal from the property at the purchaser's expense, allowing a reasonable time to find a purchaser buying with knowledge of the uses and purposes for which it is adaptable and capable of being used, including salvage for serviceable components and scrap when it appears that will provide the highest value.

The schedule(s) of estimates shall be consistent, with the property analysis approved by the Agency, as provided in Paragraph 4 (j). The Appraiser is permitted to use the services of such technical specialists as may be needed to enable the Appraiser to provide valid estimates and sound valuations. The schedule(s) shall be supported by an explanation of the procedures followed in gathering the necessary market information and technical data. The principal purpose of the Appraiser's accompanying narrative, however, must be to explain his analysis and his evaluations of the dollar amount of the overall contribution of the machinery, equipment, and fixtures to the fair market value of the real property as a whole. The report shall contain any layout plans, sketches, or photographs that are reasonably necessary for locating or identifying the facilities or illustrating the Appraiser's analysis.

(l) <u>If there are separately held interests</u> in the real property to be acquired, such as easements, leasehold, air rights, life estates, and oil, gas, or mineral rights, and the division or ownership is not of such character as to destroy the practical unity of the property, the Appraiser shall apportion his estimate of the fair market value to the property (all interests in the property to be acquired) to each separately held interest. (However, tenant-owned improvements shall be valued in accordance with Paragraph 4 (m) below.) The report shall contain the data, analysis, and reasoning by which the Appraiser made the apportionment. If the "unit rule" is regarded as not applicable because the division of ownership is such as to diminish the fair market value of the property as a whole, the separate interests involved shall be appraised separately.

(m) <u>Tenant-owned improvements</u>. If any building, structure, fixture, or other improvement to the property is identified as being the property of a tenant who has the right or obligation to remove it as the expiration of his term, the Appraiser's estimate of the fair market value of the improvement shall be the greatest of (1) the amount which the improvement contributes to the fair market value of the property, (2) the in-place value of the improvement as part of the real property (the depreciated replacement cost of the improvement installed), or (3) the fair market value of the improvement for removal from the property at the purchaser's expense. The appraisal report shall state the basis for the valuation of the improvement and furnish the data and analysis on which the valuation was made.

(n) If the property is a multi-family or mixed-use (residential and non-residential) property and owner of a compensable interest in the property also occupies a dwelling in the property, the Appraiser shall furnish an apportionment of his estimate of the fair market value of the whole property to such dwelling and to the remainder of the property. For the purpose of this paragraph, an occupant of a dwelling shall be considered to own a compensable interest in the property if he holds fee title, a life estate, a 99-year lease, or a lease with not less than 50 years to run from the date of valuation, or holds an interest in a cooperative housing project which includes the right to occupy the dwelling, or is the contract purchaser of any of the foregoing estates or interests, or has a leasehold interest with option to purchase. The Appraiser's report shall explain how he made the apportionment.

ARTICLE 5. Services To Be Provided By Agency. The Agency agrees to furnish the Appraiser with the following:

(a) A map or plat, based on official records, of the property described in Article 1, showing the boundaries and dimensions of the parcels to be appraised. Each parcel shall be designated by a number, and the parcel numbers shown on the Appraiser's reports shall correspond to the parcel numbers shown on the map or plat. However, additional parcel numbers may be assigned by the Appraiser for easements appraised separately or for additional parcels revealed while making the appraisals. The Appraiser shall promptly advise the Agency of any such additions.

(b) An ownership data report for each parcel. That report will show all estates and interests in the parcel as shown of record and consequently shall not be assumed to accurately define the interests to be appraised. The ownership data report on each parcel as shown on the parcel map will include the following:

(1) The name (and address, if available) of the owner appearing on record;

(2) The legal description of the parcel as shown by the conveyance(s) by which the record owner acquired title;

(3) Identification of the conveyance(s) by which the present owner acquired title, including the date of the conveyance(s); the date, book and page numbers, and place of recordation; the name (and address, if available) of the grantor of such conveyance; the stated consideration; the amount of any mortgages or encumbrances placed on record or to which title was subject at time of conveyance (so far as determinable from an examination of the conveyance); and the amount of any State or local transfer taxes that were based on the amount of the consideration;

(4) Outstanding estates and other rights or interests of record, including easements, use restrictions, mineral rights, leases, and any know, but unrecorded, interests of other parties. Sufficient information shall be furnished to disclose the probable effect of such outstanding interests on the title of the record owner:

(5) Outstanding special assessments, if any, for public improvements such as streets, sidewalks, public utilities, and similar public facilities;

(6) The amount of real estate taxes for the current year and the assessed valuation stated separately for land and for improvements.

(c) Legal advice, upon request of the Appraiser, on legal matters affecting the appraisal of any property to be appraised.

ARTICLE 6. Payment. In consideration of the services provided by the Appraiser under this agreement, the Agency agrees to make payment to the Appraiser upon the submission to the Agency of properly certified invoices, as follows:

(a) For appraisal reports accepted by the Agency, and for all other services furnished in accordance with Article 3, except services furnished in connection with judicial proceedings under Paragraph 3 (b), the updating of appraisals under Paragraph 3 (c), and the valuation of reservations of rights in owners under Paragraph 3 (d), the lump sum of _____ dollars, which shall constitute full payment to the Appraiser for all of such services and for all supplies, materials, and equipment used or furnished by the Appraiser and all expenses incurred by the Appraiser in connection with the performance of such services.

(b) For services furnished by the Appraiser in connection with judicial proceedings as provided in Paragraph 3 (b) (except services as an expert witness in such a proceeding), the updating of appraisals as provided in Paragraph 3 (c), and the valuation of reservations of rights in owners as provided in Paragraph 3 (d), _____ dollars per hour or fraction of an hour actually engaged in performing the services, including travel expense and subsistence, shall be borne by the Appraiser.

(c) For services and an expert witness for the Agency in judicial proceedings as provided in Paragraph 3 (b), the Appraiser and the Agency hereby agree that the fair and reasonable compensation for the Appraiser's services shall be _____ dollars for each day's attendance in court.

ARTICLE 7. Agreements of Appraiser. As an inducement to the execution of this agreement by the Agency in consideration of the agreements to be performed by the Agency, the Appraiser agrees to the following:

(a) Qualifications. The Appraiser is qualified to perform the services to be furnished under this agreement and is permitted by law to perform such services, and all personnel engaged in the work shall be qualified and so permitted to do the work they perform. Attached as Attachment B, is a statement by the Appraiser, certified by him to be true and correct, setting forth his technical qualifications, general appraisal experience, specific experience in appraising properties of the type involved in this agreement, the courts in which he has testified as an expert witness, and other information pertinent to

establishing his technical qualifications.

(b) Solicitation of Agreement. The Appraiser has not employed any person to solicit this agreement and has not made, and will not make, any payment or any agreement for the payment of any commission, percentage, brokerage, contingent fee, or other compensation in connection with the procurement of this agreement.

(c) Interests of Appraiser and Appraiser's Employees. The Appraiser does not have any interest (including that of real estate agent or broker), direct or indirect, present or prospective, in any property described in Article 1 or in its sale, or any other interest, whether or not in connection with the property, which would conflict in any manner or degree with the performance of the services and the submission of impartial reports, and has not employed and will not employ, in connection with the services to be furnished under this agreement, any person having any such interest. Until the property is acquired by the Agency or excluded from its project by resolution of its governing body, the Appraiser and any employees of the Appraiser, so long as they are employed by the Appraiser, will not acquire any such interest and will not, for their own account or for other than the Agency, negotiate for any of the property, perform services in connection with the property, or testify voluntarily as a witness in a condemnation or other proceeding with respect to the property.

(d) Services To Be Confidential. All services, including reports, opinions, and information, to be furnished under this agreement are confidential and shall not be divulged, in whole or in part, to any person, other than to duly authorized representatives of the Agency, without prior written approval of the Agency, except by testimony under oath in a judicial proceeding or as otherwise required by law. The Appraiser shall take all necessary steps to ensure that no member of his staff or organization divulges any such information except as may be required by law.

(e) Facilities and Personnel. The Appraiser has and will continue to have proper facilities and personnel to perform the services and work agreed to be performed. If the Appraiser proposes to employ any person or persons to make any appraisals of machinery and equipment or other specialized elements or attributes of a property appraised under this agreement, the employment of such person or persons for such purpose shall not place the Agency under any obligation of such employee, nor relieve the Appraiser of full responsibility for the faithful performance of the services to be furnished under this agreement.

(f) Assignment. The Appraiser's rights, obligations, and duties under this agreement shall not be assigned in whole or in part, but shall not prohibit the assignment of the proceeds due under this agreement to a bank of financial institution. This agreement may be assigned by the Agency to any corporation, agency, or instrumentality having authority to accept the assignment.

(g) Subcontracting. None of the work or services covered by the agreement shall be subcontracted without the prior approval of the Agency.

(h) Records. The Appraiser shall maintain records of all details with respect to the services to be performed under this agreement, including one complete copy of each appraisal report and related notes, for three (3) years after delivering the report or until the property is acquired by the Agency or the acquisition is abandoned, whichever is later.

(i) Affidavits of Compliance. The Appraiser will, if requested by the Agency, furnish the Agency affidavits certifying compliance with the provisions of this Article 7.

ARTICLE 8. Changes. The Agency, by written notice to the Appraiser, may modify the scope of quantity of the services to be furnished under this agreement. If such changes cause and increase or decrease in the amount of services to be provided by the Appraiser or in the time required for their performance, equitable adjustment shall be made in the provisions of this agreement for payments to the Appraiser or for the time for performance of the services or for both, and this agreement shall be modified by agreement of the parties accordingly.

ARTICLE 9. Notices. Any action by the Agency under this agreement may be taken by _____, or such other person(s) as the Agency may, by written notice to the Appraiser, designate for such purpose. All notices to the Appraiser shall be considered to be properly given if mailed to the address specified below, or delivered personally to the Appraiser. All notices or other papers given to the Agency shall be considered to be sufficiently given if mailed, postage prepaid to _____, at _____ _____, or to such other representative or address as the Agency may designate to the Appraiser in writing.

ARTICLE 10. Contract For Professional Services. Contract must include the special Equal Opportunity and Supplemental Conditions found in the Public Facilities chapter of the Handbook.

IN WITNESS WHEREOF, the Agency and the Appraiser have executed this agreement on or as of the date first above written.

_____
(Appraiser)

_____
(Street Address)

_____
(City) (State) (Zip Code)

_____
(Agency)

By: _____

_____

## C-8: UNIFORM APPRAISAL STANDARDS FOR FEDERAL LAND ACQUISITIONS

### UNIFORM APPRAISAL STANDARDS FOR FEDERAL LAND AQUISITIONS

Background and Overview

The Uniform Appraisal Standards for Federal Land Acquisitions represents an effort to establish basic appraisal standards applicable to all real estate related transactions involving Federal agencies.

Federal agencies are a major consumer of appraisal services. Estimates show that a high percentage of all appraisal reports are in response to Federal programs involving direct loans, insured and guaranteed loans, direct acquisitions of guaranteed loans by a Federal agency to satisfy a default or other guarantee claim, and the sale, exchange, or acquisition of property, including through eminent domain. Consequently, Federal agencies have a responsibility for establishing and assuring implementation of appraisal standards which are cost-effective and protect the Government's financial interest. Depending on specific agency needs, additional requirements may be included in agency policy, manuals, or handbooks.

These standards were developed in consultation with the Federal Interagency Real Property Appraisal Committee (FIRPAC). This Committee was convened to encourage the development of uniform real property appraisal standards applicable to Federal agencies. In addition, the Committee seeks to assure the protection of the Federal Government's interest in the development and implementation of Title XI, Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989.

Individuals involved in appraising real property must comply with applicable State laws. Private appraisers performing assignments directly for an agency or under policies of a regulatory agency must meet applicable state regulatory requirements.

Federal agency staff appraisers (including agency reviewing appraisers) may be exempt from licensing or certification under State law, or Federal regulation or policy. However, it may be in the agency's interest to encourage staff appraisers and reviewing appraisers to meet State qualification standards. Each agency has the necessary flexibility to decide the qualifications necessary for individual appraisal problems as well as to maintain public confidence in its appraisal program.

Federal Standards

The Uniform Appraisal Standards for Federal Land Acquisitions recognize current Federal standards incorporated into law or referenced by various agencies in their regulations or manuals. These include:

"Uniform Appraisal Standards for Federal Land Acquisition" (1973) prepared by the Interagency Land Acquisition Conference; for a copy of these standards refer to the OCD website (www.doa.state.la.us/cdbg/policy_manuals.htm) or contact Mr. Cory Williams at (225)342-7412; and

"Government-wide appraisal standards contained in 49 CFR Part 24, published March 2, 1989 by the Department of Transportation, implementing appraisal provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended."

Both documents are applicable to the acquisition of real property. The Department of Transportation standards apply to 18 executive branch departments and agencies administering federal of federally assisted projects under the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended. These agencies will continue to comply therewith. Other agencies, including those that administer Federal credit programs, have regulations and procedures covering appraisal activity.

The Federal Real Property Appraisal Standards also take into consideration those standards developed by regulatory financial agencies in response to Title XI, FIRREA. Standards developed by the financial regulatory agencies reference the "Uniform Standards of Professional Appraisal Practice" (USPAP) and include additional appraisal requirements.

The Appraisal Subcommittee, created by Title XI, FIRREA, has responsibility for monitoring requirements established by States for _____ and licensing of appraisers, and appraisal standards developed by the Federal financial institutions regulatory agencies. The Subcommittee is also responsible for monitoring and reviewing practices, procedures, activities, and organizational structure of the Appraisal Foundation.

Professional Standards

The original USPAP was developed in an ad hoc committee composed of representatives of major appraisal organizations. These standards were later copyrighted in 1987 by the non-profit Appraisal Foundation. The Appraisal Standards Board of the Appraisal Foundation adopted the original USPAP at its organizational meeting on January 10, 1989. Sections I-III of the Standards have been revised with the most recent revisions approved June 5, 1990.

USPAP represents standards developed by professional appraisal organizations. These standards are applicable to activities involving the act or process of estimating value. The provide guidance regarding appraiser competency, preparation and documentation of appraisal reports and performance of the appraisal review function. To maintain the highest level of professional appraisal practice, appraisers are required to observe these standards.

Appraisal standards adopted by the States will be in accordance with generally accepted standards issued by the Appraisal Standards Board (ASB) of the Appraisal Foundation. State licensed and certified appraisers will be required to meet these standards.

Qualification standards for appraisers are established by the Appraiser Qualifications Board, a separate and independent board within the Appraisal Foundation.

These standards and those contained in 49 CFR Part 24 are consistent with provisions of USPAP as they relate to the preparation of unbiased, written appraisal reports estimating market value. Any deviations in 49 CFR Part 24 are attributable to legal and regulatory requirements associated with public acquisition of private property. Agencies identified in the government wide regulation shall continue to comply therewith.

Code of Practice

Appraisers involved in preparing appraisals for Federal or Federally assisted programs shall observe high standards of honesty, integrity, and fairness in preparing written appraisal reports. Appraisers shall:

- Possess the knowledge and experience necessary to complete the appraisal assignment competently;
- Not accept an assignment in which payment for appraisal services is contingent on reaching a predetermined conclusion of value, or on the estimated value of the property interest;
- Not knowingly commit errors or withhold pertinent information that would affect the estimate of market value;
- Report conclusions of value in a manner that is meaningful and does not mislead the client, parties to the transaction, or the public;
- Apply realistic assumptions and valuation methods consistent with market information;
- Disclose any instructions or extraordinary assumptions that may affect the estimate of market value; and
- Cooperate with investigators and authorities in providing factual information regarding an appraisal assignment.

Definitions

Applicable law, agency regulations, and practice may require the use of definitions other than those set forth below.

Appraisal or Appraisal report: A written statement independently and impartially prepared by a qualified appraiser setting forth an opinion of defined value of an adequately described property as of a specific date, supported by the presentation and analysis of relevant market information.

Appraiser: An individual who is qualified under applicable requirements to prepare or review appraisals in conjunction with real estate related transactions.

Complex real estate related transaction: Any transaction identified by agencies requiring the services of a certified or equivalent level appraiser.

Agencies should take into consideration the following:

(1) improved commercial or industrial properties;

(2) rural properties where the intended use is for the production of agricultural income or products;

(3) commercially valuable timber and mineral interests;

(4) acquisition of private property under eminent

(5) raw land with development potential; and

(6) requirements for a detailed appraisal (49 CFR Part 24, Subpart B).

Market value: The most probable price in cash, or terms equivalent to cash, which a property should bring in a competitive and open market under all conditions requisite to a fair sale, namely, that the buyer and seller each act without obligation, prudently, and knowledgeably, and the price is not affected by undue stimulus.

Qualified appraiser: An individual who meets applicable requirements and is accepted, approved, or designated by the agency.

Real estate related transaction: Any transaction involving:

(1) the sale, lease, purchase, investment in, or exchange of real property, including interests in property or the financing thereof;

(2) the refinancing of real property of interests in real property; and

(3) the use of real property or interests in property as security for a loan or investment, including mortgage-backed securities.

Review appraiser: A qualified appraiser or technically qualified individual designated to independently examine and evaluate an appraisal report for purposes of recommending, preparing, or approving an estimate of value.

State certified appraiser: Any individual who has satisfied the requirements for State certification or equivalent requirements in a State or territory whose criteria for a real estate appraiser currently meet the minimum criteria for certification issued by the Appraiser Qualification Board of the Appraisal Foundation.

State licensed appraiser: An individual who has satisfied the requirements for State licensing or equivalent requirements in a State or territory.

Appraiser Qualifications

Appraiser involved in real estate related transactions shall comply with applicable laws and requirements regarding appraiser qualifications. In those States not having State requirements, or where State laws governing the activities of appraisers have been found to be inadequate, agencies may implement standards consistent with those developed by the Appraisal Qualifications Board of the Appraisal Foundation.

In those States having State certification requirements, State certified appraisers shall be used for complex transactions identified by the agency. However, Federal agencies shall have discretion to establish qualification standards for its staff appraisers, including reviewing appraisers.

Appraisal Report Guidelines

Agency appraisal criteria should be consistent with USPAP and/or 24.103 of 49 CFR Part 24 and also with paragraph 5-3e HUD Handbook 1378, Tenant Assistance, Relocation and Real Property Acquisition. As necessary, agencies may establish appraisal standards in accordance with program specific objectives. Those standards may also include applicable provisions of USPAP.

Appraisal Review

Agency appraisal review criteria should be consistent with USPAP and/or 24.104 of 49 CFR Part 24 and also with paragraph 5-3e HUD Handbook 1378, Tenant Assistance, Relocation and Real Property Acquisition. Agency standards may include review appraisal provisions of the USPAP. Review criteria for appraisals made in connection with direct or indirect loan transactions shall be consistent with the level of risk in the loan transactions and at a minimum shall provide for a volume and level of review adequate to identify levels of risk in the loan portfolio as well as a representative sample of individual transactions.

## C-9: SAMPLE INVITATION TO ACCOMPANY AN APPRAISER

SAMPLE

INVITATION TO ACCOMPANY AN APPRAISER

September 27, 2004

Mrs. Elizabeth Richards
4143 Gus Young Avenue
West Linn, Louisiana 70801

Dear Mrs. Richards:

I have been requested by the City of West Linn to prepare an appraisal of your property on Gus Young Avenue. I will visit the property on October 4, 2004. If you wish to accompany me, please phone me at 331-4705 to arrange a mutually convenient time. If I do not hear from you by October 1, I will attempt to contact you by phone. If you do not make contact by October 3, I will assume that you do not wish to come with me when I go to inspect your property.

Sincerely,

Robert Baxter
Senior Appraiser

c: City Secretary
City of West Linn, Louisiana

MUST BE SENT CERTIFIED/REGISTERED MAIL
RETURN RECEIPT REQUESTED

## C-10: SHORT APPRAISAL FORM FOR SERVITUDE TAKINGS

SHORT APPRAISAL FORM FOR SERVITUDE TAKINGS

Project Name _____

Parcel Address _____

PROPERTY OWNER _____

ADDRESS _____

Owner invited to accompany Appraiser _____

Past Sales or Property (5 years) _____

Improvement to Property since last Sale _____

_____

LOT: Zoning _____ Area _____ Sq. Ft. _____ Acres _____

Highest and Best Use of Property: BEFORE _____ AFTER _____

Assessed valuation: Land _____ Buildings _____ Total _____

Unlawful Usage of Violation of Codes and Ordinances _____

_____

_____

VALUATION: BEFORE AND AFTER VALUE ESTIMATES

1. BEFORE Property Value . . . . . $_____

2. AFTER Property Value . . . . . $_____

3. VALUE PART TAKEN AND DAMAGES, IF ANY $_____

If damages to Property by reason of taking -- Explain _____

_____

_____

NOTE: Appraiser has summarized above data based on his investigation and appraisal of subject property. Full documentation for values assigned can be furnished upon request.

PHOTO OF PROPERTY

SKETCH OF PROPERTY
(Showing Part taken)

_____

FINAL VALUE ESTIMATE IS:

LAND $_____ BUILDINGS $_____ TOTAL $_____

_____

Date _____ Appraiser _____

Parcel or Tax Number _____ Address _____

_____

_____

## C-11: REVIEW APPRAISAL REPORT

REVIEW APPRAISAL REPORT

Project: _____

Block No: _____ Parcel No.: _____

Project Address: _____

City, State, Zip Code: _____

Appraisers Name(s)

1. _____

2. _____

Owner of Record _____

Type of Appraisals: _____ Fee Simple _____ Easement _____ Partial Take

Property Type _____ Zoning _____

Restrictions if any:

Date of Appraisal(s):

Was owner invited to accompany appraiser on the property inspection?

_____ Yes _____ No

Did the Appraiser(s) comply with the appraisal contract?

1. _____ Yes _____ No 2. _____ Yes _____ No

| | Appraiser No.1 | | | Appraiser No.2 | | |
|---|---|---|---|---|---|---|
| | Yes | No | N/A | Yes | No | N/A |
| I. DESCRIPTION | | | | | | |
| A. City Analysis Acceptable? | __ | __ | __ | __ | __ | __ |
| B. Neighborhood Analysis Acceptable? (Location, % Buildup, Value Range Stated, Present/Proposed Land Uses, Trends, Occupancy, Employment, Distances to Shopping, Recreation, Fire and Police Protection) | __ | __ | __ | __ | __ | __ |
| C. Acceptable Site Description | __ | __ | __ | __ | __ | __ |
| D. Acceptable Improvements Description | __ | __ | __ | __ | __ | __ |
| E. Acceptable Tax Information | __ | __ | __ | __ | __ | __ |
| F. Acceptable Highest and Best Use Analysis | __ | __ | __ | __ | __ | __ |

| | Appraiser No.1 | | | Appraiser No.2 | | |
|---|---|---|---|---|---|---|
| | Yes | No | N/A | Yes | No | N/A |
| II. APPRAISAL PROCESS | | | | | | |
| A. Direct Sales Comparison Approach | | | | | | |
| 1. Is the comparable sales data complete, i.e., sales date, grantor grantee, comparable address, deed book and page no., sales price, complete description. | __ | __ | __ | __ | __ | __ |
| 2. Is the adjustment analysis satisfactory? | __ | __ | __ | __ | __ | __ |
| 3. Did the appraiser explain the reason for each adjustment and is this reasonable? | __ | __ | __ | __ | __ | __ |
| 4. Is the market value reconciled correctly? (That is, no averaging and explanation is satisfactory.) | __ | __ | __ | __ | __ | __ |
| B. Cost Approach | | | | | | |
| 1. Did the appraiser provide adequate support for the land cost estimate? | __ | __ | __ | __ | __ | __ |
| 2. Did the appraiser provide adequate support for the building cost estimate? | __ | __ | __ | __ | __ | __ |
| 3. Did the appraiser use acceptable method of estimating accrued depreciation? | __ | __ | __ | __ | __ | __ |
| 4. Were all forms of depreciation supported? | __ | __ | __ | __ | __ | __ |
| 5. Is the Cost Approach Summary Acceptable? | __ | __ | __ | __ | __ | __ |
| C. Gross Rent Multiplier Analysis (Residential Property) | | | | | | |
| 1. Was the GRM properly developed by market supported rentals of recent sales? | __ | __ | __ | __ | __ | __ |

| | Appraiser No.1 | | | Appraiser No.2 | | |
|---|---|---|---|---|---|---|
| | Yes | No | N/A | Yes | No | N/A |
| 2. Is the market rent for the subject supported by market evidence? | __ | __ | __ | __ | __ | __ |
| 3. Is the market value by Gross Rent Multiplier Analysis acceptable? | __ | __ | __ | __ | __ | __ |
| D. Income Approach (Income Property | | | | | | |
| 1. Is the Gross Potential Income supported and is it reasonable? | __ | __ | __ | __ | __ | __ |
| 2. Is the Vacancy and Credit Loss Supported | __ | __ | __ | __ | __ | __ |
| 3. Is other income included? | __ | __ | __ | __ | __ | __ |
| 4. Is the Effective Gross Income acceptable? | __ | __ | __ | __ | __ | __ |
| 5.Are all fixed and variable operating expenses included and are they reasonable? | __ | __ | __ | __ | __ | __ |
| 6. Is the Net Operating Income acceptable? | __ | __ | __ | __ | __ | __ |
| 7. Was the capitalization rate properly developed? | __ | __ | __ | __ | __ | __ |
| 8. Is it reasonable? | __ | __ | __ | __ | __ | __ |
| 9. Is the capitalization value acceptable? | __ | __ | __ | __ | __ | __ |
| If an approach was not used, was an acceptable explanation provided? | __ | __ | __ | __ | __ | __ |
| RECONCILIATION AND FINAL VALUE ESTIMATE | | | | | | |
| A. Did the appraiser adequately explain how final value estimate was selected and was the explanation reasonable? | __ | __ | __ | __ | __ | __ |
| B. Are all math computations correct? | __ | __ | __ | __ | __ | __ |

Signature of Reviewer Title Date

III. First corrections required to make appraisal reports adequate and acceptable including deficiencies not listed above).

Appraiser #1

Appraiser #2

---

IV. Reviewer's Recommendation of Fair Market Value $

---

V. Explain the basis for the reviewer's recommendation of Fair Market Value (if there are two or more appraisals for each parcel, the reviewer should give a comparative analysis of each parcel, the reviewer should give a comparative analysis of each appraisal report, and his/her reasoning for accepting the appraised value of one of the appraisal reports).

---

VI. I hereby certify that I have inspected the subject property and the appraiser's comparable sales; that I have no interest in the property, either past, present, or contemplated; that except as noted, the appraisals are complete and technically acceptable; and that the appraisals meet the requirements of the Department of Housing and Urban Development, and of the appraiser's contracts.

Date: _____ Reviewer's Name & Title: _____

---

VII. It is recommended that the appraiser's fee of $_____

_____ Be Paid _____ Not be paid for the following reasons:

_____

_____

_____

_____The reviewer recommends that the locality hire another appraiser to appraise this parcel.

---

## C-12: VOLUNTARY ACQUISITION POLICY

VOLUNTARY ACQUISITION POLICY

On _____, the _____ passed Resolution _____, to establish a Voluntary Acquisition Policy for _____. The Policy Statement implements that Resolution. It will be published in the _____ to acquaint the citizens of this new policy.

Voluntary Acquisition shall be permitted if the property being acquired is not site specific and at least two properties in the community meet the criteria established by the _____ for the property or interest to be acquired. All voluntary acquisitions must be approved by _____ in principal prior to publication of a public notice or attendance at a property auction.

The _____ must publish a public notice inviting offers from property owners. This notice must:

1. accurately describe the type, size, and location of the property it wishes to acquire;
2. describe the purpose of the sale;
3. specify all terms and conditions of the sale, including a maximum price;
4. indicate that owner/occupants are not eligible for relocation benefits;
5. announce a time and place for receipt of offers; and
6. announce that the _____ shall not invoke its powers of condemnation to secure any property offered if a mutually satisfactory sale is not concluded, in order to acquire the property for the same purpose.

The _____ may also acquire property at public auction.

**SAMPLE**

**PUBLIC NOTICE FOR VOLUNTARY ACQUISITION OF REAL PROPERTY**

Under provisions of the Louisiana Community Development Block Grant Program, the (*name of grantee: City, Town, Village, Parish of..*) publicly invites response from owners with real property located in the LCDBG project area (shown on map below) who desire to sell their property to the (*name of grantee*) for the purpose of (*describe CDBG project*).

In addition:

- The property must be (*describe type, size, and location of the property the grantee wishes to acquire*);
- Offers to sell under this invitation for acquisition must be on a voluntary basis;
- Offers to purchase will not exceed $_____;
- If a mutually satisfactory agreement cannot be reached between (*name of grantee*) and seller, the (*name of grantee*) will not acquire the offered property;
- The (*name of grantee*) will not invoke its powers of condemnation to secure any property offered if a mutually satisfactory sale is not concluded, in order to acquire the property for the same purpose; and,
- Owner-occupants are not eligible for relocation benefits.

Interested property owners should contact the (*name of grantee, contact name, address, telephone number, and TDD number*) before (*date and time*).

(*insert project map here*)

C-13: ACQUISITION COMPOSITE LIST

# ACQUISITION COMPOSITE LIST

*(For "Uniform Act" Activities Only*

| Property Owner and/or Parcel Number | Purpose/ Use of Property | METHOD | | | | Date Acquired | Amount Paid |
|---|---|---|---|---|---|---|---|
| | | Purchase | Donation | Lease | Expropriated | | |
| | | | | | | | $ |
| | | | | | | | $ |
| | | | | | | | $ |
| | | | | | | | $ |
| | | | | | | | $ |
| | | | | | | | $ |
| | | | | | | | $ |
| | | | | | | | $ |
| | | | | | | | $ |
| | | | | | | | $ |
| | | | | | | | $ |
| | | | | | | | $ |
| | | | | | | | $ |

## C-14: REAL PROPERTY ACQUISITION CHECKLIST

REAL PROPERTY ACQUISITION CHECKLIST

(A separate file for each parcel acquired)

1. Title Search/Clearance of Title _____

2. If Applicable, Preliminary Acquisition Notice and Evidence of Receipt _____

3. If Applicable, Evidence of Invitation to Accompany Appraiser and Evidence of Receipt _____

4. Appraisal Report or Valuation _____

5. If Applicable, Review Appraisal Report _____

6. If Applicable, Written Statement of Just Compensation, and; _____

7. Written Offer to Purchase and Evidence of Receipt _____

8. Contract of Sale _____

9. Statement of Settlement Cost _____

10. Receipt for Purchase Price and Copies of Canceled Checks _____

11. Waiver, if a Donation _____

12. If Acquisition is Terminated, Notice of Intent Not to Acquire _____

13. If Expropriation, Seven Days Notice (State law requires a substantially longer notice period) _____

14. If Expropriation, a Court Judgment _____

## C-15: RESIDENTIAL ANTIDISPLACEMENT AND RELOCATION ASSISTANCE PLAN UNDER SECTION 104(D) OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974, AS AMENDED

**RESIDENTIAL ANTIDISPLACEMENT AND RELOCATION ASSISTANCE PLAN UNDER SECTION 104(d) OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974, AS AMENDED**

The (jurisdiction) will replace all occupied and vacant occupiable low/moderate-income dwelling units demolished or converted to a use other than as low/moderate-income housing as a direct result of activities assisted with funds provided under the Housing and Community Development Act of 1974, as amended as described in 24 CFR 570.606(b)(1). The (jurisdiction) Antidisplacement contact person is _____ who can be reached at (_____)_____.

All replacement housing will be provided within three years of the commencement of the demolition or rehabilitation relating to conversion. Before obligating or expending funds that will directly result in such demolition or conversion, the (jurisdiction) will notify the public and submit to the Division of Administration the following information in writing:

1. A description of the proposed assisted activity;

2. The general location on a map and approximate number of dwelling units by size (number of bedrooms) that will be demolished or converted to a use other than low/moderate-income dwelling units as a directly result of the assisted activity;

3. A time schedule for the commencement and completion of the demolition or conversion;

4. The general location on a map and approximate number of dwelling units by size (number of bedrooms) that will be provided as replacement dwelling units;

5. The source of funding and a time schedule for the provision of replacement dwelling units; and

6. The basis for concluding that each replacement dwelling unit will remain in a low/moderate-income unit for at least 10 years from the date of initial occupancy.

The (jurisdiction) will provide relocation assistance, as described in 570.606(b) (2), to each low/moderate-income household displaced by the demolition of housing or by the conversion of a low/moderate-income dwelling to another use as a direct result of assisted activities.

Consistent with the goals and objectives of activities assisted under the Act, the (jurisdiction) will take the following steps to minimize the displacement of persons from their homes;

1. All public facilities projects (water, sewer, gas, etc.) will be designed so that there will be no displacement of any residences or businesses;

2. No homes will be demolished that can be rehabilitated; and

3. There will be no displacement of any residential or business occupants on LCDBG projects.

RESOLUTION TO ADOPT RESIDENTIAL ANTIDISPLACEMENT AND

RELOCATION ASSISTANCE PLAN

WHEREAS, the (jurisdiction) has received approval of a Louisiana Community Development Block Grant Program for fiscal year _____ and

WHEREAS, the LCDBG Program requires that all grant recipients adopt by resolution a Residential Antidisplacement and Relocation Assistance Plan,

THEREFORE BE IT RESOLVED, that the (jurisdiction) hereby adopts the attached Residential Antidisplacement and Relocation Assistance Plan.

THUS DONE this _____ day of _____, 2003 in legal session in the (jurisdiction), Parish of _____ and State of Louisiana.

ATTEST:

_____ _____

MAYOR

_____ _____

CLERK

## C-16: RESIDENTIAL ANTIDISPLACEMENT AND RELOCATION ASSISTANCE CERTIFICATION

RESIDENTIAL ANTIDISPLACEMENT AND RELOCATION ASSISTANCE CERTIFICATION

The _____(jurisdiction)_____ hereby certifies that it is following a residential antidisplacement and relocation assistance plan and that it will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as required under S570.606(a) and HUD implementing regulations at 24 CFR Part 42; the requirements in S570.606(b) governing the residential antidisplacement and relocation assistance plan under Section 104(d) of the Housing and Community Development Act of 1974; the relocation requirements of S505.606(c) governing displacement subject to Section 104(d) of the Act; and the relocation requirements of 505.606(d) governing optional relocation assistance under Section 105(a)(11) of the Act.

_____ _____

DATE CHIEF ELECTED OFFICIAL

## C-17: RECOMMENDED LOCAL RELOCATION POLICY/GRIEVANCE PROCEDURE

RECOMMENDED LOCAL RELOCATION POLICY

Name of Agency to Contact:

_____

_____

_____

Address:

_____

_____

_____

Phone Number: _____

Hours of Availability: _____

Date Passed by City/Parish Council: _____

# LOCAL RELOCATION POLICY

WHEREAS, _____, Louisiana hereinafter referred to as the locality, is undertaking a Community Development Program under the provisions of the Housing And Community Development Act of 1974 (Public Law 93-383) and amendments thereto;

WHEREAS, the Housing and Community Development Act of 1974 requires compliance with the relocation requirements of the Uniform Relocation and Real Property Acquisition Policies Act of 1970, hereinafter referred to as the Uniform Act, and implementing regulations issued by the Department of Housing and Urban Development (CFR Title 24, Part 42) when the acquisition of real property occurs; and

WHEREAS, the locality wishes to provide a local policy covering all probable types of relocation which may be necessary in accomplishing CDBG related activities, the following policy is hereby adopted:

I. Permanent Relocation Including Acquisition

All persons, families, or businesses displaced as a result of acquisition, in whole or in part, shall be provided with relocation assistance and compensation as authorized by the Uniform Act. Procedures and forms shall be in accordance with the HUD Relocation Handbook 1378, as revised.

II. Temporary Relocation - Owner Occupied Unit

Program activities shall be planned and carried out in a manner that minimizes hardships to occupants of houses being rehabilitated in accordance with the CDBG program.

When a homeowner requests and receives a grant or loan for the purpose of rehabilitating his home, he becomes eligible for temporary relocation assistance providing the nature of the rehabilitation is such that the occupants could not continue to live in the dwelling during rehabilitation as determined by the contractor and the Housing Rehabilitation Specialist and approved by the Planning and Evaluation Administrator.

Arrangements will be made to provide temporary relocation assistance in accordance with the needs of those being temporarily displaced, including social services, counseling, guidance, assistance, and referrals.

Costs associated with a temporary move may be included in the rehab grant if no personal resources are available to the occupant of the dwelling to the rehabilitated. These costs normally may not exceed _____. Hardship situations will be considered on an individual basis. Costs which may be charged to the rehabilitation contract include:

Actual reasonable moving costs to the temporary relocation.

Actual reasonable cost of renting the temporary unit.
(Normally not to exceed _____ days.)

Actual reasonable cost for storage of furniture that cannot be housed in the temporary unit in the event that the family can find shelter for themselves but not their belongings.

Actual reasonable cost of moving from the temporary location back to the rehabilitated dwelling.

Eligible recipients shall not be relocated until the contractor is prepared to begin rehabilitation work and shall be returned to their homes immediately upon final inspection of their homes. All reasonable costs must be documented by dated invoices from the parties receiving the renumeration. Procedures and forms shall be in accordance with the HUD Relocation Handbook 1378, as revised.

If the unit was identified in the application for funding as a replacement unit, then the substandard unit can be demolished and a new replacement unit constructed provided all of the other provisions of these guidelines and the program are satisfied. If the unit was not identified in the application for funding as a replacement unit, then only if sufficient funding exists after all of the other units identified in the application for funding as eligible have been addressed, then the unit(s) not identified in the application for funding can be addressed based on their ranking by the grantee.

III. Tenant Assistance Policy

No tenant shall be considered displaced if the tenant has been offered a decent, safe, and sanitary dwelling unit in the project to be rehabilitated at an affordable rent.

No person displaced by rental rehabilitation activities will be discriminated against. All displaced persons shall be equally provided information, counseling, referrals, and relocation services.

No person shall be displaced because of age, race, color, religion, sex, handicap, or national origin.

All persons will be provided with information and counseling to familiarize tenants in the projects to be rehabilitated with (1) opportunities to select replacement dwellings from a full range of neighborhoods within the total housing market; (2) individual rights under the Fair Housing Law; and (3) how to search for suitable replacement housing.

IV. Permanent Relocation Without Acquisition

A. Basis:

The Demolition/Relocation Policy is designed to provide an avenue for addressing the housing needs of persons affected by actions of Federally supported Community Development Block Grant program. The basic purpose is to establish a local procedure whereby adequate, affordable, safe and sanitary housing can be provided to those persons displaced or forced to relocate as a result of housing rehabilitation activities and/or local code enforcement within the target neighborhood.

B. Approach:

This aspect of the policy addresses relocation activities which do not fall within the guidelines of the Uniform Act. This policy will be invoked in those cases where voluntary displacement and/or code related demolition of severely substandard housing units are required. Various alternatives are to be considered in providing relocation assistance to displacees, as follows:

1. Homeowners

Provision of a one-time relocation cash payment not to exceed _____, and total moving costs within a 25-mile radius.

The relocation payment will be based upon a per square foot replacement rate of _____ _____, as defined in Section 3. This rate will be reviewed at least annually to ensure current application.

Any homeowner electing to move to rental property shall be entitled to rental relocation only.

The relocation-housing unit shall meet safety, decency, and sanitation codes.

2. Tenants

Provision of a one-time relocation payment not to exceed $4,000, and total moving expenses within a 25-mile radius.

The total relocation payment will be based upon local rental rates for the specific bedroom category as defined by Section 8 Guidelines.

The relocation housing must meet safety, decency, and sanitation codes.

3. Payment

The relocation payment must be approved by the appropriate official.

4. Affordability

Under the local policy, rental cost shall be considered to be affordable, if the rent plus the high cost of utilities when not included in the rental rate, does not exceed the greater of the rent plus utilities paid by the tenant prior to the displacement activity or does not exceed 30 percent of the gross monthly income of all adult members of the tenant's household, including supplemental income from other public agencies whichever is higher. Purchase cost shall be considered affordable if the monthly housing cost, including the cost of all mortgage payments, real property taxes, and reasonable utility charges, does not exceed the greater of the monthly housing cost paid by the displacee prior to the displacement activity or does not exceed 30 percent of the gross monthly income of all adult members of the displacee's household, including supplemental income from other public agencies whichever is higher.

C. Basis for Relocation Payment

1. Homeowner Occupants

The payment for relocation is to be based on per square foot replacement rate of _____ _____, to a maximum of_____, with minimum square foot allowances defined as follows:

**ROOM SIZES**

| Location (l) | O-BR | 1&2-BR | 3-BR | Least Dimen. (2) |
|---|---|---|---|---|
| LR | N/A | 140 | 150 | 10'-10" |
| DR | N/A | 80 | 100 | 7'-8" |
| K | N/A | 50 | 60 | 5'-4" |
| K'ette | 20 | 25 | 40 | 3'-6" |
| BR(Dbl) | N/A | 110 | 110 | 8'-8" |
| BR(Sgl) | N/A | 70 | 70 | 7'-10" |
| LR/DA | N/A | 180 | 200 | (3) |
| LR/DA/K | N/A | 220 | 250 | (3) |
| LR/DA/SL | 220 | N/A | N/A | (3) |
| LR/SL | 190 | N/A | N/A | (3) |
| K/DA | 80 | 80 | 160 | (3) |
| K'ette/DA | 60 | 60 | 90 | (3) |

**NOTES:**

(1) Abbreviations:

| | |
|---|---|
| LU – Living Unit | K'ette – Kitchenette |
| LR – Living Room | BR - Bedroom |
| DR – Dining Room | SL – Sleeping Area |
| DA – Dining Area | N/A – Not Applicable |
| K – Kitchen | O-BR – No Separate BR |

Variations to these areas and dimensions may be permitted when existing partitions preclude precise compliance, and the available area of dimensions do not hinder furniture placement and the normal use of space.

(2) The lease dimension of each room function applies, except for the overlap or double use of space in combination rooms. It is anticipated that the square footages shown will be exceeded in virtually all cases.

2. Tenants

a. The payment for relocation is to be based upon comparable rental rates for local area as defined by current Section 8 Guidelines published in the Federal Register. The payment will be based upon a one-year period, but in no instance will the total relocation payment (excluding moving expenses) exceed _____. Any variation from this will be fully documented in the subject case file.

b. Reasonable expenses within a _____ radius of the neighborhood include such items as: (1) rental of vehicle trailer for moving purposes; (2) reimbursement of utility deposits; and (3) temporary relocation costs, as necessary.

c. In the event a displacee is relocated to subsidized rental unit (such as Section 8, 202, public housing, etc.), the relocation payment will be based upon the unsubsidized portion of the monthly rental payment only.

V. Characteristics of the Area

The specific target area, locally known as _____, is one of the most depressed areas within the locality. The area has a total population of 3,225 persons, of which 56 percent is minority and 86 percent is in the low/moderate income category. Of the total resident population, 17 percent is over the age of 62. Of the total housing stock, approximately 55 percent is substandard, and of these units, a significant number should be vacated and demolished.

VI. Example Relocation Plan

It is anticipated that few cases will require utilization to the Uniform Act provisions. There is no plan to acquire subject properties unless absolutely necessary. There are 2-3 occupied units which should be razed and the occupants relocated (in addition to those vacant units scheduled for demolition). These units are severely deteriorated beyond any possibility for rehabilitation. Even emergency repair is inadequate to address any significant portion of the problem. These units should be vacated through local code enforcement or voluntary action, and families should be relocated. Of the total number, three are owner occupied and the balance is composed of rental units.

Relocation will be under taken in accordance with procedures established herein. In order to assure maximum choice, referrals and relocation assistance will be provided to all displaces. This will include at a minimum:

contacting local housing lenders as necessary.

referrals to local realty agencies (multiple listing services).

transportation assistance as necessary.

provide contact lists of local rental complexes (both subsidized and unsubsidized).

assist with processing for Section 8, 202, PHA, etc., as applicable.

Whenever possible, tenant displaces will be afforded the opportunity to relocate to a subsidized unit under the Section 8 Existing or similar program.

VII. Applicable Regulations

The Demolition/Relocation Policy will be implemented in accordance with the following HUD regulations:

Section 1 of the Civil Rights Act of 1966 (42 U.S.C. 1982 et. seq.)

Title VI of the Civil Rights Act of 1965 (42 U.S.C. 200 d et. seq.)

Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601 et. seq.)

The National Governmental Policy Act of 1969 (42 U.S.C. 4321-4347)

Executive Order 11063, Equal Opportunity in Housing (2 CFR Comp. 1964-65, page 652)

Executive Order 11246, Equal Employment Opportunity (3 CFR Comp. 1971, page 339, as amended)

Executive Order 11625, Minority Business Enterprise (3 CFR Comp. 1971, page 213 (ref. 1276.1:9/79-11-4))

VIII. Grievance Procedures

See Attached Procedure.

**GRIEVANCE PROCEDURE**

Grounds

You have the right to appeal any action of the City/Parish on the following grounds:

failure to properly determine your eligibility for, or the amount of, a relocation or other payment due you under the Uniform Act;

refusal to waive the time limit for filing a claim or the one-year purchase and occupancy requirement;

failure to properly inspect the replacement dwelling;

failure to comply with a requirement of 24 CFR 42.209 (Availability of Comparable Replacement Dwellings Prior to Displacement); and

failure to comply with a requirement of 24 CFR 42.207 (Notice of Right to Continue in Occupancy).

Your acceptance of the amount offered you by the City/Parish does not limit your right to appeal the City/Parish's determination and seek a larger payment.

Methods and Time Limits for Initiating an Appeal

If your appeal concerns your eligibility for, or the amount of, a payment, you must file your appeal with 6 months after the City/Parish notifies you of its determination on your claims.

If your appeal concerns an alleged failure to provide appropriate housing referrals or to properly inspect the replacement dwelling or to comply with 24 CFR 42.209 (Availability of Comparable Replacement Dwellings Prior to Displacement), you must file your appeal with 6 months after you have been displaced from your home or apartment.

If your appeal concerns an alleged failure to comply with 24 CFR 42.207 (Notice of Right to Continue in Occupancy), you must file your appeal no later than 6 months after (a) your permanent move from your home or apartment; or (b) the end of the four-year occupancy period, whichever comes first.

If you appeal concerns the City/Parish's refusal to waive the one-year purchase and occupancy requirement, your appeal must be filed within 30 days after the refusal.

You may make a request to the City/Parish, either orally or in writing, to make an oral repeal. The City/Parish will provide you with the opportunity for an oral presentation within 15 days of your request. If the City/Parish does not grant your grievance, you will be so notified and informed you have the right to make a written appeal. However, the request for an oral presentation does not entitle you to any postponement of displacement.

You may also file a written request for review. In your written request for review, you may include any statement of fact or other material which you feel has a bearing on your appeal. If more time is needed to gather and prepare additional material for review, you may be granted additional time so you have at least 30 days from the date of receiving notification of the decision concerning your appeal. If you need assistance in preparing your material, the City/Parish will help you and will also tell you about other available sources of assistance. After you have submitted the new information in support of your request for review, the City/Parish will reach a decision within 30 days. It will send you a copy of the decision, a statement of the facts and legal basis upon which it is based, a description of how any new payments or relief will be provided to you, and, if your appeal was not totally granted, a statement of your right to appeal the City/Parish's decision to the Louisiana Division of Administration where you can file such an appeal.

Appeal to the State of Louisiana

If the City/Parish disapproves your appeal, you are entitled to a review by the Louisiana Division of Administration. You may obtain a State review by sending a written request to the Division of Administration, Office of Community Development, within 30 days after you receive the review findings from the Division. You will receive a letter containing the State's decision, together with a written statement of the facts upon which the decision is based.

In any review of your appeal by the City/Parish or the State, you have the right to be represented by a lawyer of other counsel, and you may appeal any final decision by the State to the Courts.

If you have any questions concerning these procedures, do not hesitate to contact:

Ms. Ellen Smith, Relocation Officer

City Hall, West Linn, Louisiana 70801

or telephone: 555-1212

_____
Occupant's Signature

_____
City/Parish Representative

_____

_____
Date

_____
Occupant's Address

## C-18: RELOCATION ASSISTANCE TO TENANTS DISPLACED FROM THEIR HOMES AND RELOCATION ASSISTANCE TO DISPLACED HOMEOWNERS (BROCHURES)

**U.S. Department of Housing and Urban Development**
Office of Community Planning and Development

**RELOCATION ASSISTANCE TO TENANTS DISPLACED FROM THEIR HOMES**

# Introduction

This booklet describes the relocation payments and other relocation assistance provided under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) to tenants displaced from their homes. This includes any family or individual that must move as a direct result of rehabilitation, demolition or acquisition for a project in which Federal funds are used.

If you are notified that you will be displaced, it is important that you **do not move** before you learn what you must do to receive the relocation payments and other assistance to which you are entitled.

***Pursuant to Public Law 105-117, aliens not lawfully present in the United States are not eligible for relocation assistance, unless such ineligibility would result in exceptional hardship to a qualifying spouse, parent, or child. All persons seeking relocation assistance will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.***

This booklet may not answer all of your questions. If you have more questions about your relocation, contact the Agency responsible for the project. (Check the back of this booklet for the name of the person to contact at the Agency.) Ask your questions before you move. Afterwards, it may be too late.

# Summary of Relocation Assistance

As an eligible tenant displaced from your home, you will be offered the following advisory and financial assistance:

- **Advisory Services**. This includes referrals to comparable and suitable replacement homes, the inspection of replacement housing to ensure that it meets established standards, help in preparing claim forms for relocation payments and other assistance to minimize the impact of the move.
- **Payment for Moving Expenses**. You may choose either a:
  - **Payment for Your Actual Reasonable Moving and Related Expenses**, or
  - **Fixed Moving Expense and Dislocation Allowance**.

- **Replacement Housing Assistance**. To enable you to rent, or if you prefer, buy a comparable or suitable replacement home, you may choose either:
  - **Rental Assistance**, or
  - **Purchase Assistance**.

If you disagree with the Agency's decision as to the relocation assistance for which you are eligible, you may appeal that decision.

## General Questions

### How Will I Know I Am Eligible For Relocation Assistance?

You should receive a written notice explaining your eligibility for relocation assistance. You should not move before receiving that notice. If you do, you may not receive relocation assistance.

### How Will The Agency Know How Much Help I Need?

You will be contacted at an early date and personally interviewed by a representative of the Agency to determine your relocation needs and preferences for replacement housing and advisory services. The interviewer will ask certain questions about you and other members of your household, including questions about your income. It is to your advantage to provide the information so that the Agency can assist you in moving with a minimum of hardship. The information you give will be kept in confidence.

### How Soon Will I Have To Move?

If possible, a mutually agreeable date for the move will be worked out. You will be given enough time to make plans for moving. Unless there is a health or safety emergency, you will not be required to move without at least 90-days advance written notice of (1) at least one "comparable replacement home" that is available to you and (2) the earliest date by which you must move.

### What Is A Comparable Replacement Home?

A comparable replacement home is:

- Decent, safe, and sanitary.
- Functionally equivalent to (and equal or better than) your present home.
- Actually available for you to rent.
- Affordable.
- Reasonably accessible to your place of employment.
- Generally as well located with respect to public and commercial facilities, such as schools and shopping, as your present home.

- Not subject to unreasonable adverse environmental conditions.
- Available to all persons regardless of race, color, religion, sex, or national origin.

**What is Decent, Safe, and Sanitary Housing?**

Decent, safe, and sanitary housing is housing that:

- Meets applicable housing and occupancy requirements.
- Is structurally sound, weathertight, and in good repair.
- Contains a safe, adequate electrical wiring system.
- Has adequate living space for the occupants.
- Has a kitchen with a sink, hot and cold running water, and connections for a stove and refrigerator (if you were displaced from a housekeeping unit).
- Has a separate, complete bathroom with hot and cold running water.
- Has heating as required by climatic conditions.
- Has an unobstructed exit to safe, open space at ground level.
- Meets standards protecting occupants from lead-based paint hazards.
- If you are physically handicapped, is free of any barriers which would preclude your reasonable use of the unit.

**Will The Agency Help Me Find A Replacement Home?**

Yes. You will be provided with referrals to housing that has been inspected to ensure that it meets established standards. If possible, you will be referred to at least three comparable replacement homes. The maximum financial assistance for which you may qualify will be based on the cost of the most representative comparable replacement home that is available to you. Promptly after you become eligible for relocation assistance, the Agency will inform you of such unit and the maximum payment available.

Once the Agency representative has a clear understanding of your needs and preferences, he or she will work with you to assure that you are given the best possible choice of housing. The Agency will offer you appropriate transportation to inspect these units.

If you would like to move to government-owned housing or obtain a Section 8 "housing voucher" or "certificate," let the Agency representative know of your interest. Generally, an eligible displaced person receives preference for such long-term housing assistance. You will be given assistance in completing any required application forms.

**What If I Find My Own Replacement Housing?**

You have every right to find your own replacement housing. However, before you rent or buy, ask the Agency to inspect the unit to make sure that it is decent, safe, and sanitary. If the

housing unit is not decent, safe, and sanitary, you will not receive a replacement housing payment.

**What If I Encounter A Problem In Obtaining Housing Of My Choice?**

If you encounter a problem in buying or renting housing of your choice, notify the Agency immediately. The Agency will look into the matter and try to resolve it. You will receive this

help whether you were referred to the housing unit or found it yourself.

If you are unable to buy or rent a housing unit because of discriminatory practices on the part of a real estate broker, rental agent, lender, or a property owner, the Agency will help you file a formal housing discrimination complaint with the U.S. Department of Housing and Urban Development or the appropriate State or local fair housing agency.

**What Other Services Will I Receive?**

In addition to help in obtaining a comparable replacement home, other assistance, as necessary, will be provided in order to minimize the impact of your move. This assistance may include referral to appropriate public and private agencies that provide services concerning housing financing, employment, health, welfare, or legal assistance. The range of services depends on the needs of the person being displaced. You should ask the Agency representative to tell you about the specific services that will be available to help you and your family.

**What Is a Payment For Actual Reasonable Moving and Related Expenses**?

You may choose to receive a relocation payment to cover the reasonable cost of your move. If you choose a Payment For Actual Reasonable Moving And Related Expenses, you may include in your claim the reasonable and necessary costs for:

- Transportation for you and your family.
- Packing, moving and unpacking your household goods.
- Disconnecting and reconnecting household appliances and other personal property (e.g., telephone and cable TV).
- Storage of household goods, as may be necessary.
- Insurance for the replacement value of your property during the move and necessary storage.
- The replacement value of property lost, stolen or damaged in the move (but not through your neglect) if insurance is not reasonably available.

The Agency will explain all eligible moving costs, as well as those which are not eligible. You must be able to account for any costs that you incur, so keep all your receipts. Select your mover with care. The Agency can help you select a reliable and reputable mover.

You may elect to pay your moving costs yourself and be repaid by the Agency or, if you prefer, you may have the Agency pay the mover. In either case, let the Agency know before you move.

**What Is A Fixed Moving Expense And Dislocation Allowance**?

If you choose a Fixed Moving Expense and Dislocation Allowance, you will receive an allowance which is based on the number of rooms in your home or the number of rooms of furniture you will be moving, as shown on a schedule. The Agency has a copy of the schedule and will help you decide whether choosing this allowance is in your best interest.

If you do not have a large amount of personal property to move, this payment should be more advantageous. No special documentation is required to support your claim. You need only move your personal property and complete the appropriate claim form in order to receive your payment.

**How Much Rental Assistance Will I Receive**?

You may be eligible to receive Rental Assistance for a 42-month period. The assistance is computed in the following manner:

The assistance needed for one month is determined by subtracting the "base monthly rent" for your present home from the cost of rent and utilities for your new home (or a comparable replacement home, if that cost is lower). That monthly need, if any, is multiplied by 42, to determine the total amount that you will receive. This amount will be paid directly to you. The Agency must provide the assistance in monthly installments or other periodic payments. Generally, the base monthly rent for your present home is the lesser of: (1) the monthly rent and average monthly cost for utilities, or (2) thirty (30) percent of your average monthly gross household income.

**Examples**: Let's say that the monthly rent and average cost for utilities for your present home are $250; the monthly rent and estimated average utility costs for a comparable replacement home are $350; and your monthly gross income is $700. In this case your "base monthly rent" would be $210 because that amount (30 percent of your income) is less than the monthly cost of rent and utilities at your present home ($250).

- If you rent a replacement home for $360 per month, including estimated average monthly utility charges, you will receive $5,880. That amount is 42 times $140 (the difference between the "base monthly rent" for your present home ($210) and the cost for a comparable replacement home ($350)).
- If you rent a replacement home for $310, including estimated average monthly utility charges, you will receive $4,200. That amount is 42 times $100 (the difference between the "base monthly rent" for your present home ($210) and the actual cost of your new home ($310)).

To qualify for rental assistance, you must rent and occupy a decent, safe, and sanitary home within one year after the date you move. However, the Agency will extend this period for good cause.

**If I Decide to Buy, Rather Than Rent, How Much Assistance Will I Receive?**

If you buy a replacement home, you may be eligible for assistance to make a down payment equal to the amount you would receive if you rented a comparable replacement home (i.e., 42 times the amount obtained by subtracting the "base monthly rent" for your present home from the monthly rent and estimated average monthly utility costs for a comparable replacement home). A down payment assistance payment will be paid in a lump sum.

**Example**: Assuming the information in the prior examples, the down payment assistance payment would be $5,880. That amount is 42 times $140 (the difference between the "base monthly rent" for

your present home ($210) and the monthly rent and estimated average monthly utilities cost for a comparable replacement home ($350). The full amount of the payment must be applied to the purchase of the replacement dwelling.

**Must I File A Claim To Obtain A Relocation Payment**?

Yes. You must file a claim for each relocation payment. The Agency will, however, provide you with the required claim form, help you to complete it, and explain the type of documentation, if any, that you must submit in order to receive the payment.

If you must pay any relocation expenses before you move (e.g., a security deposit when you sign a lease for your new home), discuss your financial needs with the Agency. You should be able to obtain an advance payment to meet these costs. An advance payment may be placed in "escrow" or paid directly to a contractor to ensure that the move will be completed on a timely basis.

You must file your claim within 18 months after the date you move. However, it is to your advantage to file as soon as possible after you move. The sooner you submit your claim, the sooner it can be processed and paid. If you are unable to file your claim within 18 months, ask the Agency to extend this period.

Be careful not to confuse this 18-month period with the 12-month period within which you must rent (or buy) and occupy a replacement dwelling in order to be eligible for a replacement housing payment.

You will be paid promptly after you file an acceptable claim. If there is any question regarding your right to a relocation payment or the amount of the payment, you will be notified, in writing, of the problem and the action you may take to resolve the matter.

**Will I Have To Pay Rent To The Agency Before I Move?**

If the Agency acquires the property in which you live, you may be required to pay a fair rent to the Agency for the period between the acquisition of the property and the date that you move. Such rent will not exceed the market rent for comparable properties in the area.

**Do I Have To Pay Federal Income Taxes On My Relocation Payments?**

No. Section 216 of the URA states that you need not report relocation payments as part of your gross income for Federal tax purposes. For information on State or local income taxes, you should check with the State or local income tax office in your area or with your personal tax advisor.

**What If I Don't Receive The Required Assistance. Can I Appeal**?

If you disagree with the Agency's decision as to your right to relocation assistance or the amount of a payment, or the adequacy of the housing to which you have been referred, you may appeal the decision to the Agency.

The Agency will inform you of its appeal procedures. At a minimum, you will have 60 days to file your appeal with the Agency after you receive written notification of the Agency's determination on your claim. Your appeal must be in writing. However, if you need help, the Agency will assist you in preparing your appeal.

If you are a low- or moderate-income person and are dissatisfied with the Agency's determination on your appeal, you may have an additional right to request administrative review of that decision (e.g., by HUD or the State).

You can expect a fair decision on any appeal. However, if you are not satisfied with the final administrative decision on your appeal, you may seek review of the matter by the courts.

**I Have More Questions. Who Will Answer Them**?

If you have further questions after reading this booklet, contact the Agency and discuss your concerns with an Agency representative.

Agency _____

Address _____

_____

Office Hours _____ Telephone No. _____

Person to Contact _____

HUD-1042-CPD

September 2002

(Previous Edition Obsolete)

**U.S. Department of Housing and Urban Development**
Office of Community Planning and Development

# RELOCATION ASSISTANCE TO DISPLACED HOMEOWNERS

## Introduction

This booklet describes the relocation payments and other relocation assistance provided under the **Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended** (URA) to most homeowners whose home is acquired by a public agency for a Federal project or a project in which Federal funds are used.

To be eligible for the assistance described in this booklet, you must have owned and occupied your home for at least 180-days before the Agency offered to buy it.

If you are notified that your home will be acquired and you will be displaced, it is important that you **do not move** before you learn what you must do to receive the relocation payments and other assistance to which you are entitled.

***Pursuant to Public Law 105-117, aliens not lawfully present in the United States are not eligible for relocation assistance, unless such ineligibility would result in exceptional hardship to a qualifying spouse, parent, or child. All persons seeking relocation assistance will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.***

This booklet may not answer all of your questions. If you have more questions, contact the Agency responsible for the project. (Check the back of this booklet for the name of the person to contact at the Agency.) Ask your questions before you move. Afterwards, it may be too late.

## Summary of Relocation Assistance

As an eligible displaced homeowner, you will be offered the following advisory and financial assistance:

- **Advisory Services**. This includes referrals to comparable and suitable replacement homes, the inspection of replacement housing to ensure that it meets established standards, help in preparing claim forms for relocation payments and other assistance to minimize the impact of the move.
- **Payment for Moving Expenses**. You may choose either a:
    - **Payment for Your Actual Reasonable Moving and Related Expenses**, or
    - **Fixed Moving Expense and Dislocation Allowance**.

- **Replacement Housing Assistance.** To enable you to buy or, if you prefer, rent a comparable or suitable replacement home, you may choose either:
    - **Purchase Assistance, or**
    - **Rental Assistance.**

If you disagree with the Agency's decision as to the relocation assistance for which you are eligible, you may appeal that decision.

## General Questions

### Will I Be Paid For My Property Before I Have To Move?

If you reach a voluntary agreement to sell your property to the Agency, you will not be required to move before you receive the agreed purchase price. If the property is acquired through an eminent domain proceeding, you cannot be required to move before the estimated fair market value of the property has been deposited with the court. (You should be able to withdraw this amount immediately, less any amounts necessary to pay off any mortgage or other liens on the property and to resolve any special ownership problems. Withdrawal of your share of the money will not affect your right to seek additional compensation for your property.)

### Will I Have To Pay Rent To The Agency Before I Move?

You may be required to pay a fair rent to the Agency for the period between the acquisition of your property and the date that you move. The rent will not exceed that charged for the use of comparable properties.

### How Will I Know I Am Eligible For Relocation Assistance?

You should receive a written notice explaining your eligibility for relocation assistance. You will become eligible for relocation assistance on the date you receive the Agency's written offer of "just compensation" to purchase your home. You should not move before receiving that purchase offer. If you do, you may not receive relocation assistance. For information about the acquisition of your home, ask the Agency for a copy of the booklet, "When a Public Agency Acquires Your Property."

### How Will The Agency Know How Much Help I Need?

You will be contacted at an early date and personally interviewed by a representative of the Agency to determine your relocation needs and preferences for replacement housing and advisory services. The interviewer will ask certain questions about you and other members of your household. It is to your advantage to provide the information so that the Agency can assist you in moving with a minimum of hardship. The information you give will be kept in confidence.

**How Soon Will I Have To Move?**

If possible, a mutually agreeable date for the move will be worked out. You will be given enough time to make plans for moving. Unless there is a health or safety emergency, you will not be required to move without at least 90-days advance written notice of (1) at least one "comparable replacement home" that is available to you and (2) the earliest date by which you must move. Moreover, you will not have to move for at least 30 days after your property is acquired.

**What Is A Comparable Replacement Home?**

A comparable replacement home is:

- Decent, safe, and sanitary.
- Functionally equivalent to (and equal or better than) your present home.
- Actually available for you to buy.
- Affordable. (Ordinarily, there is no increase in monthly mortgage payments for principal and interest.)
- Reasonably accessible to your place of employment.
- Generally as well located with respect to public and commercial facilities, such as schools and shopping, as your present home.
- Not subject to unreasonable adverse environmental conditions.
- Available to all persons regardless of race, color, religion, sex, or national origin.

**What is Decent, Safe, and Sanitary Housing?**

Decent, safe, and sanitary housing is housing that:

- Meets applicable housing and occupancy requirements.
- Is structurally sound, weathertight, and in good repair.
- Contains a safe, adequate electrical wiring system.
- Has adequate living space for the occupants.
- Has a kitchen with a sink, hot and cold running water, and connections for a stove and refrigerator.
- Has a separate, complete bathroom with hot and cold running water.
- Has heating as required by climatic conditions.
- Has an unobstructed exit to safe, open space at ground level.
- Meets standards protecting occupants from lead-based paint hazards.
- If you are physically handicapped, is free of any barriers which would preclude your reasonable use of the unit.

**Will The Agency Help Me Find A Replacement Home?**

Yes. You will be provided with referrals to housing that has been inspected to ensure that it

meets established standards. If possible, you will be referred to at least three comparable replacement homes. The maximum financial assistance for which you may qualify will be based on the cost of the most representative comparable replacement home that is available to you. When the Agency gives you its initial written purchase offer, it will inform you of such unit and explain the maximum assistance available.

Once the Agency representative has a clear understanding of your needs and preferences, he or she will work with you to assure that you are given the best possible choice of housing and offer you transportation to inspect these units.

If there is a mortgage on your present home, the Agency will refer you to lenders that can provide mortgage financing for your new home. If the money paid for your old home is applied to the purchase of your new home, there should not be any increase in the number or amount of your monthly payments for mortgage interest and principal.

**What If I Find My Own Replacement Housing?**

You have every right to find your own replacement housing. However, before you buy or rent, ask the Agency to inspect the unit to make sure that it is decent, safe, and sanitary. If the housing unit is not decent, safe, and sanitary, you will not receive a replacement housing payment.

**What If I Encounter A Problem In Obtaining Housing Of My Choice?**

If you encounter a problem in buying or renting housing of your choice, notify the Agency immediately. The Agency will look into the matter and try to resolve it. You will receive this help whether you were referred to the housing unit or found it yourself.

If you are unable to buy or rent a housing unit because of discriminatory practices on the part of a real estate broker, rental agent, lender, or a property owner, the Agency will help you file a formal housing discrimination complaint with the U.S. Department of Housing and Urban Development or the appropriate State or local fair housing agency.

**What Other Services Will I Receive?**

In addition to help in obtaining a comparable replacement home, other assistance, as necessary, will be provided in order to minimize the impact of your move. This assistance may include referral to appropriate public and private agencies that provide services concerning housing financing, employment, health, welfare, or legal assistance. The range of services depends on the needs of the person being displaced. You should ask the Agency representative to tell you about the specific services that will be available to help you and your family.

**What Is a Payment For Actual Reasonable Moving And Related Expenses?**

You are entitled to a relocation payment to cover the reasonable cost of your move. If you choose a Payment For Actual Reasonable Moving And Related Expenses, you may include in your claim the reasonable costs for:

- Transportation for you and your family.
- Packing, moving and unpacking your household goods.
- Disconnecting and reconnecting household appliances and other personal property (e.g., telephone and cable TV).
- Storage of household goods, as may be necessary.
- Insurance for the replacement value of your property during the move and necessary storage.
- The replacement value of property lost, stolen or damaged in the move (but not through your neglect) if insurance is not reasonably available.

The Agency will explain all eligible moving costs, as well as those which are not eligible. You must be able to account for any costs that you incur, so keep all your receipts. Select your mover with care. The Agency can help you select a reliable and reputable mover.

You may elect to pay your moving costs yourself and be repaid by the Agency or, if you prefer, you may have the Agency pay the mover. In either case, let the Agency know before you move.

**What Is A Fixed Moving Expense and Dislocation Allowance?**

If you choose a Fixed Moving Expense and Dislocation Allowance, you will receive an allowance which is based on the number of rooms in your home or the number of rooms of furniture you will be moving, as shown on a schedule. The Agency has a copy of the schedule and will help you decide whether choosing this allowance is in your best interest.

If you do not have an unusually large amount of personal property to move, this payment should be more advantageous. No special documentation is required to support your claim. You need only move your personal property and complete the appropriate claim form in order to receive your payment.

**I Want To Buy Another Home. How Much Purchase Assistance Will I Receive?**

To help you buy a comparable replacement home, you will receive Purchase Assistance equal to the sum of the following three costs:

**Purchase Price Differential**. If the cost of replacement housing exceeds the amount the Agency pays for your present home, you will be paid the difference. The Agency will inform you in writing of the location and cost of comparable replacement housing (and explain the basis of its determination) so that you will know in advance how much assistance you may receive. That information should help you decide how much you wish to pay for replacement housing.

You are free to purchase any decent, safe and sanitary housing unit of your choice. If the purchase price is less than the cost of a comparable replacement home, the payment will be limited to the actual difference. If it exceeds the cost of a comparable replacement home, the payment will be based on the cost of a comparable home.

**Examples:** Let's say that the Agency pays $20,000 to purchase your home and that a comparable replacement home costs $30,000.

If you pay $29,000 for a replacement home, you would receive a $9,000 differential payment (the difference between the Agency's payment for the acquisition of your home and the cost of your replacement home).

If you pay $32,000 for the replacement home, you would receive a $10,000 differential payment (the difference between the Agency's acquisition payment and the cost of the comparable replacement home).

**Mortgage Interest Differential Payment**. This amount covers the "present value" of the additional costs required to finance the purchase of a replacement home that result if the interest rate you must pay for a new mortgage is higher than the interest rate on the mortgage on your present home. It also covers other debt service costs. The payment is based on the lesser of: the mortgage balance on your present home or your new mortgage amount. To be eligible, the mortgage on your home must have been a valid lien for at least 180-days before the Agency's initial written purchase offer for your home.

You should provide the Agency with a copy of your mortgage(s) as soon as possible. Based on that information and the prevailing terms and conditions of new mortgage financing, the Agency will compute the approximate mortgage interest differential payment for which you will be eligible, inform you of that amount and explain the conditions on which it is based. The payment will be made available with the purchase price differential in a timely manner to reduce the amount you must borrow to buy your new home.

**Incidental Expenses**. This amount covers those extra costs typically charged when one buys real property, such as the cost of preparing the deed and recording fees; the cost of title insurance, revenue stamps and transfer taxes (not to exceed the cost for comparable replacement housing); loan application, loan origination and appraisal fees; the cost of a credit report; and the cost for a certification of structural soundness or termite inspection when required. It does not cover prepaid expenses, such as property taxes and insurance.

Remember, your total payment is the sum of the purchase price differential, mortgage interest differential, and incidental expenses. If you are not eligible for one of these costs, you may still be eligible for the others.

To qualify for the payment, you must purchase and occupy a decent, safe and sanitary replacement home within one year after the later of: the date you move or the date you receive the final payment for the acquisition of your present home. However, the Agency will extend this period for good cause.

**If I Decide To Rent, Rather Than Buy, Another Home, How Much Assistance Will I Receive?**

If you decide to rent rather than buy a replacement home, you may be eligible to receive **Rental Assistance**. The assistance covers a 42-month period and is computed in the following manner.

The assistance needed for one month is determined by subtracting the "base monthly rent" for your present home from the cost of rent and utilities for your new home (or a comparable replacement home, if that cost is lower). That monthly need, if any, is multiplied by 42 to determine the total amount that you will receive. This amount will be paid directly to you. However, the Agency may elect to provide the assistance in monthly installments, other periodic payments or in a lump sum.

Generally, the base monthly rent for your present home is the lesser of: (1) the estimated "market rent" and average monthly cost for utilities, or (2) thirty (30) percent of your average monthly gross household income.

**Examples**: Let's say that the monthly "market rent" and average cost for utilities for your present home are $250; the monthly rent and estimated average utility costs for a comparable replacement home are $350; and your monthly gross income is $700. In this case your "base monthly rent" would be $210 because that amount (30 percent of your income) is less than the monthly market rent and cost of utilities at your present home.

If you rent a replacement home for $360 per month, including estimated utility charges, you will receive $5,880. That amount is 42 times $140 (the difference between the "base monthly rent" for your present home ($210) and the cost for a comparable replacement home ($350)).

If you rent a replacement home for $310, including estimated average monthly utility charges, you will receive $4,200. That amount is 42 times $100 (the difference between the "base monthly rent" for your present home ($210) and the actual cost of your new home ($310)).

To qualify for rental assistance, you must rent and occupy a decent, safe, and sanitary home within one year after the date you move. However, the Agency will extend this period for good cause.

**Must I File A Claim To Obtain A Relocation Payment?**

Yes. You must file a claim for each relocation payment. The Agency will provide you with the required claim forms, help you to complete them, and explain the type of documentation, if any, that you must submit in order to receive your relocation payments.

If you must pay any relocation expenses before you move (e.g., a deposit when you contract for the purchase of a new home), discuss your financial needs with the Agency. You will be able to obtain an advance payment to meet these costs. An advance payment to purchase a home may be placed in "escrow." An advance payment for moving expenses may be paid directly to the

moving contractor to ensure that the move will be completed on a timely basis.

You must file your claim within 18 months after the date you move or receive the final payment for the acquisition of your present home. However, it is to your advantage to file as soon as possible after you move. The sooner you submit your claim, the sooner it can be processed and paid. If you are unable to file your claim within 18 months, ask the Agency to extend this period.

Be careful not to confuse this 18-month period with the 12-month period within which you must buy or rent and occupy a replacement dwelling in order to be eligible for a replacement housing payment.

You will be paid promptly after you file an acceptable claim. If there is any question regarding your right to a relocation payment or the amount of the payment, you will be notified, in writing, of the problem and the action you may take to resolve the matter.

**Do I Have To Pay Federal Income Taxes On My Relocation Payments?**

No. Section 216 of the URA states that you need not report relocation payments as part of your gross income for Federal tax purposes. For information on State or local income taxes, you should check with the State or local income tax office in your area or with your personal tax advisor.

**What If I Don't Receive The Required Assistance. Can I Appeal?**

If you disagree with the Agency's decision as to your right to relocation assistance or the amount of a payment, or the adequacy of the housing to which you have been referred, you may appeal the decision to the Agency.

The Agency will inform you of its appeal procedures. At a minimum, you will have 60 days to file your appeal with the Agency. Your appeal must be in writing. However, if you need help, the Agency will assist you in preparing your appeal.

If you are a low- or moderate-income person and are dissatisfied with the Agency's determination on your appeal, you may have an additional right to request administrative review of that decision (e.g., by HUD or the State). The Agency will explain whether this option is available.

You can expect a fair decision on any appeal. However, if you are not satisfied with the final administrative decision on your appeal, you may seek review of the matter by the courts.

**I Have More Questions. Who Will Answer Them?**

If you have any questions after reading this booklet, contact the Agency and discuss your concerns with an Agency representative.

Agency

Address _____

_____

Office Hours _____ Telephone Number

Person to Contact

HUD-1044-CPD
September 2002

(Previous Edition Obsolete)

## C-19: RELOCATION ELIGIBILITY AND BENEFITS CHART

| Type of Displacee | Type of Benefit | | | | | |
|---|---|---|---|---|---|---|
| | Moving Expenses | Replacement Housing | | | | |
| | | Eligibility | Benefit | Method of Determination | Maximum Amount | Time Limit for Filing Claim |
| 180-Day Homeowner | If a move occurs after initiation of negotiations or acquisition, <u>all</u> displacees are entitled to:<br>a) payment of actual reasonable moving and related expenses, based upon invoices<br><br>or<br><br>b) a fixed payment of up to $300, based upon the number of rooms of furniture moved, plus a $200 dislocation payment | 1. owned and occupied acquired dwelling for at least 180 days prior to initiation of negotiations<br><br>and<br><br>2. purchases and occupies a standard unit within 1 year after receiving final payment for the acquired dwelling or the date s/he moves from it (whichever is later) | Differential amount plus increased interest costs plus incidental expenses | <u>Differential Amount</u><br>Difference between acquisition cost of acquired dwelling and the lesser of the cost of a comparable replacement dwelling or the cost of the dwelling actually purchased by the homeowner<br><u>Increased Interest</u><br>Sum of the present value of any increase in interest costs of a new mortgage over an existing mortgage<br><u>Incidental Expenses</u><br>Related costs normally incurred when purchasing a home | $15,000 | All claims must be filed within 18 months after the move is completed, unless this time period is waived by the city |
| Tenants and 90-Day Homeowners | | 1. occupied acquired dwelling for at least 90 days prior to initiation of negotiations<br>2. is not eligible for 180-day homeowner benefit<br>3. rents or purchases a standard unit within 1 year after the date s/he moves from the acquired dwelling or (homeowner) date s/he receives acquisition final payment (whichever is later) | a) Rental Assistance | 48 times the monthly difference between rent in acquired unit and new unit or comparable unit (whichever is less) | $4,000 | |
| | | | b) Down-Payment Assistance | First $2,000 of downpayment and incidental expenses, plus one half amount over $2,000, up to an additional $2,000 | $4,000 | |

## C-20: NOTICE OF ELIGIBILITY FOR RELOCATION ASSISTANCE – 180-DAY HOMEOWNER AND NOTICE OF ELIGIBILITY FOR RELOCATION ASSISTANCE – RESIDENTIAL TENANT

# GUIDEFORM NOTICE OF ELIGIBILITY FOR RELOCATION ASSISTANCE -- 180-DAY HOMEOWNER

*Grantee or Agency Letterhead*

*(date)*

Dear_____:

This is a notice of eligibility for relocation assistance. As discussed with you, it will be necessary for you to move after the _____(Agency)_____ acquires your home at _____(address)_____ for the planned

_____(identify project)_____. However, you do not need to move now. You will not be required to move without at least 90-days advance written notice of the date by which you must vacate. And when you do move, you will be entitled to relocation payments and other assistance in accordance with Federal regulations implementing the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA). The effective date of this notice is *(date of initiation of negotiations)*. You are now eligible for relocation assistance.

You may choose either (1) a payment for your actual reasonable moving and related expenses, or (2) if you prefer, a fixed moving expense and dislocation allowance of $_____.

Since you owned and occupied your home for at least 180-days prior to *(date of initiation of negotiations)*, you may qualify for a replacement housing payment to cover the following costs:

1. Purchase Price Differential. Since we have determined that a "comparable replacement home" will cost more than the value of your present home, you may receive a purchase price differential payment up to $_____ as discussed below.

2. Incidental Expenses. You will be reimbursed for all reasonable costs incidental to the purchase of your new home, such as recording fees, the title insurance premium, and transfer taxes.

3. Mortgage Interest Differential. It is our understanding that the interest rate on your current mortgage is _____% and that the current prevailing rate for a similar mortgage is _____%. Assuming these interest rates and an outstanding principal balance of $_____ on your current mortgage, you may qualify for a payment for additional mortgage financing costs up to $_____. The exact amount will be determined at the closing and will depend on the actual interest rate on your new mortgage and the amount you borrow.

Listed below are three "comparable replacement homes" that you may wish to consider buying:

| | Address | Asking Price | Name and Tele. No. of Person to Contact |
|---|---|---|---|
| 1. | | | |
| 2. | | | |
| 3. | | | |

We would be glad to provide you with transportation to inspect these dwelling units. We believe that the unit at ____(address)_____ is the most representative of your present home. Since that unit would cost $_____ more than we have offered you for your present home, you may be eligible for a purchase price differential payment up to $_____. This is the maximum differential that you are eligible to receive. If you purchase a decent, safe and sanitary replacement home that costs less than $_____ the price differential payment would be based on the actual purchase price.

Contact us immediately if you do not agree that these units are comparable to your home. We will explain the basis for our selecting these units and, if necessary, we

will find other units. We will not base your payment on any unit that is not a "comparable replacement home." Should you wish to rent (rather than buy) a comparable replacement home, let us know. We will help you find comparable rental housing and explain your eligibility for a rental assistance payment.

I am enclosing a brochure entitled, "Relocation Assistance to Displaced Homeowners." Please read the brochure carefully. It explains your rights and some things you must do to obtain a payment. For example, to obtain a replacement housing payment you must purchase and move to a decent, safe and sanitary home within one year after you move (or receive your final acquisition payment, if later). Therefore, do not commit yourself to buy or rent a unit before we inspect it.

I want to make it clear that you are eligible for assistance to help you relocate. In addition to relocation payments and housing referrals, counseling and other services are available to you. A representative of this office will soon contact you to determine your needs and preferences. That representative will explain your rights and help you find replacement housing and obtain the relocation payments and other assistance for which you are eligible. If you have any questions, please contact _____(name) _____, _____(title)_____ at _____(phone)_____, _____(address)_____.

Remember; do not move before we have a chance to discuss your eligibility for assistance. This letter is important to you and should be retained.

Sincerely,

(name and title)_____

Enclosure

# GUIDEFORM NOTICE OF ELIGIBILITY FOR RELOCATION ASSISTANCE -- RESIDENTIAL TENANT

*Grantee or Agency Letterhead*

*(date)*

Dear_____:

On ____*(date)*____, we notified you of proposed plans to ___*(identify project)*____. On ____*(date)*_____, the project was approved.

This is a notice of eligibility for relocation assistance. To carry out the project, it will be necessary for you to relocate. However, you do not need to move now. You will not be required to move without at least 90 days advance written notice of the date by which you must vacate. And when you do move, you will be entitled to relocation payments and other assistance in accordance with Federal regulations implementing the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA).

The effective date of this notice is *(date of initiation of negotiations)*. You are now eligible for relocation assistance, including:

Counseling and Other Advisory Services

Payment for Moving Expenses. You may choose either (1) a payment for your actual reasonable moving and related expenses, or (2) if you prefer, a fixed moving expense and dislocation allowance of $_____.

Replacement Housing Payment. You may be eligible for a replacement housing payment to rent or buy a replacement home. The payment is based on several factors, including the cost of a "comparable replacement home," the monthly rent and average

cost of utility services for your present home, and 30 percent of your average gross household income.

Listed below are three "comparable replacement homes" that you may wish to consider:

| Address | Rent and Utility Costs | Name and Tele. No. of Person to Contact |
|---|---|---|
| 1. | | |
| 2. | | |
| 3. | | |

We would be pleased to provide you with transportation to inspect these dwelling units. We believe that the unit at _____(address)____ is the most representative of your present home. The rent and the estimated average cost of utility services for that unit is $_____. Based on the information you have provided about your income, you may be eligible for a rental assistance payment up to $_____(42 x $_____). This is the maximum amount that you would be eligible to receive. It would be paid in ____(indicate number of installments or lump sum). If you rent a decent, safe and sanitary home where the monthly rent and average estimated utility costs are less than $_____, your rental assistance payment would be based on the actual cost of such unit.

Contact us immediately if you do not agree that these units are comparable to your home. We will explain the basis for our selecting these units. And, if necessary, we will find other units. We will not base your payment on any unit that is not a "comparable replacement home." Should you choose to buy (rather than rent) a decent, safe and sanitary replacement home, you would be eligible for a down payment

of $_____. Let us know if you would prefer to buy a replacement home, and we will help you find such housing.

I am enclosing a brochure entitled, "Relocation Assistance to Tenants Displaced From Their Homes." Please read the brochure carefully. It explains your rights and some things you must do to obtain a payment. For example, to obtain a replacement housing payment you must move to a decent, safe and sanitary home within one year after you vacate your present home. Therefore, do not commit yourself to rent or buy a unit until we inspect it.

I want to make it clear that you are eligible for assistance to help you relocate. In addition to relocation payments and housing referrals, counseling and other services are available to you. A representative of this office will soon contact you to determine your needs and preferences. He/She will explain your rights and help you obtain the relocation payments and other assistance for which you are eligible. If you have any questions, please contact _____ (name)_____, _____(title)_____ at ____(phone)_____, _____(address)_____.

Remember, do not move before we have a chance to discuss your eligibility for assistance. This letter is important to you and should be retained.

Sincerely,

(name and title)_____

Enclosure

## C-21: SAMPLE HOUSEHOLD CASE RECORD

SAMPLE

HOUSEHOLD CASE RECORD

1. HOUSEHOLD SURVEY

DATE OF ORIGINAL INTERVIEW: _____

NAME OF INTERVIEWER: _____

Name of Occupant: _____

Address: _____

_____

Census Tract:_____

Phone: Day _____ Night _____

Date of Original Occupancy: _____

Racial/Ethnic Classification: _____

Contact in Case of Emergency:

Name: _____

Address: _____

Phone: _____

Tenure: _____

CHARACTERISTICS OF CURRENT UNIT

# of Rooms: _____

# of Bedrooms: _____

# of Bathrooms: _____

Approximate Square Footage:_____

Accessibility to Shopping: _____

Medical: _____

Public Transit: _____

Other Services: _____

_____

_____

HOUSING COSTS OF CURRENT UNIT

| TENANT | | OWNER | |
|---|---|---|---|
| Rent: | $_____ | Monthly Mortgage: | $_____ |
| Average Utilities: | $_____ | Average Utilities: | $_____ |
| Total Monthly Housing Cost: | $_____ | Real Property Taxes: | $_____ |
| | | Total Monthly Housing Costs: | $_____ |

Date Verified: _____

HOUSEHOLD CHARACTERISTICS

| NAME | AGE | SEX | RELATIONSHIP WITH HOUSEHOLD HEAD | GROSS MONTHLY INCOME | EMPLOYER/SOURCE OF INCOME | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | AMOUNT | SOURCE OF INCOME | PHONE | DATE/INITIALS PERSON VERIFYING INCOME/ HOUSEHOLD DATA |
| | | | | | $ | | | |
| | | | | | $ | | | |
| | | | | | $ | | | |
| | | | | | $ | | | |
| | | | | | $ | | | |
| | | | | | $ | | | |
| | | | | | $ | | | |
| | | | | | $ | | | |

## C-22: SAMPLE INSPECTION REPORT FORMAT

SAMPLE
INSPECTION REPORT FORMAT

Displaced Person's Name: _____
Case Number: _____

Special Requirements: Handicapped _____

Other (Specify) _____

- **Units Inspected**

1. Address: _____ Date Inspected: _____

   A. Does the building meet Section 8 Housing Quality Standards? YES NO

   If NO, what would be required to bring unit to Section 8 Standards?

   _____
   _____
   _____
   _____
   _____
   _____

   B. Does the building meet Local Housing Code/ Occupancy Code? YES NO

   If NO, what would be required to bring unit to code in addition to items listed in A above?

   _____
   _____
   _____
   _____
   _____
   _____

   C. Estimated Date of Construction: _____

   D. If prior to 1978, results of paint analysis: _____
   _____

   If lead-based paint, what is necessary to remove hazard?

   _____
   _____
   _____
   _____

E. If there are deficiencies and the unit is slated for use as replacement housing, date of re-inspection: _____

Were all certified deficiencies corrected? YES NO

List all uncorrected deficiencies:

_____
_____
_____

F. If uncorrected deficiencies, date of re-inspection: _____

G. Description of Unit

_____ Bedrooms _____ Kitchen _____ Family Room
_____ Bathrooms _____ Living Room _____ Basement
_____ Attic

Construction: _____

General Condition: _____

H. I _____, _____ hereby certify that
(name) (position)
the building at _____
(address)
meets all (1) applicable housing and occupancy codes, or (2) Section 8 Existing Housing Quality Standards (cross-out mode standard not met).

Signed: _____ Date: _____
(name, title)

## C-23: SAMPLE LETTER TO RELOCATE IN A SUBSTANDARD UNIT

**SAMPLE**
**LETTER TO RELOCATE IN A SUBSTANDARD UNIT**

Date

Dear _____:

Relocation regulations established by Federal law will not permit the City to make a rental assistance payment to you until you move into an apartment or house that meets their definition of a "decent, safe and sanitary" replacement unit. Your new apartment does not meet this definition because:

1. The wiring does not meet the City electrical code.
2. A two-bedroom apartment is too small for a family of five (two adults, one 16 year old son, one 14 year old daughter, and an 11 year old son).

In order to be eligible for a replacement housing payment, you must move into an apartment or house that meets all these requirements within one year from the date you moved from your old apartment on Ash Street. You have to move into a qualified apartment or house by November 15, 2003 to be eligible. Ms. Ellen Smith has a list of eligible houses and apartments and will help you find one and will arrange inspections of any apartments or houses you find on your own. Her phone number is 441-4444.

If you move into a "decent, safe and sanitary" house or apartment by November 15, 2003, you would be eligible to receive a rental assistance up to a maximum of $4,000 to cover the difference in the monthly cost between your old apartment and a new apartment for four years, or the difference between your new rent and 30 percent of your gross monthly income, whichever is less. This payment will be made in a lump sum if you file a claim for benefits within 18 months after the date you move into a "decent, safe and sanitary" apartment or house.

If you choose to purchase a home, you would be eligible for $2,000 for down payment assistance. Up to an additional $2,000 would be available if you match it dollar for dollar (i.e., if you put in $500, you would get an extra $500; if you put in $2,000, you would get an additional $2,000) for a total of $4,000 in down payment assistance. You are entitled to these benefits if you move into a "decent, safe and sanitary" replacement until by November 15, 2003 and file a claim within 18 months of completing the move. The City has already set aside money to pay you.

In order to receive these benefits, you must relocate into a standard unit. Please contact Ellen Smith. She will help you find and move into a standard unit. She is available to answer any questions you might have.

Sincerely,

Mary Simmons
City Secretary

## C-24: SAMPLE 90-DAY NOTICE TO VACATE/30-DAY NOTICE TO VACATE

**SAMPLE**
**90-DAY NOTICE TO VACATE**

Date

Dear_____:

As you know, the City is purchasing your home (or apartment). The purchase will be completed on (this date; must be no later than 60 days after date of this letter). We have been in contact with you since ___(date)____ to help you locate and move into suitable replacement housing. We have referred you to ___(number)___ such units.

The house (or apartment) you are now living in must be vacated in 90-days, by (this date; must be at least 90-days after date on this letter). We will send you a second notice 30 days before you must vacate.

If you have any questions or need additional assistance in completing your move, please call Ms. Ellen Smith at 555-1212.

Sincerely,

Ellen Smith
City Secretary

**SAMPLE**
**30-DAY NOTICE TO VACATE**

Date

Dear _____:

This letter is to inform you that you must vacate this house (or apartment) within 30 days, on (this date, must be 30 days after date of this letter, and 30 days after the City has title).

If you have any questions or need additional assistance to complete your move, please call Ms. Ellen Smith at 555-1212.

Sincerely,

Ellen Smith
City Secretary

# C-25: CLAIM FOR MOVING AND RELATED EXPENSES

**Residential Claim for Moving and Related Expenses**
(49 CFR 24.301 and 24.302)
**See back of page for Public Reporting Burden and Privacy Act Statements before completing this form**

**U.S. Department of Housing and Urban Development** Office of Community Planning and Development

OMB Approval No. 2506-0016 (exp. 10/31/2011)

| **For Agency Use Only** Name of Agency | Project Name or Number | Case Number |
|---|---|---|
| | | |

**Instructions:** This claim form is for the use of families and individuals applying for payment of residential moving and related expenses under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA). You may be eligible to apply for either (1) a fixed payment (see 24.302), or (2) payment for actual reasonable moving costs and related expenses (see 24.301), or (3) in some cases, a payment based on a combination of moving options (contact Agency). All claims for actual expenses must be supported by receipts or other acceptable evidence. The Agency will explain the differences between the types of moving options and will help you complete this form. HUD provides information on these requirements and other guidance materials on its website at **www.hud.gov/relocation.** If the full amount of your claim is not approved, the Agency will provide you with a written explanation of the reason. If you are not satisfied with the Agency's determination, you may appeal that determination. The Agency will explain how to make an appeal. All claims for payments must be filed no later than 18 months from the date of displacement (see 24.207(d)).

| 1. Your Name(s) (You are the Claimant(s)) and Present Mailing Address | 1a. Telephone Number(s) |
|---|---|
| | |

2. Have All Members of the Household Moved to the Same Dwelling? Yes ☐ No ☐
(If "No," list the names of all members and the addresses to which they moved in the Remarks Section.)

| Dwelling | Address (include Apartment No.) | Number of Rooms of Furniture? * | Date Occupied | Date Vacated |
|---|---|---|---|---|
| 3. Unit That You Moved From | | | | |
| 4. Unit That You Moved To | | Excluding bathrooms, hallways and closets. | | |

5. Is This a Final Claim? ☐ Yes ☐ No

**6. Certification of Legal Residency in the United States** (Please read instructions below before completing this section.)

**Instructions:** To qualify for relocation advisory services or relocation payments authorized by the Uniform Relocation Assistance and Real Property Acquisition Policies Act, a "displaced person" must be a United States citizen or national, or an alien lawfully present in the United States. **The certification below must be completed in order to receive any relocation benefits.** (This certification may not have any standing with regard to applicable State laws providing relocation benefits.) **Your signature on this claim form constitutes certification.** See 49 CFR 24.208(g) & (h) for hardship exceptions.

Please address only the category (Individual or family) that describes your occupancy status. For item (2), please fill in the correct number of persons.

**RESIDENTIAL HOUSEHOLDS**

(1) Individual.
I certify that I am: (check one)
_____a citizen or national of the United States
_____an alien lawfully present in the United States.

(2) Family.
I certify that there are _____persons in my household and that
_____are citizens or nationals of the United States and_____
are aliens lawfully present in the United States.

**7. Computation of Payment** (See 49 CFR 24.301 and 24.302)
**Instructions:** You may be eligible to apply for either (1) a fixed payment (see 24.302), or (2) payment for actual and reasonable moving costs and related expenses (see 24.301), or (3) in some cases, a payment based on a combination of moving options (see 24.301(b)). The computation table in this section provides you with the ability to compute your payment based on one or a combination of moving options depending on your eligibility and your needs and desires.

A fixed payment is used to compute a payment based on the numbers of rooms of furniture within the displacement dwelling. The Residential Fixed Moving Cost Schedule available at www.hud.gov/relocation, will provide the payment amount for the state in which the displacement occurred. (Note: for persons occupying a dormitory style room or where the move is performed by the Agency at no cost to the displaced person, the payment amount is limited to the amount specified for such moves on the Fixed Moving Cost Schedule.) If you choose to claim a fixed payment, fill in the applicable schedule amount in column 7c Line (3). In some cases, persons who plans to claim only a fixed payment may also be eligible for additional moving options to move personal property located outside the dwelling and not considered in the Fixed Moving Cost Schedule (jungle gym, hot tub, etc.) or for personal property requiring specialized moving assistance within the dwelling (piano, pool table, medical equipment, etc.). In these situations you may also be eligible for a payment based on actual costs for a commercial move and/or self move for these items. Contact the Agency for further assistance. If the Agency determines you are eligible for other moving options in addition to the fixed payment, fill in all applicable claim information requested for the type(s) of moving option specified in the table.

| | 7a. Commercial Move (Actual Costs) (Based on lower of 2 bids) | | 7b. Self Move (Actual Costs) (Not to exceed cost of commercial move) | | 7c. Self Move (Fixed Schedule) (See 49 CFR 24.302) | |
|---|---|---|---|---|---|---|
| | Claimant | **Agency Use** | Claimant | **Agency Use** | Claimant | **Agency Use** |
| (1) Moving Cost Expenses (49 CFR 24.301(g)(1-7); see page 2) (Do not include storage costs listed separately below). [For Mobile Home Owner Occupants also include 24.301(g)(8-10), if applicable.] | | | | | | |
| (2) Storage Cost (Requires prior agency approval) (Not to exceed 12 months) | | | | | | |
| (3) Fixed Moving Cost Schedule Amount (Based on number of rooms of furniture in Item 3). For amount see Moving Cost Schedule available at www.hud.gov/relocation. | | | | | | |
| (4) Other (Explain in Remarks Section) | | | | | | |
| (5) Total Amount of Claim. | | | | | | |
| (6) Amount Previously Received, if any. | | | | | | |
| (7) Amount Requested (Subtract line (6) from line (5) | | | | | | |
| (8) Total Amount Requested - **Combination Moves Only** (add applicable columns 7(a)(7), 7(b)(7) and 7(c)(7)) | | | | | | |

Previous versions obsolete.



form **HUD-40054** (4/2005)

8. **Certification By Claimant(s):** I certify that this claim and supporting information are true and complete and that I have not been paid for these expenses by any other source. I ask that the amount on line (7) of Item 7 or line (8) of Item 7 for combination moves be

Paid to ☐ me ☐ the contractor(s) (as specified in the Remarks Section).

Signature(s) of Claimant(s) & Date:

X

**Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

**To Be Completed by the Agency**

| Payment Action | Amount of Payment | Signature | Name (Type or Print) | Date (mm/dd/yyyy) |
|---|---|---|---|---|
| 9. Recommended | $ | | | |
| 10. Approved | $ | | | |

**Remarks** (Attach additional sheets, if necessary)

Additional sheets attached? ☐ Yes ☐ No

**Eligible Actual Residential Moving Expenses (49 CFR 24.301(g)(1-10)**

(1) Transportation of the displaced person and personal property. Transportation costs for a distance beyond 50 miles are not eligible, unless the Agency determines that relocation beyond 50 miles is justified.

(2) Packing, crating, unpacking, and uncrating of the personal property.

(3) Disconnecting, dismantling, removing, reassembling, and reinstalling relocated household appliances and other personal property. For businesses, farms or nonprofit organizations this includes machinery, equipment, substitute personal property, and connections to utilities available within the building; it also includes modifications to the personal property, including those mandated by Federal, State or local law, code or ordinance, necessary to adapt it to the replacement structure, the replacement site, or the utilities at the replacement site, and modifications necessary to adapt the utilities at the replacement site to the personal property.

(4) Storage of the personal property for a period not to exceed l2 months, unless the Agency determines that a longer period is necessary.

(5) Insurance for the replacement value of the property in connection with the move and necessary storage.

(6) The replacement value of property lost, stolen, or damaged in the process of moving (not through the fault or negligence of the displaced person, his or her agent, or employee) where insurance covering such loss, theft, or damage is not reasonably available.

(7) Other moving-related expenses that are not listed as ineligible under § 24.301(h), as the Agency determines to be reasonable and necessary.

(8) The reasonable cost of disassembling, moving, and reassembling any appurtenances attached to a mobile home, such as porches, decks, skirting, and awnings, which were not acquired, anchoring of the unit, and utility "hookup" charges.

(9) The reasonable cost of repairs and/or modifications so that a mobile home can be moved and/or made decent, safe, and sanitary.

(10) The cost of a nonrefundable mobile home park entrance fee, to the extent it does not exceed the fee at a comparable mobile home park, if the person is displaced from a mobile home park or the Agency determines that payment of the fee is necessary to effect relocation.

**Public reporting burden** for this collection of information is estimated to average 30 minutes per response. This includes the time for collecting, reviewing, and reporting the data. The information is being collected under the authority of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and implementing regulations at 49 CFR Part 24 and will be used for determining whether you are eligible to receive a payment for moving and related expenses and the amount of any payment. Response to this request for information is required in order to receive the benefits to be derived. This agency may not collect this information, and you are not required to complete this form unless it displays a currently valid OMB control number.

**Privacy Act Notice:** This information is needed to determine whether you are eligible to receive a payment for moving and related expenses. You are not required by law to furnish this information, but if you do not provide it, you may not receive any payment for these expenses or it may take longer to pay you. This information is being collected under the authority of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. The information may be made available to a Federal agency for review.

Previous versions obsolete. Page 2 of 2 form **HUD-40054** (4/2005)

## C-26: CLAIM FOR REPLACEMENT HOUSING PAYMENT FOR 180-DAY HOMEOWNERS

**Claim for Replacement Housing Payment for 180-Day Homeowner-Occupant (49 CFR 24.401)**

**U.S. Department of Housing and Urban Development** Office of Community Planning and Development

OMB Approval No. 2506-0016 (exp. 10/31/2011)

| **For Agency Use Only** Name of Agency | Project Name or Number | Case Number |
|---|---|---|
| | | |

**Instructions.** This form is for the use of families and individuals applying for a replacement housing payment under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) for a 180-day homeowner occupant who elects to buy a replacement home. A homeowner-occupant who decides to rent rather than buy should also use form HUD-40058. The Agency will help you complete this form. HUD also provides information on these requirements and other guidance materials on its website at: www.hud.gov/relocation. If the full amount of your claim is not approved, the Agency will provide you with a written explanation of the reason. If you are not satisfied with the Agency's determination, you may appeal that determination. The Agency will explain how to make an appeal.

**All claims for payment by a homeowner-occupant must be filed within 18 months after the latest of: a) the date of displacement or b) the date of final payment for the acquisition of the real property. Displaced 180-day homeowner occupants muct purchase and occupy a decent, safe and sanitary replacement dwelling within 1 year after the later of: a) the date of final payment for the displaced dwelling (for condemnation, use the date just compensation deposited in court) or b) the date a comparable replacement dwelling is made available by the agency (see 24.204).**

| 1. Your Name(s) (You are the Claimant(s)) and present Mailing Address | 1a. Your Telephone Number(s) |
|---|---|
| | |

2. Have all members of the household moved to the same dwelling? ☐ Yes ☐ No (If "no", attach a list of the names of all members and the addresses to which they moved.)

| Dwelling | Address | When did you buy this unit? | When did you move to this unit? | When did you move out of this unit? |
|---|---|---|---|---|
| 3. Unit That You | | | | |
| 4. Unit That You | | | | |

**5. Certification of Legal Residency in the United States** (Please read instructions below before completing this section.)

**Instructions:** To qualify for relocation advisory services or relocation payments authorized by the Uniform Relocation Assistance and Real Property Acquisition Policies Act, a "displaced person" must be a United States citizen or national, or an alien lawfully present in the United States. **The certification below must be completed in order to receive any relocation benefits.** (This certification may not have any standing with regard to applicable State laws providing relocation benefits.) **Your signature on this claim form constitutes certification.** See 49 CFR 24.208(g) & (h) for hardship exceptions.

Please address only the category (Individual or family) that describes your occupancy status. For item (2), please fill in the correct number of persons.

**RESIDENTIAL HOUSEHOLDS**

(1) Individual.
I certify that I am: (check one)
_____a citizen or national of the United States
_____an alien lawfully present in the United States.

(2) Family.
I certify that there _____ persons in my household and that_____are citizens or nationals of the United States and _____are aliens lawfully present in the United States.

| 6. **Computation of Replacement Housing Payment** (A homeowner-occupant who elects to rent should complete only items 1, 3, 4 & 5) | To Be Completed By Claimant | **For Agency Use Only** |
|---|---|---|
| (1) Purchase Price of Comparable Replacement Dwelling (To be provided by the Agency) | | |
| (2) Purchase Price of the Dwelling You Moved **To (**Not applicable for owner- occupant who elects to rent) | | |
| (3) Lesser of line 6(1) or 6(2) | | |
| (4) Price Paid by Agency for Dwelling That You Moved **From** | | |
| (5) Price Differential Amount (Subtract line 6(4) from line 6(3). If amount on line 6(4) exceeds amount on line 6(3), enter 0) This is the maximum amount for a homeowner occupant who elects to rent | | |
| (6) Incidental Expenses (From line 7(10)) | | |
| (7) Mortgage Buydown Payment and Other Debt Service Costs | | |
| (8) Total Amount of Replacement Housing Payment Claim | | |
| (9) Amount Previously Received, if any | | |
| (10) Amount Requested (Subtract line 6(9) from line 6(8)) | | |

Previous editions are obsolete Page 1 of 3 form **HUD-40057** (2/2005)

7. **Incidental Expenses in Connection With Purchase of Replacement Dwelling (24.401 (e))**

| **Instructions:** Enter expenses incidental to the purchase of your new home. Do not include prepaid costs such as real estate taxes. Attach a copy of the closing statement and other receipts. * Not to exceed the costs for a comparable replacement dwelling. | (a) Claimant | **(b) For Agency Use Only** |
|---|---|---|
| (1) Legal, closing and related costs, including title search, preparing conveyance instruments, notary fees, preparing surveys and plats, and recording fees | $ | $ |
| (2) Lender, FHA or VA Application and Appraisal Fees | $ | $ |
| (3) Loan Origination or Assumption Fees (Not Prepaid Interest). | $ | $ |
| (4) Professional Home Inspection, Certification of Structural Soundness, and Termite | $ | $ |
| (5) Credit Report | $ | $ |
| (6) Owner's and mortgagee's evidence of title, e.g. title insurance * | $ | $ |
| (7) Escrow Agent's Fee | $ | $ |
| (8) State Revenue or Documentary Stamps, Sales or Transfer Taxes * | $ | $ |
| (9) Other Costs (specify) | $ | $ |
| (10) Total Incidental Expenses (Add lines 7(1) through 7(9). Enter this amount on line 6(6)). | $ | $ |

8. **Mortgage Buydown Payment and Other Debt Service Costs (24.401(d))**

**Instructions:** You are entitled to compensation to cover the additional costs you must pay to finance the purchase of a replacement dwelling. The "buydown" payment covers those costs that result because the interest rate you must pay for a new mortgage is higher than the interest rate on your old mortgage. The maximum buydown payment for which you can qualify is the amount needed to reduce your new mortgage balance to the amount which can be amortized with the same periodic payments for principal and interest as those for your old mortgage. (The Agency is required to advise you of its estimate of the maximum buydown payment and the interest rate, term and amount on which it was computed. You will need to borrow that amount over that term to qualify for the full payment.) If you have more that one mortgage on either your old or new home, complete a separate Item 8(13) for each computation and include the total amount of all such computations on line 6(7). Note: A mortgage on your old home that was in effect for less than 180 days before the Agency's initial written offer of just compensation for the property cannot be used as a basis for payment. Also, if the combination of interest and points for the new mortgage exceeds the current prevailing fixed interest rate and points for conventional mortgages and there is no justification for the excessive rate, then the current prevailing fixed interest rate and points shall be used in the computations.

| **Part A - Information from Mortgage Documents** | **(a) Old Mortgage** | **(b) New Mortgage** | **(c) Lesser of Col. (a) or (b)** |
|---|---|---|---|
| (1) Outstanding principal balance | $ | $ | |
| (2) Annual interest rate of mortgage | % | % | |
| (3) Number of monthly payments remaining on mortgage | Mos. | Mos. | Mos. |

| **Part B - Computation of Payment** (Use mortgage amortization table with 6 decimal places.) | |
|---|---|
| (4) Monthly payment required to amortize a loan of $1,000 in _____months (8(3)(c)) at an annual interest rate of _____% (8(2)(b)) | $ |
| (5) Monthly payment required to amortize a loan of $1,000 in _____months (8(3)(c)) at an annual interest rate of _____% (8(2)(a)) | $ |
| (6) Subtract line 8(5) from line 8(4) | $ |
| (7) Divide line 8(6) by line 8(4) (carry to 6 decimal places) | $ |
| (8) Enter old mortgage balance (amount on line 8(1)(a)) | $ |
| (9) Multiply line 8(7) by line 8(8) | $ |
| (10) New loan needed (subtract 8(9) from 8(8)) | $ |
| (11) Divide 8(1)(b) by 8(10) (carry to 6 decimal places) | $ |
| (12) Multiply line 8(11) by line 8(9) | $ |
| (13) Enter amount from 8(9) or 8(12), as appropriate (This is the mortgage buydown payment) | $ |
| (14) Other debt service costs (Reimbursement of purchaser's points and loan origination fees is based on the new loan needed (8(10)), or the actual new loan balance (8(1)(b)), whichever is less. Do not include seller's points or any cost included as an incidental expense in 7(12).) | |
| (15) Add lines 8(13) and 8(14). Enter this amount on 6(7). | $ |

9. **Certification By Claimant(s):** I certify that the information on this claim form and supporting documentation is true and complete and that I have not been paid for these expenses by any other source. Signature(s) of Claimant(s) & Date

X

**Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Previous editions are obsolete Page 2 of 3 form **HUD-40057** (2/2005)

**To Be Completed by Agency**

| 10. Effective Date of Eligibility for Relocation Assistance | | 11. Date of Referral to Comparable | 12. Date Replacement Dwelling Inspected and Found Decent, Safe and Sanitary (mm/dd/yyyy) | |
|---|---|---|---|---|
| Payment Action | Amount of Payment | Signature | Name (Type or Print) | Date (mm/dd/yyyy) |
| 13. Recommended | $ | | | |
| 14. Approved | $ | | | |

**Remarks**

**Public reporting burden** for this collection of information is estimated to average 1.0 hour per response. This includes the time for collecting, reviewing, and reporting the data. The information is being collected under the authority of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and implementing regulations at 49 CFR Part 24 and will be used for determining whether you are eligible to receive a replacement housing payment for a 180-day homeowner and the amount of any payment. Response to this request for information is required in order to receive the benefits to be derived. This agency may not collect this information, and you are not required to complete this form unless it displays a currently valid OMB control number.

**Privacy Act Notice:** This information is needed to determine whether you are eligible to receive a replacement housing payment for a 180-day homeowner. You are not required by law to furnish this information, but if you do not provide it, you may not receive this payment or it may take longer to pay you. This information is being collected under the authority of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and implementing regulations at 49 CFR 24. The information may be made available to a Federal agency for review.

## C-27: CLAIM FOR RENTAL OR DOWN PAYMENT ASSISTANCE

# Claim for Rental Assistance or Down Payment Assistance (49 CFR 24.402 and 24.401(f))

**See back of page for Public Reporting Burden and Privacy Act Statements before completing this form**

**U.S. Department of Housing and Urban Development**
Office of Community Planning and Development

OMB Approval No. 2506-0016
(exp. 10/31/2011)

| **For Agency Use Only** Name of Agency | Project Name or Number | Case Number |
|---|---|---|
| | | |

**Instructions:** This claim form is for the use of families and individuals applying for rental or down payment assistance under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) and may also be used by a 180-day homeowner-occupant who chooses to rent rather than buy a replacement home. The Agency will help you complete the form. HUD also provides information on these requirements and other guidance materials on its website at www.hud.gov/relocation. If the full amount of your claim is not approved, the Agency will provide you with a written explanation of the reason. If you are not satisfied with the Agency's determination, you may appeal that determination. The Agency will explain how to make an appeal.

**Displaced persons must rent/purchase and occupy a decent, safe and sanitary replacement dwelling within one year from the date of displacement for replacement housing payment eligibility (see 24.402(a)(2)). All claims for payments must be filed no later than 18 months from the date of displacement (see 24.207(d)).**

| 1a. Your Name(s) (You are the Claimant(s)) and Present Mailing Address | 1b. Telephone Number(s) |
|---|---|
| | |

| 2a. Have all members of the household moved to the same dwelling? ☐ Yes ☐ No (If "No", list the names of all members and the addresses to which they moved in the Remarks Section.) | 2b. Do you (or will you) receive a Federal, State, or local housing program subsidy at the dwelling you moved to? ☐ Yes ☐ No |
|---|---|

| Dwelling | Address | When Did You Rent/Buy This Unit? | When Did You Move | When Did You Move Out of This Unit? |
|---|---|---|---|---|
| 3. Unit That You Moved From | | | | |
| 4. Unit That You Moved To | | | | |

**5. Certification of Legal Residency in the United States** (Please read instructions below before completing this section.)
**Instructions:** To qualify for relocation advisory services or relocation payments authorized by the Uniform Relocation Assistance and Real Property Acquisition Policies Act, a "displaced person" must be a United States citizen or national, or an alien lawfully present in the United States. **The certification below must be completed in order to receive any relocation benefits.** (This certification may not have any standing with regard to applicable State laws providing relocation benefits.) **Your signature on this claim form constitutes certification.** See 49 CFR 24.208(g) & (h) for hardship exceptions.

Please address only the category (Individual or family) that describes your occupancy status. For item (2), please fill in the correct number of persons.

**RESIDENTIAL HOUSEHOLDS**

(1) Individual.
I certify that I am: (check one)
___ a citizen or national of the United States
___ an alien lawfully present in the United States.

(2) Family.
I certify that there are _____persons in my household and that ___ are citizens or nationals of the United States and ___ are aliens lawfully present in the United States.

| **Determination of Person's Financial Means** (Not applicable to 180-day homeowner-occupants who choose to rent. Enter NA in Item 6(6).) | | **Household Income** Claimant (a) | **For Agency Use Only (b)** |
|---|---|---|---|
| (1) Total number of persons in the household (See item 5(1) or (2)) | | | |
| (2) Annual Gross Household Income. (49 CFR 24.2(a)(14)). Enter name of each household member with income (include the income of persons not lawfully present in the U.S.) | | $ | $ |
| | | | |
| | | | |
| | | | |
| (3) Total Gross Annual Income (Sum of entries in item 6(2)) | | $ | $ |
| (4) URA low income limit for number of persons in item 6(1). If item 6(3) is greater than item 6(4) - Family is not low-income. See 49 CFR 24.402 (b)(2)(ii) | | | $ |
| (5) Gross Monthly Income (Divide item 6(3) by 12) | | $ | $ |
| 6) 30% of item 6(5) or "NA". (If gross annual income item 6(3) is greater than URA low income limit in item 6(4), enter "NA".) | | $ | $ |

Previous editions are obsolete

Page 1 of 3

form **HUD-40058** (07/2006)

7. **Determination of Rent and Average Monthly Utility Costs (See 49 CFR 24.402(b))**

**Instructions:** To compute the payment, entries on line (8) must reflect all utility services. Therefore, identify on lines (2) through (5) each utility necessary to provide electricity, gas, other heating/cooking fuels, water and sewer. In those cases where the utility service is not covered by the monthly rent, indicate the estimated out-of-pocket monthly cost. In those cases where the utility service is covered by the monthly rent, enter "IMR" (In Monthly Rent). Determine the estimated average monthly cost of a utility service by dividing the reasonable estimated yearly cost by 12. If a monthly housing program subsidy (e.g., Housing Choice Voucher/Section 8, other) has been provided, enter the applicable amount on line (7).

| **Monthly Cost** | Unit That You Moved From (For Homeowner-Occupant, rent will be determined by the agency.) | | Unit That You Moved To (Do not complete if claim is for down payment assistance.) | | Comparable Replacement Dwelling |
|---|---|---|---|---|---|
| | (a) Claimant | **(b) For Agency Use Only** | (c) Claimant | **(d) For Agency Use Only** | **(e) To Be Provided** |
| (1) Rent (The monthly rental amount due under the terms and conditions of occupancy. If utilities are not included in rent, list in item 7(2) to (5)) | $ | $ | $ | $ | $ |
| (2) | | | | | |
| (3) | | | | | |
| (4) | | | | | |
| (5) | | | | | |
| (6) Gross Monthly Rent and Utility Costs (add item 7(1) through (5)) | $ | $ | $ | $ | $ |
| (7) Monthly Housing Subsidy, if applicable (e.g., Housing Choice Voucher/Section 8, other) | $ | $ | $ | $ | $ |
| (8) Net Monthly Rent and Utility Costs (subtract item 7(7) from item 7(6)) (Enter these amounts on the appropriate lines in Item 8.) | $ | $ | $ | $ | $ |

| 8. **Computation of Payment:** If you are filing for down payment assistance, check this box ☐ and skip item 8(1). | To Be Completed By Claimant **(a)** | **For Agency Use Only (b)** |
|---|---|---|
| (1) Monthly Rent and Average Monthly Utility Costs for Unit That You Moved To (From item 7(8), Column (c)) | $ | $ |
| (2) Monthly Rent and Average Monthly Utility Costs for Comparable Replacement Dwelling (From item 7(8), Column (e)) (To be provided by the Agency) | | |
| (3) Lesser of item 8(1) or (2) (If claim is for down payment assistance, enter amount from item 8(2)) | | |
| (4) Monthly Rent and Average Monthly Utility Costs for Unit That You Moved From (From item 7(8), Column (a)) (For Homeowner-Occupants who choose to rent, to be determined by the agency.) | | |
| (5) 30% of Average Gross Monthly Household Income (From item 6(6), Column (a)). If item 6(6) is "NA", enter "NA" here. | | |
| (6) Lesser of item 8(4) or 8(5) | | |
| (7) Monthly Need (Subtract item 8(6) from item 8(3)) | | |
| (8) Amount of Payment Claim (Amount on item 8(7) multiplied by 42) (For a Homeowner-Occupant who elects to rent, this amount cannot exceed the difference between the aquisition cost of the displacement dwelling and the cost of a comparable replacement dwelling. See form HUD-40057, item 5(5).) | $ | $ |
| (9) Amount Previously Received (if any) | | |
| (10) Amount Requested (Subtract item 8(9) from 8(8)) | $ | $ |

9. **Certification By Claimant(s):** I certify that the information on this claim form and supporting documentation is true and complete and that I have not been paid for these expenses by any other source.

Signature(s) of Claimant(s) & Date

X

**Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Previous editions are obsolete Page 2 of 3 form **HUD-40058** (07/2006)

| To be Completed by the Agency | 10. Effective date (mm/ddlyyyy) of eligibility for relocation assistance | 11. Date (mm/ dd/yyyy) replacement dwelling inspected and found decent , safe and sanitary | 12. Date(mm/ dd/yyyy) person occupied replacement dwelling |
|---|---|---|---|

13. Payment To Be Made In: ☐ Lump Sum (only for down payment assistance) ☐ Monthly Installments ☐ Other Installments (specify in the Remarks Section)

| Payment Action | Amount of Payment | Signature | Name (Type or Print) | Date (mm/dd/yyyy) |
|---|---|---|---|---|
| 14. Recommended | $ | | | |
| 15. Approved | $ | | | |

**Remarks**

Remarks continued on a separate page? ☐ Yes ☐ No

**Public reporting burden** for this collection of information is estimated to average 1.0 hour per response. This includes the time for collecting, reviewing, and reporting the data. The information is being collected under the authority of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and implementing regulations at 49 CFR Part 24 and will be used for determining whether you are eligible to receive a payment to help you rent or buy a new home and the amount of any payment. Response to this request for information is required in order to receive the benefits to be derived. This agency may not collect this information, and you are not required to complete this form unless it displays a currently valid OMB control number.

**Privacy Act Notice:** This information is needed to determine whether you are eligible to receive a payment to help you rent or buy a new home. You are not required by law to furnish this information, but if you do not provide it, you may not receive this payment or it may take longer to pay you. This information is being collected under the authority of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), and implementing regulations at 49 CFR Part 24. The information may be made available to a Federal agency for review.

Previous editions are obsolete Page 3 of 3 form **HUD-40058** (07/2006)

## C-28: SAMPLE LETTER OF ACKNOWLEDGEMENT SERVICES AND PAYMENTS RENDERED

**SAMPLE**
**LETTER OF ACKNOWLEDGEMENT**
**SERVICES AND PAYMENTS RENDERED**

Department of Community Development
City of West Linn
100 Main Street
West Linn, Louisiana 70801

To: _____, Relocation Officer

This is to certify that the Relocation Assistance, Services and Payments rendered by the Department of community Development at the time of my displacement from _____ to _____ was done to my satisfaction.

I further certify that I have received reimbursement of my moving expense and/or Relocation payment by the Department of Community Development checked below.

**MOVING EXPENSE**

_____ Fixed Payment of $_____.

_____ Reimbursement of paid receipt from a Mover or Direct Payment to a Mover of $_____.

**ADDITIONAL RELOCATION PAYMENTS** (Tenants and Certain Other)

_____ Downpayment Assistance of a lump sum of $_____.

_____ Rental Assistance Payment of $_____ in a lump sum.

**REPLACEMENT HOUSING PAYMENT** (Owner-Occupants)

_____ Replacement Housing Payment of $_____ in a lump sum.

_____ _____
Date Claimant

By:_____

## C-29: FORMAT FOR WAIVER OF RELOCATION ASSISTANCE

**GUIDEFORM WAIVER OF RELOCATION ASSISTANCE UNDER THE UNIFORM RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITION POLICIES ACT OF 1970, AS AMENDED (URA)**

1. I,_____ , am presently the owner of a residential tenant of property located at _____ *(address)*_____.

2. I have been formally notified that this property is to be acquired, rehabilitated, demolished for a program or project to be carried out by _____ *(agency)* _____ with Federal financial assistance provided by the United States Department of Housing and Urban Development, and that it will therefore be necessary for me to move permanently from this property. I have been further advised that I am eligible for relocation payments and other relocation assistance under the URA in connection with this displacement. It has been explained to me that the law provides for advisory assistance, including referral to comparable (affordable, decent, safe and sanitary) replacement housing; for payment of actual, reasonable moving and related expenses or for a fixed expense and dislocation allowance, at my election; and, in addition, for a replacement housing payment to assist me in buying or renting a replacement home.

3. The nature and amounts of such payments and other assistance have been specifically described to me in such a manner and in sufficient detail that I fully understand my eligibility.

4. I have determined not to claim the benefits available to me under the URA, and hereby release the _____ *(agency)* _____ from all obligations and liability regarding them. I do this freely, on the basis of my full understanding of all my legal rights. I am under no duress or coercion by the _____ *(agency)* _____and make this decision without reservation or qualification.

5. This waiver shall expire on ___ *(date)*__, unless the assisted program or project has been completed by that date.

Witness:_____ Signature:_____

Witness: _____

_____(Seal)
Notary Public
My Commission Expires On:_____

Handbook 1378 CHG-3
Appendix 18a

WAIVER OF RELOCATION BENEFITS UNDER THE UNIFORM RELOCATION ACT
[AND SECTION 104(d) OF THE HOUSING AND
COMMUNITY DEVELOPMENT ACT OF 1974] -- RESIDENTIAL TENANT

1. I, _____, am presently a residential tenant of property located at _____.

2. I have been formally notified that the property may be [acquired, rehabilitated, demolished] in connection with a program or project to be carried out by __*(Agency/Owner)*__ with Federal financial assistance provided by the Department of Housing and Urban Development and that such action would make it necessary for me to move permanently from the property [pay a higher rent to remain in the property].

3. I have also been advised that such action would make me eligible for relocation payments and other relocation assistance required by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) [and section 104(d) of the Housing and Community Development Act of 1974, as amended (section 104(d))] to help me relocate successfully. It has been explained to me that the law provides for relocation advisory assistance, including referral to comparable, affordable, decent, safe and sanitary housing; for either payment of actual, reasonable moving and related expenses or, at my election, a moving expense and dislocation allowance; and for a replacement housing payment to assist me in buying or renting a replacement home.

4. The nature and amounts of such payments and other assistance and benefits have been specifically described to me in such a manner and in sufficient detail that I fully understand them.

5. In consideration of _____, I have determined not to claim the benefits available to me under the URA [and section 104(d)], and I hereby release the __*(Agency/Owner)*__ from all legal obligations and liability regarding them. I do this freely, on the basis of my full understanding of all my rights under the law. I am under no duress or coercion by the __*(Agency/Owner)*__ and make this decision without reservation or qualification.

6. This waiver shall expire on _____, unless the property has been acquired [the rehabilitation/demolition has commenced] by that date.

Witness:_____ Signature:_____

Witness:_____ _____ (Seal)

Notary Public:

My Commission Expires On:_____

*NOTE: A tenant may (for appropriate consideration) find it to be in his/her best interest to "waive" (forego right to) URA/section 104(d) relocation assistance if the alternative is less attractive (e.g., infeasible project and no assistance). Examples: (1) A tenant permitted to remain in a property after rehabilitation at a new rent only slightly higher than the "old" rent; (2) A tenant in a substandard unit may be willing to relocate for a cash incentive. A "waiver" is not to be used to coerce a tenant into accepting less assistance than the tenant would otherwise receive. It is HUD policy to monitor all "waivers" to ensure that each tenant was fully informed of his/her rights and waived those rights only for well-documented reasons.*

Handbook 1378 CHG-3
Appendix 18b

WAIVER OF ACQUISITION AND RELOCATION BENEFITS UNDER THE UNIFORM RELOCATION ACT [AND SECTION 104(d) OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974] -- OWNER-OCCUPANT

1. I, _____, am presently the owner of property located at _____.

2. I have been formally notified that the property may be eligible for acquisition in connection with a program or project to be carried out by _____*(Agency)*_____ with Federal financial assistance provided by the Department of Housing and Urban Development and that if I agree to sell the property for this purpose it would be necessary for me to move permanently from the property.

3. I have also been advised that, unless I voluntarily agree to forego relocation assistance, such acquisition would make me eligible for relocation payments and other relocation assistance required by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) [and section 104(d) of the Housing and Community Development Act of 1974, as amended (section 104(d)]. I would also receive the benefits of the URA acquisition procedures. It has been explained to me that the law provides for relocation advisory assistance, including referral to comparable, affordable, decent, safe and sanitary housing; for either payment of actual, reasonable moving and related expenses or, at my election, a moving expense and dislocation allowance; for a replacement housing payment to assist me in buying or renting a replacement home; and to an offer to purchase my property for no less than its established fair market value based on an appraisal. The nature and amounts of such payments and other assistance and benefits have been specifically described to me in such a manner and in sufficient detail that I fully understand my eligibility.

4. I understand that if I am unwilling to accept the purchase price offered by the __*(Agency)*__ and to release all claims to relocation payments and other assistance, the ____*(Agency)*____ will make no further attempt to acquire my property and will not bring about my displacement from it.

5. In consideration of the __*(Agency's)*__ offer to acquire my property, I have determined not to claim benefits under the URA [or section 104(d)], and I hereby release the __*(Agency)*__ from all legal obligations and liability regarding them. I do this freely, on the basis of my full understanding of all my rights under the law. I am under no duress or coercion by the _____*(Agency)*_____ and make this decision without reservation or qualification.

6. This waiver shall expire on _____, unless the property has been acquired by that date.

Witness:_____ Signature:_____

Witness:_____ _____ (Seal)

Notary Public:

My Commission Expires On:_____

<u>NOTE</u>: *This waiver covers a "voluntary acquisition" that is subject to the URA. (Exclusions from the URA are described in Paragraph 5-1 of HUD Handbook 1378.) It may be used where it is advantageous to the owner-occupant to agree to "waive" (forego right to) URA/section 104(d) relocation assistance because sale of the property for the consideration offered is more attractive than the alternative -- no sale to the grantee. It is HUD policy to monitor all such "waivers" to ensure that each person was fully informed of his/her rights and waived those rights only for well-documented reasons.*

C-30: RELOCATION COMPOSITE LIST

# Relocation Composite List

- Complete the chart below for all persons relocated.

| NAME | ADDRESS | L/M YES NO | 180-DAY Homeowner YES NO | Benefits Paid | Claim Amount | Meets Section 8 Standards YES NO |
|---|---|---|---|---|---|---|
| | | | | $ | $ | |
| | | | | $ | $ | |
| | | | | $ | $ | |
| | | | | $ | $ | |
| | | | | $ | $ | |
| | | | | $ | $ | |
| | | | | $ | $ | |
| | | | | $ | $ | |

## C-31: RELOCATION FILE CHECKLIST

**RELOCATION FILE CHECKLIST**

A separate file is to be maintained
for each household displaced.

1. Fully Completed Case Record Form _____
2. Notice of Notice of Displacement or Notice to Continue in Occupancy and HUD Brochure Sent _____
3. Evidence of Receipt by Relocatee _____
4. Evidence of Referrals to Replacement Housing _____
5. Copy of 90 Day Notice and Evidence of Receipt, if applicable _____
6. Copy of 30 Day Notice and Evidence of Receipt, if applicable _____
7. Record of Inspection of Replacement and Referral Units _____
8. Copy of Relocation Claim, Worksheet, and Supporting Documentation _____
9. Evidence of Verification of Claim _____
10. Copies of Cancelled Checks _____
11. Acknowledgement of Payments and Services Rendered _____
12. Appeal, if filed, and Disposition _____
13. Correspondence Copies: Date Subject Matter
    1.
    2.
    3.
    4.
    5.

    Use additional sheet if necessary
14. Other Data:

    Specify: _____
15. If Relocation not completed within six months of Notice of Displacement, explanation of delay and plan for timely completion.

    _____

# D. ECONOMIC DEVELOPMENT

## INTRODUCTION

This section presents the special requirements that apply to Economic Development (ED) projects as a part of the Louisiana Community Development Block Grant (LCDBG) Program. ED projects are varied and unique. A project may consist of a loan to a business to procure such items as land, commercial-industrial facilities and commercial-industrial equipment. ED projects can also be grants to local governments to purchase land, buildings, et cetera or for public infrastructure improvements to assist a business.

ED projects are subject to the same federal provisions as public facility projects. However, due to different types of activities and participants, certain provisions become more important or apply differently.

This section refers to other sections in the Handbook that apply to most ED projects and lists additional requirements, and discusses areas that are particular to ED projects.

The text discusses the requirements of each task, references required forms and cites examples of work contained in the supporting materials.

## PROGRAM ADMINISTRATION

Items previously discussed in the Program Administration Section (*Section A*) of this Handbook are also applicable to administering an ED program. Following preliminary approval of a project, some application revisions may be requested such as a new performance schedule or a revised cost summary form. The same documents which must be submitted to this office in order to obtain a release of funds for other CDBG programs, i.e. environmental review record, anti-displacement resolution, community development plan, signature cards, depositary cards, et cetera, must also be submitted for ED programs. In addition, other documents which pertain only to ED programs will be required to obtain a release of funds. These documents and other requirements for the ED program are discussed in this section.

### CONTRACTS

After the local government receives an authorization to incur cost for planning and administration, the State will send the local government a contract (State contract) which details the responsibilities of the assisted business ("developer") and the local government. The local government will develop a Written Agreement between it and the developer incorporating the provisions of the State contract (24 CFR 570.506 (b)(5) ). The Written Agreement will either be in the form of a Two Party Agreement for infrastructure grant projects or a Three Party Agreement for projects that provide direct financial assistance in the form of a loan. **Exhibit D-1** contains a sample Written Agreement. The shaded portions of the sample written agreement are pertinent to a loan and must be used only for the Three Party Agreement. The local government can develop a Two Party Agreement from the sample by removing the shaded portions. This is only a sample since each project is unique and the local government has some latitude in negotiating the best possible arrangements with the assisted business.

There are basically three requirements for either form of the written agreement. The written agreement must set forth at a minimum the following:

1. All basic activities and responsibilities as established in Contract Exhibits A, B, C, and D of the Grant Agreement (Contract between the State and the Local government).
2. Specification of all related federal and State provisions and regulations as included in Contract Exhibit F of the Grant Agreement.
3. A statement to the effect that the agreement is contingent upon a release of funds, thereby avoiding any environmental concerns.

In addition to the written agreement, other evidentiary materials must be submitted to this office. Contract Exhibits C and D of the Grant Agreement outline all required evidentiary materials that must be sent to this office. Local governments are allowed six months from the date of the Authorization to Incur Cost to submit all evidentiary materials.

Some items of evidentiary materials that are commonly submitted include but are not limited to the following:

- Written Agreement - This is a legally binding agreement between the developer and the local government, (and the State for a Three Party Agreement) which specifies all parties' responsibilities in implementing the ED project. As indicated earlier, this document should contain all provisions outlined in the State Contract. This document should contain provisions which protect the local government and the State as well.
- Mortgage Agreements – *(Loan projects only)* Security is required for all CDBG loans and fully executed mortgage agreements must be submitted to this office. The LCDBG ED staff can provide samples of these documents.
- Evidence of Developer's Private Investment- Fully executed loan agreements with bank, public entities, et cetera, which indicates the dollar amount and terms of the loans must be submitted. Depending on the source of the Developer's financial commitment, documentation of the evidence will vary. **Exhibit D-2** provides a Sample Evidence of Developer's Commitment.
- A resolution establishing authority of persons to enter into the Written Agreement and other legal documents on behalf of the corporation. See **Exhibit D-3** for a Sample Resolution of the Board of Directors.
- Certification of Legally Binding Agreements (**Exhibit D-4**) - The local government's legal counsel certifies the genuineness of the above referenced documents and the authority of all parties to sign the documents. Further, it states that the documents constitute a valid and legally enforceable contract under the laws of the State of Louisiana and is in conformity with the LCDBG Grant Agreement/Contract. It is important for your attorney to be actively involved in this process due to potential liability faced by the local government.

As indicated earlier, the above represents some of the evidentiary materials required to be submitted to the State prior to release of funds. However, other documents specified in *Section A* of this Handbook must also be submitted in order to receive a release of funds.

## ENVIRONMENTAL REVIEW

ED projects must comply with all environmental review requirements discussed in *Program Administration: Completing Environmental Review Requirements*. Environmental Review requirements apply to the area that the developer is improving, as well as the area where infrastructure improvements, paid for by LCDBG are to be located.

One of the common problems noted with ED projects is that a finding of "Categorical Exclusion" (24 CFR Part 58.35) is made in many cases inappropriately. This is most common where it is argued that the project may be categorically excluded due to only a minimal change in use, size, capacity or location, et cetera and because it is consistent with the allowed use of the site, et cetera. These determinations are difficult to make and require an in depth analysis of the proposed changes. The grantee must closely follow the regulations in making the determination. Please contact the Office of Community Development prior to making a finding of categorical exclusion for an ED project.

The most important fact to consider regarding ED projects and environmental review is that no project activities (other than "Exempt" activities) may be contracted or LEGALLY OBLIGATED from the time the application is submitted to the State until all project activities are environmentally cleared. No monies may be incurred with LCDBG funds except those costs relating to engineering and planning. See **Exhibit D-5** for a listing of common questions regarding Release of Funds. Environmental Review Requirements apply to all activities of the project; those privately funded and LCDBG funded.

## REQUESTS FOR PAYMENT

Once the project has received the Notice of Approval of Evidentiary Materials and Release of Funds, Requests for Payment may be submitted. This process is described in *Section A*. However, most ED projects have conditions set forth in the State contract that must occur before funds are drawn. Usually the conditions involve expenditures of private sector funds and accumulation and presentation of invoices. Be especially careful in following the provisions of the State contract.

If all conditions of the State contract are met and a draw request is granted, a financial management system must be in place to receive and account for LCDBG funds (see *Section A, Program Administration: Financial Management*). If the ED project involves a loan to a business, a loan closing should be held for presentation of the check to an appropriate company representative, if needed. Prior to the loan closing, security documents such as mortgages, promissory notes, loan agreements and/or security agreements must have been signed. These documents must be prepared by the grantee's attorney. If custom equipment is being built for the developer that is to be paid with LCDBG funding, some preliminary payments may be required. Funds for equipment will be requested by the local government when the equipment is received and invoiced.

It is important that all ED loans be secured as soundly as possible and that the repayment schedule and all requirements set forth in the Three Party Agreement are understood clearly by the payor and payee.

A bank or attorney should be able to produce a payment schedule with principal and interest clearly delineated. The State will prepare a revised payment schedule for recipients if the actual drawdown deviates from the program schedule. Follow all LCDBG contract requirements and provisions identified in the State contract. One very important requirement is the submittal of quarterly status reports. These reports are due no later than 30 days after the end of the quarter. For instructions, see *Economic Development: Sources and Uses Report***.**

*Section A* also discusses the subject of procurement. ED projects often involve the private sector party procuring services such as engineering. Private sector entities are not subject to the provision of 24 CFR 85.36 even when the activity is financed with federal funds. However, all contract provisions apply to public sector procurements.

Citizen participation requirements are outlined in *Section A, Program Administration: Civil Rights* which the grantee must comply with in addition to Equal Opportunity and Fair Housing requirements (*Section A, Program Administration: Civil Rights*). Grantees must insure that they comply with all the provisions contained in the Statement of Assurances which was submitted in the application.

## INFRASTRUCTURE PROJECTS

The requirements discussed in *Section A, Program Administration*, pertain to construction work financed in whole or in part with LCDBG funds. This section therefore applies to ED projects. The only difference is that 24 CFR 85.36 (procurement) does not apply to the construction contract between the private sector party and their contractor. All other provisions regarding applicability of labor and equal opportunity standards do apply. Therefore, the format and contents of the contract must be basically the same as those provided in *Section A, Program Administration*. The contract oversight requirements, such as posted construction sites, employee interviews, payroll reviews, et cetera, are the same.

## ACQUISITION

The Acquisition Section presents the requirements that apply to real property acquisition in connection with LCDBG financed projects. Therefore, this section is important to many ED projects, especially those involving new infrastructure construction or site acquisition.

The most important consideration for ED recipients is whether the Uniform Act (Act) applies to any part of the project.

There are two (2) similar but different instances when a project must follow the Uniform Act requirements.

First, the Act will be triggered if the public entity, i.e., a city, parish redevelopment agency or any other entity which has legal power to expropriate land and acquire privately held property under Louisiana law, is acquiring the property with LCDBG funds, whether the activity is funded wholly or in part with Block Grant funds.

Second, the Uniform Act will in most instances be triggered when a private company, which does not have expropriation power, acquires property with LCDBG funds or private funds, prior to or after the award of a LCDBG Award.

Prior to any purchase of real property by the local government or the developer, contact the Office of Community Development (OCD). This will avoid costly time delays and/or disallowed costs associated with the ED program.

The above applies for easements or servitudes (excluding construction easements) that need to be acquired in conjunction with the program.

## RELOCATION

Relocation refers to the physical movement of people, families, businesses, whether commercial or industrial, and farm operations as a direct result of activities in connection with any LCDBG project. The requirements for Relocation are discussed in the Relocation Section (*Section C*) of this Handbook. Regardless of who or what is being relocated within the project, coordination with state staff should occur as early as possible in the application's development to deal with this complicated process.

## DAVIS-BACON AND RELATED ACTS

*Section B: Labor Compliance* provides information regarding labor provisions applicable to LCDBG projects.

The question of applicability takes on greater significance when dealing with ED projects since the private sector portion of the project can be affected financially by labor provision applicability to the entire project. 42 USC 5310 states that Davis-Bacon wage rates must be paid to laborers or mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part with LCDBG assistance. Davis Bacon does not apply to the construction contract between the private sector party and the contractor if the construction contractor for the LCDBG funded activity is a different contractor. If construction is not involved, Davis Bacon requirements will not apply.

Equipment - HUD has provided the framework to determine whether Davis-Bacon and related labor provisions apply to the installation of equipment, and if its application to equipment will trigger Davis-Bacon to other parts of the project. The Davis-Bacon Equipment Policy is provided in **Exhibit D-6**. For guidance, the following opinions have been written by HUD in response to LCDBG inquiries:

- LCDBG funds to be used to purchase furniture, fixtures, maintenance equipment, televisions, telephone equipment and registration equipment will not necessitate the application of Davis-Bacon wage rates. This applies if the equipment analysis provided by the developer does not show any installation costs.
- Department of Labor considers Davis-Bacon coverage of equipment to depend to a great extent on whether the installation of the equipment in question involves more than an incidental amount of construction work.
    - As an example, installation costs of $68,338.80 are more than incidental for $402,000 of LCDBG financed equipment. Therefore, Davis-Bacon rates are applicable to laborers and mechanics involved in installation of the equipment.

  - Installation costs of $29,388.80 are incidental for $402,000 of LCDBG financed equipment. Therefore, Davis-Bacon rates are not applicable to laborers and mechanics in that project who are involved in installation of the equipment.

- Where LCDBG is used to finance equipment, the following items will trigger Davis-Bacon: time clock with card racks, overhead crane system/hoist, air lines and fire extinguisher. The reason for this is the attachment to the building.
- According to the U. S. Attorney General, Section 110 (Davis-Bacon Act) does not require the payment of prevailing wages with respect to installation where federal funds are provided exclusively for the purchase of equipment and not for its installation.

Every effort must be made to address the equipment issue during the application process. If LCDBG funds are to be used to purchase equipment, an Equipment Analysis form must be submitted to this office (**Exhibit D-7)**. All LCDBG financed items of equipment must be listed. A determination will be made based on the particular listing. Should the items of equipment change or the amount of installation required increase, the determination may not be valid. Therefore, changes in these items will generally not be permitted. Should a change become necessary and be considered appropriate, the project will require a formal Program Amendment and a re-evaluation of the equipment analysis forms.

## PROGRAM INCOME

Program income (repayment) is money earned that is generated by the use of LCDBG funds. Examples of program income are: (1) payments of principal and interest on loans made using LCDBG funds; (2) proceeds from the lease or disposition of real property acquired with LCDBG funds; (3) interest earned on LCDBG funds held in a Revolving Loan Fund (RLF) account; and (4) interest earned on any program income pending its disposition.

Program income in the form of loan repayments shall be continually remitted to the State until the loan has been retired. In the case of lease payments being received from a building purchased, constructed, or renovated, in whole or in part with LCDBG funds, the pro-rata percentage payment will be payable to the State based on a fair market valuation of the leasehold. This "fair market value" shall be considered at least to be the value of the LCDBG contribution amortized over 20 years at no interest. These lease payments will continue to be due to the State until the grant is repaid. Lease payments will not be due, however, if the building becomes vacant.

Any other program income earned as a result of the LCDBG Program will be submitted to the State. The Office of Community Development must be contacted for instructions regarding income as soon as the local government becomes aware of the income or of the possibility that program income will be received.

## PROGRAM BENEFIT/TRACKING JOB REQUIREMENTS

To be eligible for LCDBG assistance, an activity must address the objective of benefiting low and moderate-income persons. In the case of ED projects, persons benefiting will be those hired or retained by the company assisted by LCDBG funds. Since these persons must complete an application for employment, they will be direct beneficiaries.

For an activity that creates jobs, the grantee must document that at least 51 percent of the jobs are held by, or were made available to low and moderate-income persons. (24 CFR 570.483.(b)(4))

Obtaining this information is crucial to documenting project eligibility. The income information provided will determine if the Low-Moderate-Income (LMI) Benefit claimed in the application has been met. Even if all jobs cannot ultimately be filled, the LMI requirements stated in the LCDBG Contract must be met. The company, to avoid possible eligibility problems, must clearly understand and agree to these requirements as early in the application process as possible. These requirements should be included in the written agreement (24 CFR 570.506(b)(5)).

**Exhibit D-1**, Attachment B is a sample Survey Form for use in collecting information for persons hired or considered for employment. Survey forms must be kept on file by the company and made available to the State or the City/Parish if requested. **Exhibit D-1**, Attachment C, is an Employee Characteristics Record, where the individual information is compiled showing required employee characteristics such as job title and household income. Employees can be denoted by code if preferred, to protect their privacy. The employee forms and the Employee Characteristics Record must be kept in the LCDBG files.

Just as for Public Facilities projects, it is the grantee's responsibility to determine specific statistical information on those persons benefiting from the project. According to 24 CFR 570.506(g)(2) beneficiaries must be documented as to race, national origin, age, sex, head of household, and physical disability status. Some of this information cannot be obtained prior to or as a condition of employment. Therefore, once hired, all employees must be surveyed.

To count the number of jobs created, payrolls of the company being assisted are required. The initial payroll can be submitted at the pre-application meeting or any time prior to the date of the Authorization to Incur Costs letter. This payroll will determine the original number of positions. If the company has no existing Louisiana employees, then it must submit a statement on company letterhead. Another payroll will be required when the jobs have been created. The number of employees on the final payroll will be compared with the original payroll to determine that the proper number of jobs were created.

## FINANCIAL REPORTING REQUIREMENTS

It is crucial to the monitoring process of any LCDBG ED grant that the State and grantee receive status reports within the required timeframe from the developer. Quarterly reporting will be submitted on the Sources and Uses Report. See *Economic Development: Sources and Uses Report*.

When the State or local government requests a year-end financial statement from the developer, either a complete unqualified opinion or a reviewed statement with a detailed profit and loss statement, balance sheet, statement of changes in financial position, and all required footnotes will be required. When an annual financial report is requested, compiled financial information will not be acceptable for an annual financial report. The State contract and the written agreement will specify whether an audited year-end financial statement or a reviewed statement is required. It is necessary that the developer employs a Certified Public Accountant that can meet the reporting requirements. Recipients should be aware of statements in the accountant's letter to management such as:

> ”A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly do not express an opinion or other form of assurance on them. Management has elected to omit substantially all of the disclosures and the statement of changes in financial position required by generally accepted accounting principles.”

Statements such as the above can be indicators of less reliable, missing, and possibly distorted information.

Preferably, the accountant's letter to the management for the annual financial report should contain language similar to the following:

> “We have examined the balance sheet of XXX Corp as of July 31, 2009, and the related statements of income, retained earnings, and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. In our opinion, the financial statements referred to above present fairly the financial position of XXX Corp as of July 31, 2009, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.”

Not all businesses can afford the expense of an audit. In cases where a business cannot afford an audited annual financial report and the State contract and the written agreement allows for a review statement, a reviewed statement may be acceptable. In this case the accountant's letter to management would contain language similar to the following:

> “We have reviewed the accompanying balance sheet of XXX Corp as of July 31, 2009, and the related statements of income, retained earnings and changes in financial position for the year then ended, in accordance with standards established by the American Institute of Certified Public Accountants. A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an examination in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion.
>
> Accordingly, we do not express such an opinion. Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.”

A reviewed statement must include all the required footnote disclosures. The footnotes disclose such critical information as: the basis for the inventory valuation, depreciation methods, maturity and debt structure, and related party transactions (loans to and from stockholders, etc.)

It is incumbent upon the local government to know what kind of audit report is acceptable and to take the necessary steps to ensure that the specific kind of audit report required is produced by the business and is provided to you on an annual basis.

The local government should ensure that the terms of engagement between the developer and his accountant require more than just a compilation for the annual report.

## SOURCES AND USES REPORT

Since frequent monitoring visits by the State LCDBG-ED staff is not feasible, it is necessary that the local government which has received LCDBG-ED funds report regularly on the developer's progress. The LCDBG State contract and written agreement established the periods when the reports are due. This requirement is closely monitored. Failure to submit this report in a timely manner can result in negative consequences to the local government/business.

The reports will be required every quarter beginning with the date of the first draw from the State. The first reporting period will coincide with the next federal and State quarterly reporting period of 3-31, 6-30, 9-30, or 12-31. The report will be due 1 month after the end of the first reporting period and every 3 months thereafter. (For example, if the first payment request is paid on August 10th then the first report is due before the end of October for the period of July1 through September 30.)

The use of this report will assist the local government in carrying out its contractual responsibilities. It will allow the State to stay informed on the developer's progress, to ensure that the money is being spent as scheduled, and that the jobs needed and promised are being created as quickly as possible.

This process will create an early warning system that will allow both levels of government to assist the developer if unexpected problems arise, which could alter his/her schedule of events as approved in the application and in the contract between the local government and developer. To avoid any potential liability all communities providing assistance to for-profit entities must ensure that this contractual obligation is strictly observed. A copy of this report is Attachment D of the two party agreement (Quarterly Status of Sources and Uses).

OCD requires the Sources and Uses report form to be submitted until the job requirement has been met. A letter of certification will be issued at that time.

## LOAN DEFAULT

In order for the local government to fulfill its responsibility and not face potential monetary liability, it must make a "good faith effort" to ensure that the project is successfully developed as outlined in the application package/contract. Briefly summarized, the local government's responsibilities are:

- to maintain records of total and low-to-moderate income employment;
- to monitor the financial condition of the business;
- to inform the State in a timely manner of any difficulties with the project;

- to take the proper legal remedies to recover the LCDBG investment, if the business becomes insolvent or fails to comply with contract requirements; and,
- to pursue the appropriate legal action in the event of fraud or other illegal activities.

It is HUD's position that the local government should act as a responsible creditor, both in servicing loans and instituting the proper legal proceedings in the event of default.

In case of a default, the Office of Community Development will review the local government's performance as it pertains to the above mentioned criteria.

Before the State relieves a local government of any potential monetary liability, the local government must demonstrate substantial progress in recovering the LCDBG funds from the developer.

## CLOSEOUT

Many ED projects can move to closeout fairly quickly due to the fact that many involve a one-time draw. ED projects may not be conditionally closed out until all funds (private, public and local) have been expended, all jobs created, low-mod employees verified and the project has been monitored by the State. In addition, all monitoring and audit findings must be resolved and if the project involves a loan, payments must be up-to-date. See *Section E* for closeout forms and instructions, and the ED staff for any additional information or forms needed for closeout.

The following items must be addressed in the Program Completion Report (PCR):

1. The amount of total private and public investment in a project must be listed in the PCR and documented in project files. Before a grant award is made, the total financial package is reviewed and the need for LCDBG assistance determined. Therefore, a recipient must document that all financial injections in the project have been accomplished. Documentation may take the form of loan agreements, construction contracts, invoices, payrolls, audits, canceled checks, etc. A project cannot be closed until all other funds in the project are expended. If all investment has not been made, the project must remain open with quarterly reporting. Under the circumstances where the private investment is very large, an amendment to the Grant Agreement may be approved to lower the amount of other funds required.
2. In ED projects, a recipient must report the number of jobs created/retained as direct beneficiaries. *Economic Development: Program Benefit/Tracking Job Requirements* discusses documenting jobs. A grant may not be closed until all jobs are created/retained and the National Objective met.
3. The PCR must include a report of any repayment. This is addressed in *Economic Development: Program Income*.
4. The PCR must include reporting of family income level, beneficiaries by race, sex, ethnicity, household size, sex and physical disabilities (24 CFR 570.506 (g)). The reporting arrangement with the developer should be discussed during negotiations.

5. In the PCR Section, the housing opportunities form which specifies action taken to further fair housing and increase housing opportunities for lower income households must be completed by the ED recipient. It applies to the community rather than the project.

Final closeout of a contract is issued only when all activities are completed. This means the results of the project are achieved, including compliance with a national objective (all low and moderate income job creation/retention), an audit covering all LCDBG expenditures, PCR, and Certificate of Completion are approved. In addition, when a project involves a loan, all loan payments must be up-to-date and an audit(s) reporting all LCDBG expenditures has been received by the Office of Community Development.

## ECONOMIC DEVELOPMENT RECORDKEEPING

Refer to *Section A, Program Administration: Recordkeeping and Reporting* in this handbook. For further questions related to the recordkeeping in this area, please call the Office of Community Development at (225) 342-7412 and reference 24 CFR Section 570.506.

THIS PAGE INTENTIONALLY LEFT BLANK

# EXHIBITS – SECTION D: ECONOMIC DEVELOPMENT

## D-1: WRITTEN AGREEMENT

CONTRACT BY AND BETWEEN:

STATE OF LOUISIANA
DIVISION OF ADMINISTRATION

TOWN OF _____

AND

UNITED STATES OF AMERICA

STATE OF LOUISIANA

FEDERAL EMPLOYER I.D.#

AMOUNT OF CONTRACT:

THIS AGREEMENT, is made and entered into as of this _____ day of _____20 ___, by and between the State of Louisiana, Division of Administration or its Successor, hereinafter called "STATE", represented by Carol Newton, Office of Community Development, and the CITY OF _____, LOUISIANA hereinafter called "CONTRACTOR," represented by _____ , duly authorized to act in accordance with resolution attached hereto and made a part hereof and _____, hereinafter called "DEVELOPER," a corporation created and existing under and by virtue of the laws of the State of Louisiana, represented by _____, President, duly authorized to act in accordance with resolution attached hereto and made a part hereof.

1. All parties acknowledge that the CONTRACTOR has applied for a FY _____ Economic Development Grant from the STATE for _____ for Infrastructure Improvements and a loan. In accordance with Attachment A of the contract, hereinafter referred to as the "Grant Agreement" entered into by and between the STATE and CONTRACTOR, said Grant Agreement is adopted and made a part of this contract hereof by reference just as if same had been copied in full.

2. a. DEVELOPER agrees to carry out all activities set forth in Exhibit C and Exhibit D, of the Grant Agreement at a total minimum cost of _____ _____ and agrees to adhere to the time performance schedule in the application or as amended. DEVELOPER assures the CONTRACTOR and STATE that funds will be invested at and above the funds generated through operations in a ratio of $_____ private funds to $1.00 LCDBG funds, according to the program schedule as referenced above.

   Any reduction in private expenditures shall require a corresponding reduction in the LCDBG funds if less than one to one, according to the ratio.

b. DEVELOPER further agrees to the following:

Change of Ownership - DEVELOPER must obtain, in writing, prior authorization from the STATE and CONTRACTOR for any change of ownership interest of DEVELOPER.

3. DEVELOPER further agrees to make available to the CONTRACTOR the following financial information:

a. Financial/Employment Record - The DEVELOPER will upon request by the CONTRACTOR, the Legislative Auditor for the State of Louisiana, the Division, and/or HUD, make available its records with respect to invoices, materials, payrolls, records of personnel, and conditions of employment relating to matters covered by this Contract.

The DEVELOPER shall provide on a quarterly basis a report showing the amount of funds invested by the DEVELOPER in this project and showing jobs created, including low-moderate income jobs, as a result of this project. The reports are due no later than 30 days after the end of each quarter. The first quarter begins the date of the first draw of monies from the State. The first reporting period will be adjusted to coincide with the next federal and State quarterly reporting period of 3-31, 6-30, 9-30, or 12-31. The report will be due 1 month after the end of the first reporting period and every 3 months thereafter. In order to document the information included in these reports, DEVELOPER shall provide paid invoices showing work completed and materials purchased for the project by the DEVELOPER when requested by the State. Current payrolls of the plant operating in _____, Louisiana shall also be provided as requested by the State. DEVELOPER shall also provide an annual report including this same information as well as information described in Exhibits C and D of Attachment A of this contract. These quarterly and annual reports shall be provided to the CONTRACTOR and to the Division by the DEVELOPER no later than thirty (30) days after the end of the time period covered by the report.

The above Expenditure/Employment records, either on a quarterly and/or yearly basis, are to be reviewed by the CONTRACTOR and the Division for administrative purposes only.

4. DEVELOPER further represents that Contractor has applied for a Loan and /or Infrastructure Improvements as described in Exhibit A of the Grant Agreement and for the benefit of the Developer, based upon Developer's representations to the STATE that:

a. DEVELOPER acknowledges its representation in the application for the grant under the Grant Agreement pertaining to the number and types of jobs indicated in the Application, Low-to-Moderate Income Benefit, attached as Exhibit D 1 b) of Attachment A, which shall result in the creation of a total of _____( ) full-time jobs of which _____ ( ) shall be held by persons from low to moderate income families.

DEVELOPER agrees to keep employment records including race, ethnicity, gender, and handicap status and shall report this information as required by the STATE. At least fifty-one percent (51%) of all jobs created by the DEVELOPER must be held by persons from low to moderate income families.

b. DEVELOPER shall include on all applications for employment the household income, number of persons in the household, and any other information required by HUD at the date of hiring of all employees. CONTRACTOR will provide income certification forms to DEVELOPER.

c. DEVELOPER acknowledges its representation in the Application, and hereby obligates itself to invest $ _____ in private funds in consideration of receipt of the LCDBG Loan and /or Infrastructure Improvements from CONTRACTOR. DEVELOPER further acknowledges its duty to invest private funds, over and above the funds generated through operations, in a ratio of $_____ of private funds to $1.00 of LCDBG funds.

d. DEVELOPER acknowledges its duty in fulfilling its Contractual duty to CONTRACTOR, and in turn CONTRACTOR'S obligation to meet the National Objective requirements of the program in a timely manner; and obligates itself to create or cause to be created the number of jobs within the quarterly time frames set forth in the Grant Application or as subsequently updated and that the CONTRACTOR expects these jobs to be created at the specified time intervals, in satisfactory performance of the Grant Agreement.

e. DEVELOPER acknowledges that the STATE and CONTRACTOR in making these Loan and /or Infrastructure Improvements, relied upon representations of the DEVELOPER regarding potential sales, financial performance, employment, market, financial resources and conditions, economic assumptions, technical and managerial expertise, and total projected investment. DEVELOPER further acknowledges that the STATE and CONTRACTOR have relied upon these representations as being realistic, accurate, knowledgeable, and having been made in good faith. The STATE shall consider these factors to the extent that it may grant relief from Contract conditions within overall accomplishments of the National Objective.

5. CONTRACTOR agrees to carry out all activities set forth in Attachment A, Exhibit A, B, and D of the Grant Agreement, at a maximum total cost $ _____ and agrees to adhere to the time performance schedule as submitted in the application or as subsequently amended.

6. CONTRACTOR further represents that it has applied for and is receiving the funds under the Grant Agreement, based upon its representation to the STATE that:

a. The Grant is anticipated to create a specific number of permanent new job opportunities within the quarterly time frames set forth in the Grant Application

for persons who, at the time of their employment, will be persons of low-to-moderate income households. Low to moderate income households are determined by annualizing the household income from three months immediately prior to the date of hiring. Low-to-moderate income persons are defined as persons whose annual income is less than the following amounts, listed by household size, for the Parish of _____

Household Size by Number of Persons

| One | Two | Three | Four | Five | Six | Seven | Eight |
|---|---|---|---|---|---|---|---|
| $xx,000 | xx,000 | xx,000 | xx,000 | xx,000 | xx,000 | xx,000 | xx,000 |

b. The Grant anticipates private funds in the amount of $ _____will be invested, over and above the funds generated through operations; or a minimum of $ _____ of private funds to $1.00 of LCDBG funds.

c. CONTRACTOR obligates itself to use all powers available to enforce the undertaking or assurance of the participating parties, namely DEVELOPER, respecting the creation of jobs which are specified in Exhibit D of the Grant Agreement.

7. CONTRACTOR and DEVELOPER acknowledge that nothing contained in this contract, or by any third person shall be considered to create any relationships of third party beneficiary, principal and agent, limited or general partnership, joint venture of any association or relationship involving CONTRACTOR or DEVELOPER.

8. The CONTRACTOR and DEVELOPER shall comply with all applicable federal, state and local laws, e.g., Equal Opportunity, contracted in Exhibit F of the Grant Agreement or as otherwise required.

9. REMEDIES UPON DEFAULT. Upon the occurrence, or the discovery of the STATE or CONTRACTOR of the occurrence, of any of the foregoing events, circumstances, or conditions of default, the STATE shall have, in addition to its option to halt the infrastructure improvements and loan provisions, all of the rights and remedies of a secured party under the applicable laws of the State of Louisiana. Without in any way limiting the generality of the foregoing, the STATE shall have the following specific rights and remedies:

a. In the event the DEVELOPER is unable to provide the employment opportunities for low and moderate income persons as set forth in Exhibit D of Attachment A, the STATE or CONTRACTOR shall have the right to exercise any and all of the specific steps described in its Corrective and Remedial Actions Policy which was published as a Rule in the August 20, 1987 issue of the Louisiana Register.

b. In addition, if the DEVELOPER fails to create the total of _____ (  ) full-time jobs and of the jobs that are created at least 51% are held by low-to-moderate income persons, the Division may, in its discretion, require the DEVELOPER to pay to the Division _____ for each job less than the number of jobs which had been agreed to by the DEVELOPER. If at least fifty-one percent (51%) of all jobs created by the DEVELOPER are not held by low to moderate income persons, the Division may require all Grant funds expended to be repaid by the DEVELOPER to the Division.

10. TERMINATION OR SUSPENSION:

a. The CONTRACTOR or STATE may, after giving reasonable written notice specifying the effective date, terminate this Contract in whole or part for cause, which shall include but not be limited to:

(1) failure, for any reason, of the DEVELOPER to fulfill in a timely and proper manner the obligations under this Contract, and such statutes, Executive Orders, and federal directives as may become generally applicable at any time.

(2) submission by the DEVELOPER to the CONTRACTOR or its Auditors, of reports that are incorrect or incomplete in any material respect;

(3) ineffective or improper use of funds provided under this Contract;

(4) suspension or termination of the grant by the STATE under which this contract is made, or the portion thereof delegated by this Contract.

b. If the DEVELOPER is unable or unwilling to comply with such additional conditions as may be lawfully applied to the Grant by the STATE, the CONTRACTOR shall terminate the Contract by giving reasonable written notice to the STATE, signifying the effective date thereof. The CONTRACTOR, if first authorized by the STATE, may at its sole option continue with its own funds on the project until a question is resolved with the understanding that a satisfactory resolution may allow the STATE to reimburse funds at its sole option and discretion.

c. If through any cause, the DEVELOPER shall fail to fulfill in a timely and proper manner, their obligations under this contract, or if the DEVELOPER shall violate any of the covenants, agreements, or stipulations of this contract, the CONTRACTOR or STATE shall thereupon have the right to terminate this contract by giving written notice to the DEVELOPER of such termination and specifying the effective date thereof, at least thirty (30) days before the effective date of said termination.

d. Notwithstanding the above, the DEVELOPER shall not be relieved of any liability to the CONTRACTOR or STATE including liability for damages sustained by the CONTRACTOR or STATE by virtue of any breach of the DEVELOPER.

11. The DEVELOPER shall not assign any interest in this Agreement, and shall not transfer any interest in the same whether by assignment or novation, without the prior written consent of both the CONTRACTOR and STATE.

12. Attachment A, Exhibits A through F, Attachment B, Attachment C, and Attachment D to this Contract are hereby included and made a part of this Contract. DEVELOPER shall ensure that the information required in Attachments B and D is provided to the CONTRACTOR.

13. SPECIAL CONDITIONS

A. In the event DEVELOPER fails to satisfy any special condition of this contract, fails to implement the project described in Attachment A, of this Agreement, or fails to comply with any provision of this Agreement, in addition to the remedies specified elsewhere in this Agreement, DEVELOPER may be liable to the CONTRACTOR for an amount not to exceed the CONTRACTOR'S maximum obligation under this contract.

B. DEVELOPER shall submit to the CONTRACTOR, when requested to do so by the CONTRACTOR, a document which must include the following: (1) the types of positions, number and wage scales of all permanent positions to be created/retained as a result of this project, including specifics on those jobs filled/to be filled by low and moderate income persons; (2) a hiring plan that includes methods of identifying and training potential low/moderate income job applicants; (3) any other relevant details or special conditions placed on this contract.

C. DEVELOPER shall ensure that the CONTRACTOR is provided with the documentation required by Exhibit D of Attachment A of this Agreement

D. DEVELOPER shall ensure that the CONTRACTOR is provided with a copy of the hazard insurance policy covering all items held as collateral for the Loan funds provided.

E. The DEVELOPER shall within thirty days after the end of each three-month period during the term of this contract, document and furnish to the CONTRACTOR low/moderate income verification forms marked "Attachment B and other documentation necessary for CONTRACTOR to satisfy the requirements of Attachment A, with respect to permanent jobs created and that the low and moderate income of DEVELOPER'S employees meet the requirements.

F. The CONTRACTOR shall have access to the DEVELOPER'S Employment Records in order to verify Employment data such as low/moderate income status, ethnicity, et cetera.

G. The DEVELOPER may not sell or lease machinery and/or equipment purchased with Loan Funds without the written permission of the CONTRACTOR and STATE during the term of this contract. During the term of this contract, CONTRACTOR shall have the right to recover some or all of the $_____ paid to DEVELOPER under this contract, based on the sale or lease of such machinery and/or equipment. This paragraph shall apply to all lease agreements or sales of such items except that the CONTRACTOR and STATE shall have the right to approve any such leases or sales, if it deems them favorable.

H. Successors: This contract shall inure to the benefit of and bind the heirs, personal representatives, successors, and assigns of the parties.

I. If Unenforceable: If any provision of this contract is determined to be unlawful or unenforceable by a court having jurisdiction over the parties, such provision shall be severable from the other provisions of this Agreement, and all remaining provisions shall be fully enforceable.

J. Governing Law and Venue: This contract shall be governed by the laws of Louisiana, which State shall also be deemed the place where this agreement was entered into and the place of performance and transaction of business of the parties.

K. Authority to Make and Use Copies: DEVELOPER authorizes CONTRACTOR to make copies, photocopies, reproductions and other facsimiles (copies) of this original Agreement for the purpose of filing and for any other purposes permitted as if such copies were the original.

L. Notwithstanding any other provisions of this contract to the contrary, the schedules concerning the times of the creation of jobs set forth in Exhibit D of Attachment A are extended as guidelines and it shall not be a default under this contract if DEVELOPER fails to create the number of jobs in any particular period as set forth in the LCDBG Program Time Schedule submitted in the grant application or as subsequently amended by all parties' agreement. It being expressly understood and agreed, however, that it shall be considered a default under this contract if DEVELOPER has failed to create _____ ( ) permanent jobs of which at least fifty-one percent (51%) are low/moderate income on or before the termination of this contract. If additional jobs are created beyond the number cited above, fifty-one percent (51%) must be filled by low to moderate income persons.

M. In the event the CONTRACTOR becomes obligated to pay any sum of money to the Louisiana Division of Administration under the Division of Administration Agreement with respect to, because of or arising out of any of the following, to-wit: (1) the failure of DEVELOPER to comply with any of its obligations under this Agreement, (2) the failure of the CONTRACTOR to comply with any of its obligations under the Division of Administration Agreement which failure results from or arises out of DEVELOPER failing to comply with its obligations under this Agreement or (3) the failure of the CONTRACTOR to comply with any of its obligations under the Division of Administration Agreement, including without limitation, the requirements of Exhibits A through F (to the Division of Administration Agreement), which relate to the creation of jobs or to the income requirements with respect to the persons whose jobs are referred to in such Exhibits A through F thereto, then DEVELOPER shall be obligated to pay such amounts to CONTRACTOR at the office of the Mayor of _____ _____ in the City of _____ in _____ _____ Parish, Louisiana, within fifteen (15) days after the Louisiana Division of Administration makes any written demand on CONTRACTOR for any such amount (there may be different demands for different amount made from time to time). Any written request from the Louisiana Division of Administration for the payment by CONTRACTOR of any amount of money by reason of or based on any of the matters set forth above shall be deemed to be owing by the CONTRACTOR to the Louisiana Division of Administration for the purposes of the foregoing obligation of the DEVELOPER to make payment(s) to CONTRACTOR, subject to DEVELOPER'S right to recover such funds from the CONTRACTOR as hereinafter provided as a result of a final judgment against the Louisiana Division of Administration as provided for below. The failure of DEVELOPER to make any such payment which is required by written notice from the Louisiana Division of Administration as above provided within the time above provided shall give the CONTRACTOR the right at its election to terminate this agreement without any further obligation to DEVELOPER but such termination shall not relieve DEVELOPER of its obligations under this agreement. Provided however, DEVELOPER shall have the right to make any payment requested by CONTRACTOR under the provisions of this paragraph under protest and if it is determined by final judgment, no longer subject to appeal, of a court of competent jurisdiction in a case in which the Louisiana Division of Administration is a party along with CONTRACTOR and DEVELOPER that such amount was not owed by CONTRACTOR to the Louisiana Division of Administration then CONTRACTOR will repay such amount without interest (except for any interest which the CONTRACTOR might be entitled to recover from the Louisiana Division of Administration.) CONTRACTOR and DEVELOPER hereby agree that any such litigation with the Louisiana Division of Administration shall be in a court of competent jurisdiction in East Baton Rouge Parish, Louisiana. The total aggregate liability to the DEVELOPER shall be $_____. The obligations of DEVELOPER under this Section shall remain in effect after termination of this contract.

N. Notwithstanding any other provision of this contract to the contrary, no employee or duly authorized agent of CONTRACTOR may enter upon the premises without the prior consent of an officer of DEVELOPER, which consent shall not be unreasonably delayed or withheld and which consent shall be given with respect to the matters referred to in this Agreement.

O. The DEVELOPER agrees to indemnify, defend and hold harmless CONTRACTOR and the members of the City Council of _____ _____, including the Mayor (all of the foregoing are hereinafter, separate and collectively, referred to in the singular as "Indemnitee"), from and against all claims, causes of action, damages, suits and liability, of every kind, including all expenses of litigation, court costs and attorney's fees, (a) for damage to any property or for injuries, sickness or death of any person caused by, arising out of or related, directly or indirectly, to the premises or DEVELOPER'S occupation of or use of the premises or any Waste on or under the premises or any operations or activities of DEVELOPER or on behalf of DEVELOPER or under its authority or with the express or implied consent of DEVELOPER; which operations, occupation or uses or activities are with respect to or are directly or indirectly related to (1) the purchase or operation of machinery and equipment. The above indemnity shall apply even though any damage to property or any injury, sickness or death referred to therein is caused in whole or in part by any defect in or condition of machinery and/or equipment, whether or not such defect or condition was known by Indemnitee. Under the provisions of this indemnity, the DEVELOPER is agreeing to indemnify Indemnitee from DEVELOPER'S own negligence or fault. However, notwithstanding any other provision of this Special condition to the contrary, this indemnity shall not be applicable to any damage, injury or death caused by the sole negligence of any employee or duly authorized agent of CONTRACTOR which occurred by an action or omission of such CONTRACTOR employee or duly authorized agent, which act or omission occurs on the premises while said CONTRACTOR employee is actually on the premises. Notwithstanding any provision of this Special Condition to the contrary, this indemnity shall not be applicable to any claim arising prior to the date of this Agreement. The CONTRACTOR shall give prompt and timely written notice to DEVELOPER of any claim made or suit or action commenced which in any way would result in indemnification under this paragraph. The obligations of DEVELOPER under this Special Condition shall remain in effect after termination of this Agreement as to any liability which arose during this Agreement. So long as either (1) DEVELOPER is entitled to possession of the machinery and/or equipment of this Agreement or (2) DEVELOPER owns any part of the machinery and/or equipment, it is hereby agreed that DEVELOPER shall carry and maintain, and have in full force and effect comprehensive general public liability insurance, endorsed to include broad form contractual liability insurance coverage and with a cross liability endorsement and such insurance shall name CONTRACTOR as an additional insured thereunder (together with a cross liability endorsement relating thereto), but the CONTRACTOR as an additional insured shall only be such with respect to liability arising out of the machinery and/or equipment purchased by Loan Funds or duties with respect

thereto or with respect to or which occurs on the premises and such liability insurance shall provide the first tier, or primary coverage, with respect to any other insurance coverage provided to or for CONTRACTOR or otherwise afforded to CONTRACTOR, which other insurance afforded CONTRACTOR shall be excess. Such insurance shall be with insurance companies authorized to transact business in the State of Louisiana. Such public liability insurance shall have a combined single limit of not less than $1,000,000.00 per occurrence for bodily injury and property damage. In no event shall the procurement and maintenance of the insurance coverage provided for herein modify, reduce, limit or otherwise restrict DEVELOPER'S indemnification obligations provided for above. DEVELOPER shall furnish to CONTRACTOR a certificate or certificates signed by a duly authorized agent of the company issuing such insurance coverage, detailing the coverage, limits and expiration thereof, and specifying that the same shall not be canceled or materially changed until after ten (10) days notice in writing has been given to CONTRACTOR by such insurance company. The provisions of the above insurance agreement are solely for the benefit of DEVELOPER and CONTRACTOR. Accordingly, third parties shall have no rights under or by reason of the provisions of this paragraph with respect to DEVELOPER providing insurance.

**THUS DONE AND SIGNED** in the presence of the undersigned Notary Public and competent witnesses at _____ , Louisiana, on this _____day of _____, 20_____.

WITNESSES:

DIVISION OF ADMINISTRATION

_____

_____

CAROL M. NEWTON
DIRECTOR, LCDBG PROGRAM

_____

_____

NOTARY PUBLIC
My Commission expires: _____

WITNESSES:

MANUFACTURING, INC.

_____

_____

PRESIDENT

_____

NOTARY PUBLIC
My Commission expires: _____

WITNESSES:

CITY OF _____

_____

_____

MAYOR

_____

NOTARY PUBLIC
My Commission expires: _____

Please note: Attachment A is the contract between the State and the local governing bodies with Exhibits, A-F.

Attachment B is the Employee Survey Form

Attachment C is the Employee Characteristics Record

Attachment D is the Quarterly Status of Sources and Uses

**ATTACHMENT B**

## EMPLOYEE SURVEY FORM
## LCDBG ECONOMIC DEVELOPMENT PROGRAM

COMMUNITY:_____ COMPANY:_____

PROGRAM YEAR:_____CURRENT DATE:__/_____/_____

Employee: LAST NAME_____FIRST NAME_____

Employee: SSN (last four digits only)_____DATE HIRED_____/_____/_____

Employee: JOB TITLE OR POSITION_____

HUD Income Limits for FY _____PARISH _____

The Employee's FAMILY INCOME is:

Please **circle** the number corresponding to the income category and number of persons in **your family**. The income is determined by computing the total income of all family members for the last three months and then multiplying that number by four.

| | 1 Person | 2 Persons | 3 Persons | 4 Persons | 5 Persons | 6 Persons | 7 Persons | 8 Persons |
|---|---|---|---|---|---|---|---|---|
| **Above - more than** | | | | | | | | |
| **Moderate less than** | | | | | | | | |
| **Low – less than** | | | | | | | | |
| **Extremely Low less than** | | | | | | | | |

Employee: Racial Category:

☐ African American or Black ☐ African American or Black and White

☐ White ☐ Alaskan Native or American Indian and White

☐ Alaskan Native or American Indian ☐ Alaskan Native or American Indian and Black

☐ Asian ☐ Asian and White

☐ Native Hawaiian or Other Pacific Islander ☐ Other Multi Racial

Please **mark this box if the employee is of the following ethnicity**: ☐ Hispanic or Latino

Employee: Check **all** that are applicable:

☐ Female Head of Household ☐ Handicapped Person ☐ Elderly

☐ Unemployed at time of hire

Note: 18 U.S.C. Sec 1001 provides that "whoever knowingly and willfully makes any materially false, fictitious, or fraudulent statement or representation;…shall be fined under this title or imprisoned not more than five years or both.

Signature _____

**Attachment C**
**Employee Characteristics Record**

**Date of Report** _____

| NAME | RACE/ETHNICITY | | | | | | | | | | | | | | | | | | | | SEX | | HEAD OF HOUSEHOLD | | ELDERLY | INCOME | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Code | AI/AN | H | Asian | H | Blk/AA | H | NH/OPI | H | White | H | AI/AN and White | H | Asian and White | H | Blk/AA and White | H | AI/AN and Black | H | Other Multi Racial | H | Male | Female | Female | Handi-capped | 62 or Over | Extr Low | Low | Mod | Above |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total No. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| % | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

H-Number of people in column to the left with Hispanic/Latino ethnicity

AI/AN-American Indian/Alaska Native B/AAm-Black/African American NH/OPI-Native Hawaiian/Other Pacific Islander

Use this form to compile results of the individual Employee Survey Forms. For further instructions on completing this form, call your Economic Development LGR at (225) 342-7412.

**ATTACHMENT D**

**QUARTERLY STATUS OF**
**SOURCES AND USES**
**LCDBG ECONOMIC DEVELOPMENT FUND**

DATE OF REPORT: _____

COMMUNITY: _____

DEVELOPER: _____

TYPE OF GRANT: _____

REPORT # _____ PERIOD COVERING From: _____ To: _____

EXPENDITURES:

| | PRIVATE: | LCDBG: |
|---|---|---|
| Current Period Only | _____ | _____ |
| Total Previous Periods | _____ | _____ |
| **TOTAL CURRENT** | _____ | _____ |

JOBS:

| | TOTAL: | LOW/MOD: |
|---|---|---|
| Total Employment Previous Periods | _____ | _____ |
| New Hires This Period | _____ | _____ |
| Discharged Employees | _____ | _____ |
| **NET TOTAL EMPLOYMENT THIS PERIOD** | _____ | _____ |

PERSON PREPARING REPORT: _____

_____ _____
Signature of Local Government Official Signature of Developer

## D-2: SAMPLE EVIDENCE OF DEVELOPER'S COMMITMENT

SAMPLE EVIDENCE OF DEVELOPER'S COMMITMENT
(On letterhead)

We, _____(Lending Institution)_____, have agreed to provide

_____Name of Developer_____ funds in the principal amount of

$_____ for the following terms _____,

part of the Louisiana Development Block Grant (LCDBG) Economic Development Application

for the Community of _____Town/City_____, _____Parish_____.

Upon approval of the LCDBG application, the above stated amount will be available starting

_____(Date)_____, with the commitment lasting until _____(Date)_____.

Signed: _____

Position: _____

Date: _____

_____
(Street or P.O. Box)

_____
Town State Zip Code

*Any special conditions, provisions, or loan agreements must be attached.

## D-3: SAMPLE RESOLUTION OF THE BOARD OF DIRECTORS

SAMPLE

UNANIMOUS CONSENT OF THE DIRECTORS
OF INTERNATIONAL MFG., LTD.

The undersigned, being all the directors of International Mfg., Ltd., a Delaware Corporation (the "Corporation"), hereby adopt the following resolutions:

RESOLVED, that the appropriate officers of the Corporation be, and each and any of them hereby authorized and empowered to take all action on behalf of the corporation that they may deem necessary or appropriate to obtain a loan from the City of _____, Louisiana, in the amount of $500,000 which has been provided to the City through an LCDBG Economic Development Grant, to be used for capital equipment financing; that the loan shall be due and payable ten years from the date funds are disbursed to the Corporation; that the loan will bear interest at the rate of ten percent per annum; that the loan will be secured by a UCC-1 on capital equipment; that the obtaining of such loan shall be effected on such other terms and conditions as the officers of the Corporation acting in the premises may approve, the consummation of such loan to be conclusive evidence of such approval, and it is

FURTHER RESOLVED, that, (name), (title), of the said Corporation be authorized and empowered to perform such acts and to execute such documents and agreements as may be necessary or appropriate to effectuate the intent of the foregoing resolutions and the transactions contemplated thereby; and it is

FURTHER RESOLVED, that the execution, delivery and performance by the Corporation does not and will not result in any breach of or constitute a default under any indenture or loan or credit agreement on any other agreement, lease, or instrument to which such Corporation is a party or by which it or properties may be bound or affected and cause such Corporation to be in default under any such law, role, regulation, order, writ, judgment, injunction, decree, determination, or award on any such indenture, agreement, lease, or instrument, and it is

FURTHER RESOLVED, the financial statements as of ___(date)_____, copies of which are contained in the LCDBG application are complete and correct and fairly present, according to GAAP, the financial condition of the Corporation and since _____(date)_____ there has been no material adverse change in the condition (financial or otherwise), business, or operations of the Corporation, and there are no liabilities of the Corporation fixed or contingent, which are material, but are not reflected in the financial statements including those to come out of the projected future course of operations, and it is

FURTHER RESOLVED, that the Corporation is not in Default in any respect in the performance, observance, or fulfillment of any of the obligations, covenants, or conditions contained in any agreement or instrument material to its business to which it is a party, there is no pending or threatened action or proceeding against or effecting the Corporation before any court, governmental agency, or arbitrator, which may, in any one case or in the aggregate, materially adversely affect the financial condition, operation, properties, or business of the Corporation, and it is

FURTHER RESOLVED, that the Corporation has satisfied all judgments, and the Corporation is not in default with respect to any judgment, writ, injunction, decree, rule, or regulation of any court, arbitrator, or federal, state, municipal, or other governmental authority, commission, board, bureau, agency, or instrumentality, domestic or foreign and it is

FURTHER RESOLVED, the Corporation possesses all licenses, permits, franchises, patents, copyrights, trademarks, and trade names, or rights thereto, to conduct their respective business substantially as now conducted and the Corporation is not in violation of any valid rights of others with respect to any of the foregoing, and it is

FURTHER RESOLVED, that the LCDBG application and required evidentiary materials contain a complete and correct disclosure of all credit agreements, indentures, purchase agreements, quantities, capital leases, and other investments, agreements, and arrangements presently in effect providing for or relating to extensions of credit in respect of which the corporation is in any manner directly or contingently obligated, and it is

FURTHER RESOLVED, that this Board of Directors hereby approves and ratifies all of the actions here-to-fore taken and all of the documents, agreements and other instruments heretofore executed and delivered by the officers of the Corporation on behalf of the Corporation in connection with the loan contemplated in the preceding resolutions.

_____

_____

_____

_____

SAMPLE

RESOLUTION OF AUTHORITY

CERTIFIED RESOLUTION OF BOARD OF DIRECTORS
OF
VENTURES, INC.

I, Elsie Govang, do hereby certify that I am the duly elected and qualified Secretary of Ventures, Inc., a corporation authorized under the laws of Louisiana and that the following is a true and correct copy of the Resolution duly adopted by the Board of Directors in accordance with law and the by-laws of said corporation on January 2, 2009, and that such resolution is now in full force and effect.

It is resolved that:

Ventures, Inc. (Corporation) be and is hereby authorized to enter into a participating agreement, a copy of which is attached hereto, with Elwyn Parish for the purpose of entering into a grant agreement with the State of Louisiana.

Scott Ward, President of Ventures, Inc., is hereby appointed to enter into said Agreement and to execute all documents necessary to effectuate the closing of the Agreement.

In Witness hereof, I hereunto affix my signature on this 2nd day of January, 20__.

_____
Elsie Govang
Secretary

## D-4: CERTIFICATION OF LEGALLY BINDING AGREEMENTS

(TO BE ON ATTORNEY'S LETTERHEAD)

August 3, 20__

Dear Mayor _____:

As the City Attorney for the City of _____, it is my opinion that the copy of the note annexed hereto evidencing legal financial commitment in the amount of $1,000,000, between XYZ Partnership and International Mfg., Ltd. is in compliance with Paragraph ____ of Exhibit _____ of the contract between the City of _____ and the Louisiana Division of Administration or it Successor to obtain a loan in the amount of $500,000.

It is further my opinion that the agreement between XYZ Partnership and International Mfg., Ltd., is a binding and legally enforceable agreement and obligated XYZ Partnership to make a long-term permanent financial loan in the principal amount of $1,000,000 to International Mfg.

It is further my opinion that Mr. X is authorized to commit the partnership to make this loan and officially represent the partnership in all matters pertaining to this loan.

Very truly yours,

City Attorney

CERTIFICATION OF LEGALLY BINDING AGREEMENTS

Pursuant to Article _____ of the LCDBG Contract, I hereby submit the following legal opinion in regard to the evidentiary materials required to be furnished by _____(name of company or individual)_____.

1. I am the attorney for the City/Parish of _____, recipient of the LCDBG Contract referred to above.

2. I am basing the foregoing legal opinion on the written Affidavit of (name, title, and function), copies of the enclosed documents, and upon my information and belief. I do not have personal knowledge of any of the facts alleged herein.

3. Evidence of Contracts. Enclosed is a copy of the Agreement entered into by _____ (name and title of City/Parish official)_____, the City of _____, as attested to by (list all persons attesting to contract and titles -- both City officials and representatives of private parties) _____.

   Also enclosed is a copy of the Ordinance authorizing the _____ (title of City/Parish official)_____ to enter into a Contract with _____(name of company or individual)_____.

   It is my opinion that (name of City/Parish official) was authorized to enter into the Contract with _____(name of company or individual)____. My opinion is based on resolution number ___ which was duly passed by the legislative body of the City/Parish of _____ authorizing the _____(title of City/Parish official)_____ to enter into the Contract.

   It is my opinion that _____(name)_____ is the _____(title)_____ of _____(name of company)_____ and that he was authorized to enter into the LCDBG Agreement with the City/Parish of _____. My opinion is based upon the attached Affidavit(s) of (name(s) and title(s) or person(s) submitting Affidavit(s)

   It is my opinion that the above mentioned contracts are legally enforceable under the laws of this State and conform to the provisions of the Grant Agreement unless otherwise specified herein.

4. Evidence of Loans. Enclosed is a copy of (amount of money in words and figures) note with a Deed of Trust or other security securing said note, a (amount of money in words and figures) installment note and two (2) financing statements perfecting the lender's(s') lien on the security pledged collateral for said note. Also enclosed is a letter from (name)_____ on the (name and location of bank) ) letterhead.

It is my opinion that the above two (2) loans have been funded and that ____(name)_____ was authorized to execute the documents on behalf of the lender(s) and that the documents comply with Section _____, LCDBG Contract. My opinion is based upon copies of loan documents provided me by _____(name)_____ and included herein. "It is further my opinion that the note, mortgage, security agreement, and other loan documents are valid and enforceable according to their terms."

5. Evidence of Investor's Equity. Pursuant to the Contract entered into by and between the City of _____ and _____(name of company)_____, agreed to expend ____(sum of money)_____ on ___(enumerate investments or improvements)_____. It is my opinion that __(name of company)_____ has expended __(sum of money)___ as of __(date)_____ for the purpose of _____(enumerate investments or improvements)_____. My opinion is based upon the Affidavit of _____(name and title)_____ and the attached list of assets and values spent by _____(name of company).

6. Evidence of Title to Real Property. Enclosed is a copy of the Deed to the land where _____(name of company)_____ is presently located. The Title policy has been examined or documentation has been submitted which contains sufficient evidence including evidence of recordation which satisfies the State that the recipient or participating party has title as required. It is my opinion that _____(name of company)__ owns the land in fee simple referred to in the Deed. My opinion is based on the attached Deed and Affidavit of _____(name)___. The land cost approximately __(sum of money in words and figures)_____ according to the Affidavit of _____(name)_.

7. Borrower's Representations. Enclosed is the developer's resolution entitled "Unanimous Consent of the Board of Director's of International Manufacturing, GmBH" and dated _____(date)_____, authorizing the officers to take the necessary action to obtain an LCDBG loan on behalf of the developer. In the aforementioned resolution the developer makes certain representations concerning legality of the LCDBG loan in regards to other company obligations, current financial situation, pending litigation, and rights to do business.

It is my opinion that these statements are true and accurate. My opinion is based upon the attached Affidavit from developer's counsel.

If you have any questions in regard to my opinion, please do not hesitate to contact me.

Very truly yours,

Name of City/Parish Attorney

## D-5: RELEASE OF FUNDS QUESTIONS AND ANSWERS

RELEASE OF FUNDS QUESTIONS AND ANSWERS

1. Is it true that no project acquisition or construction activities may begin before the City/Parish receives a formal Release of Funds from the State?

   Yes, this is true. The only related activities that can be undertaken BEFORE this formal Release of Funds are administration, planning and engineering/design. These may be undertaken because they have been determined to be exempt from environmental review requirements.

   It is very important to remember that you cannot use LCDBG funds to reimburse the private sector for activities that they CONTRACTED for prior to the Release of Funds. No private funds that are OBLIGATED or EXPENDED prior to the Release of Funds can be reimbursed with LCDBG funds. You must make the private participant understand this also.

2. Can project activities funded by PRIVATE funds be undertaken prior to the Release of Funds? FOR EXAMPLE, If we are going to pay for servitudes with local money, can we start the acquisition process before the Release of Funds? If we started getting the servitudes before the application was approved, is it OK to continue getting the servitudes before the Release of Funds?

   NO activity that requires environmental review should be undertaken if LCDBG funds will help pay for the project of which the activity is a part. In the example, acquisition should NOT begin prior to the Release of Funds. If it was started before the application was submitted, it should stop as soon as the application is submitted to the state. Any private contracts for work signed prior to the LCDBG application can continue. No further contracts should be executed until the Release of Funds is received.

3. Can I order equipment before the Release of Funds if LCDBG is financing the equipment? If the equipment is financed by company funds? If the order was placed prior to application approval?

   An order for equipment may not be placed before the Release of Funds regardless of which participant is paying for the equipment. An order placed prior to the release of funds CANNOT be paid for with LCDBG funds.

4. My project involves LCDBG funds for renovation and private funds for building equipment and inventory. How can I as a city person keep track of when the company begins ordering inventory? The company started working people on the renovation before we had a Release of Funds and before they spent any LCDBG money. Are we in violation of the contract?

It is VERY important that SOMEONE familiar with the LCDBG regulations is communicating with the private company. If activities such as renovation begin before Release of Funds, the money cannot be reimbursed. Such activities should be stopped, and resumed after the Release of Funds is received. The cost of renovations made AFTER the Release of Funds would be reimbursable with LCDBG monies.

5. Our project was going to use LCDBG funds to pay for acquisition of a small parcel adjacent to the existing plant. The private sector money was going to be used for construction and acquisition of a much larger parcel for parking facilities. The company went out and bought the little parcel and the parking lot parcel before the Release of Funds. Does this mean we can't reimburse them for the cost?

   Funds cannot be obligated or expended prior to the Release of Funds. The funds spent for acquisition CANNOT be reimbursed. LCDBG funds CANNOT be used to reimburse or pay for any activity if the OBLIGATION of funds occurred before the Release of Funds.

6. With respect to the Release of Funds, should I only be concerned about activities that disturb the site, such as moving dirt or construction. If I have State Historic Preservation Officer (SHPO) approval, is that enough? Do I still have to wait for the comment period to lapse?

   SHPO approval is only one of many necessary approvals prior to the Release of Funds unless they are for exempt activities (planning, administration and engineering/design). NEVER allow ANY construction prior to the Release of Funds. You have to wait not only for the completion of the comment period, but until the CITY/PARISH receives the formal notice of Release of Funds.

## D-6: DAVIS-BACON EQUIPMENT POLICY

DAVIS-BACON EQUIPMENT POLICY

Davis-Bacon applies to the installation of equipment if the following occurs:

1. Federal funds are used for the installation.
2. The acquisition of the equipment requires upgrading of the building.
3. The installation of equipment requires improvement of utilities.

If Davis-Bacon applies to the installation of equipment, it may apply to the project as a whole. To determine this you must look at factors for separability:

1. Ownership (common)
2. Use and operation (common management company)
3. Construction process (common):
    a. Architects (same or different)
    b. Construction companies (same or different)
    c. Construction contracts (one or several)
    d. Work force (same or different)
    e. Relationship of public/private funding
4. Independence or interrelation
5. Grant documents
6. Vertical vs. horizontal (whether or not the company is doing the entire project)

Activities which traditionally trigger Davis-Bacon:

1. Built-in shelving, display cases or bookcases
2. Walk-in refrigerators
3. Interconnected heating/cooling system
4. Escalators/elevators
5. Hardwired security systems
6. Sinks, bathtubs and toilets
7. Boilers/generators
8. Items requiring outside excavation for laying wire or pipe
9. Gas or electric equipment which requires upgraded services

## D-7: EQUIPMENT ANALYSIS

EQUIPMENT ANALYSIS

1. Equipment Name: _____

2. Description of Use: _____

3. Estimate cost: _____

4. Estimated Cost of Installation: _____

5. Who will Install: Vendor _____ Contractor _____

   Employees _____ Other _____

6. Method of installation including a thorough description of any attachment to building:

_____

_____

_____

_____

7. Any structure modifications: Yes _____ No _____ If yes, explain:

_____

_____

8. Any improvements to infrastructure (water, sewer, gas, electric) to accommodate:

   Yes _____ No _____ If yes, explain:

_____

_____

_____

# E. MONITORING AND CLOSEOUT

## MONITORING OF LCDBG PROGRAMS BY THE STATE

The LCDBG staff may schedule a monitoring visit with the grantee at any time to review the program performance on site. Generally, visits are scheduled when fifty (50%) percent of the grant amount has been expended. A visit may be a comprehensive program evaluation or it may be oriented toward assessing performance in specific areas. In either case, the grantee should provide the State staff with all records and files pertaining to the program, as well as any other information requested. Before the LCDBG staff leaves the community, they will discuss their findings with the grantee in an exit conference; it is desirable that the chief elected official be present for this conference. The LCDBG staff, to the extent possible, will work with the grantee on site to correct any problems. Any problems that cannot be corrected will be discussed in the monitoring letter.

Following the monitoring visit, the State will send a letter that identifies both the positive and negative findings of the monitoring review. **Exhibit E-1** (Sample State's Monitoring Letter) provides an example.

The State generally allows thirty to forty-five days to correct and respond to the findings of deficiency noted in the letter (Example Response to State's Monitoring Letter, **Exhibit E-2)**. The corrective actions should generally follow the recommendations made by the LCDBG staff. State staff will then inform the grantee if its response is sufficient to clear the findings. All monitoring findings must be cleared prior to grant closeout.

**Exhibit E-3** contains the Monitoring Checklists that the LCDBG staff utilizes when monitoring LCDBG programs on-site. These checklists were current at the time this handbook was prepared; however, they are revised continuously to reflect changes in State and Federal regulations.

## PREPARING THE PROGRAM COMPLETION REPORT

Upon completion of the project, the grantee must take the steps necessary to close-out its program. The program cannot be closed out until the improvements/construction undertaken with grant funds is in full operation. For example, a program involving sewerage collection and treatment system cannot be closed-out until the households are connected to the system and the system is fully functional.

All grantees are required to submit a Program Completion Report when all activities are complete. The forms which comprise this report are shown in **Exhibit E-4**. The instructions for the completion of each form in this report are also provided.

When preparing these forms, these general guidelines should be kept in mind:

- Identify activities on the forms exactly as they are identified in the contract or as were established by any program amendments.
- Provide current data on obligated and expended amounts by activity. In most instances, the amount obligated will be the same as the amounts expended.
- On all tables, make sure that the rows and columns of figures subtotal accurately.

- Identify methods used to determine beneficiaries. For new water and sewer systems, the persons actually connected to the new system will determine the beneficiaries.
- Submit two copies of the report to the Division of Administration/Office of Community Development.
- Submit three copies of the Certificate of Completion all of which have original signatures.

As part of the Completion Report, the grantee must prepare three Certificate of Completion forms, all of which have original signatures. This form summarizes all costs incurred by the program which were paid for with LCDBG funds. If grant funds received exceed grant costs, the amount of excess grant funds received must be repaid to the State.

The State also requires a clear lien certificate prior to closing-out the program.

Upon receipt and approval of the Certificate of Completion and a check for excess grant payments, when applicable, the State will make any necessary adjustments to the LCDBG account. The State will also monitor funds earmarked for the payment of unpaid costs and unsettled third party claims. These costs must be clearly identified on the Certificate of Completion. The entry must include the amount, entity owed, and use of funds. If unsettled third party claims were included, upon resolution of these claims, the grantee must submit a revised Certificate of Completion for State review before the project can receive a final closeout.

When the State considers the closeout documents to be complete and in order, the grantee will be notified in writing of such.

In most instances, a grantee will receive conditional closeout prior to receiving a final closeout. Conditional closeout is issued when all audit/monitoring findings have been cleared, the Program Completion Report has been accepted, the final disposition of funds is accepted by the State, a clear lien certificate has been issued, and a Final Wage Compliance Report has been accepted. Generally, a conditional closeout is given prior to a final closeout because all financial reports/audits covering the expenditure of the total LCDBG funds have not been received. In such instances, upon receipt and acceptance of the final audit, final closeout is issued by the State. Prompt closeout of the grant is desirable since the State views it as an indicator of local capacity. Delays in program closeout may be indicators of poor performance and can influence the State's review of subsequent applications.

**For various reasons, grants can be terminated after LCDBG funds have been requested, received, and expended prior to the completion of the project. In such instances, the local government must prepare a Certificate of Completion and submit it to the Office of Community Development as part of the closeout process. A Certificate of Completion is not necessary when no LCDBG funds have been expended.**

## RETENTION OF RECORDS

All grant records, including financial records, must be retained by the grantee for a period of three years following the closeout of the State's grant with HUD. Therefore, the State will notify the grantee at the time when it is appropriate to destroy the grant records.

## AUDIT AND FINANCIAL REVIEW FINDINGS

Under the provisions of the Single Audit Act of 1996 (OMB Circular A-133), a single audit is required whenever the amount of federal financial assistance (LCDBG program funds plus all other federal financial assistance, both direct and indirect) expended in a fiscal year equals or exceeds $500,000. For further guidance see *Program Administration: Audit Process*. One of the purposes of audits is to perform a compliance review of the recipient of federal funds with federal and state program requirements. When an auditor finds an area of noncompliance with program requirements he/she is required to make a supplemental report of findings and/or questioned costs. Grant recipients should insure that their responses are included in the audit report. The Office of Community Development reviews all audit reports to insure audit findings are addressed. Examples of audit findings and questioned costs are found in **Exhibit E-5**. A sample response is found in **Exhibit E-6**.

## SANCTION POLICY

### INTRODUCTION

This policy describes the types of administrative actions that can be taken by the Office of Community Development in cases of improper or inadequate performance by recipients of LCDBG Program grants. In each instance, to the extent possible under the circumstances, the action taken will be intended, first, to prevent a continuation of the deficiency; second, to mitigate any adverse effects or consequences of the deficiency; and, third, to prevent a recurrence of the same or similar deficiencies.

### TYPES OF DEFICIENCIES

A deficiency is an instance of non-performance of activities or non-compliance with requirements set forth in the contract between the State of Louisiana and the recipient of LCDBG funds. Examples of deficiencies include, but are not limited to, the following:

- Failure to clear monitoring findings within 120 days of the issuance date by the Office of Community Development. An on-site monitoring visit (for the purpose of assuring the grantee's compliance with the federal and state requirements governing the LCDBG Program) may be conducted as a matter of routine monitoring or whenever problems come to the attention of the Office of Community Development. Following the monitoring visit, a letter is written to the grantee which identifies findings of deficiency as well as findings of merit, the corrective action required to clear findings of deficiency, and a target date for the accomplishment of the corrective actions. Upon receipt and review of the grantee's response, the Office of Community Development determines whether or not the response is sufficient to resolve the findings. If any monitoring findings are not properly resolved by the initial target date, the grantee is advised of such and is assigned a second target date for the clearance of those findings. All monitoring findings not resolved by the second target date remain open until resolved.
- Failure to file reports as required or failure to file reports within established timeframes. Such reports include but are not limited to the Minority Business Report, financial reports, and closeout documents.

- Failure to resolve an audit finding within 120 days of the issuance date by the Office of Community Development.
- Incurring costs for ineligible activities in accordance with state and federal regulations.
- Lack of continuing capacity to administer the LCDBG program.
- Failure to execute approved activities in accordance with the implementation schedule included between the State and the grantee.
- The implementation of a program change without prior written approval from the Office of Community Development.

## NOTICE OF DEFICIENCY

The first step in the corrective procedure is for the Office of Community Development to send a written Notice of Deficiency to the grantee. The notice will describe the deficiency specifically and objectively, describe actions the grantee must take in order to remedy the deficiency and a deadline for doing so, and describe the consequences for failure to remedy the deficiency (i.e. administrative sanctions or legal action).

## SANCTIONS

If the deficiency remains uncorrected, one or more sanctions will be imposed. The choice of the sanction(s) to be issued is governed by the objectives identified in the Introduction, the type of deficiency, and the seriousness of the deficiency. Possible sanctions include but are not limited to:

1. Required administrative change: For example, if the consultant administering the program is doing a poor job but the grantee has the continuing capacity to administer the grant, the grantee may be required to discharge the consultant and engage someone else to administer the program.
2. Suspension of grant payments.
3. Reduction of grant amount.
4. Termination of grant.
5. Reimbursement of costs disallowed by the Office of Community Development.
6. Disqualification from consideration for other LCDBG funds.. The criteria for disqualification shall be consistent with, but not limited to, the State's threshold requirements for funding.
7. Legal action pursued by the State.

If the grantee does not address the cited problem after having been sanctioned, additional sanctions may be imposed, or the matter may be referred for legal action.

## APPEALS

The grantee may appeal any imposed sanctions through the following process. The grantee must submit a written request for an appeal within ten working days after the written notice of sanction has

been received. A written decision shall be rendered within ten working days of receipt of the request for appeal unless additional time is agreed to by the recipient.

## DURATION OF IMPOSED SANCTION

The Office of Community Development will maintain a sanction list of those sanctions which render the grantee ineligible for additional grant awards. The list will identify the grantee, a brief description as to why the sanction was imposed, and what steps must be taken to remove the sanction.

The sanction will remain in effect until the deficiency has been corrected or for no more than ten LCDBG program years with the following exception. Sanctions involving LCDBG funds which were expended for ineligible activities as identified in the federal regulations (24CFR 570.207) cannot be excused unless those funds have been repaid to the State or a satisfactory arrangement for the repayment of those funds have been made and payments are current. The grantee will be advised in writing when the sanction has been lifted.

THIS PAGE INTENTIONALLY LEFT BLANK

# EXHIBITS – SECTION E: MONITORING AND CLOSEOUT

## E-1: SAMPLE STATE'S MONITORING LETTER

SAMPLE

STATE'S MONITORING LETTER

DATE

RE: Monitoring Report

FY 2_____ LCDBG Program

Contract Number 101-0000

Dear Mayor Mayor:

On June 7, 2_____, members of this office visited the City of _____ for the purpose of monitoring its FY 2_____ Louisiana Community Development Block Grant (LCDBG) Program. The courtesy and cooperation extended to the staff during their visit is appreciated.

During their visit, a review of selected items was undertaken in the following program areas: (a) National Objectives, (b) Program Performance, (c) Environmental Review, (d) Recordkeeping, (e) Public Facility Improvements, (f) Fair Housing/ Equal Opportunity, (g) Labor Standards, (h) Procurement, (i) Citizen Participation, (j) Financial Management, (k) Anti-Displacement, (l) Acquisition, and (m) Disclosure.

The review indicated that the City has the continuing capacity to carry out the program activity in a timely manner. The program has been implemented in accordance with the requirements and primary objectives of the Housing and Community Development Act and other applicable laws, with the exceptions identified herein. Although other deficiencies may exist, they were not detected during our review.

FINDING(S) OF DEFICIENCY

LABOR STANDARDS

Our review of this area encompassed the bid/contract document, payrolls sheets, employee interview forms and wage decisions.

Finding Number 101-0000-1-1-030

The Statements of Compliance for the payrolls of Oops, Inc. were signed by Ms. Dizzy Deshotel, payroll clerk. All Statements of Compliance must be signed by a company official or an "authorized" payroll signor as required in *Section B: Labor Compliance* of the Grantee Handbook.

Corrective Action Required: In order to clear this finding, the City must submit a copy of the written authorization from Oops, Inc. designating Ms. Deshotel as the authorized payroll signor.

FINANCIAL MANAGEMENT

A review of the financial management records for the LCDBG Program was conducted. The records were tested for compliance with the requirements of OMB Circulars A-87 and A-185 and with other federal and state laws, regulations, and policies.

Finding Number 101-0000-1-1-010

In reviewing the financial management records, it was noted that bank statements were missing for the months of December, 2_____, January, 2_____, February, 2_____, August through December, 2_____, and January, 2_____. Also there were no canceled checks for check numbers 1003, 1004, 1005, 1006, and 1007. Without this documentation, the City cannot be considered as having a complete set of financial records.

Corrective Action Required: The City must provide us with copies of the missing bank statements and canceled checks identified herein. Following our review of those items, we will advise you if any other action must be taken.

Finding Number 101-0000-1-1-011

One of the LCDBG program requirements is that all local officials and employees who sign checks and/or handle the program funds be bonded in accordance with State law (refer to *Section A: Program Administration* in the Grantee Handbook). There was no evidence in the files to indicate that any of the elected officials in your City who are authorized to sign checks are bonded.

Corrective Action Required: Please provide us with documentation to support that those persons signing the LCDBG checks are bonded.

FAIR HOUSING/EQUAL OPPORTUNITY

Our review of this area encompassed recipient employment, Section 3 and Section 504 requirements, fair housing, and program beneficiaries.

Finding Number 101-0000-1-1-040

Although the City has a Section 3 Plan, it does not cover actual and anticipated hirings. Please refer to the sample Section 3 Plan included in your Grantee Handbook.

Corrective Action Required: The City must revise its Section 3 Plan to include current employment data. The City must fill out the "Anticipated City/Parish Hiring" portion of the Section 3 Plan and submit the revised plan to us.

Finding Number 101-0000-1-1-041

When the City signed the Assurances in its application, it agreed to take actions which would further fair housing in the City. According to information in the files, the only action taken by the City to further fair housing was the adoption of a Fair Housing Ordinance; that ordinance was adopted for a previous funding program and cannot be considered as an action taken to further fair housing during the course of the FY 2002 LCDBG Program.

Corrective Action Required: The City must undertaken some other activity which will further fair housing in the community. Examples of such activities are provided on pages 30 - 31 in the first section of the Grantee Handbook. Although it is not shown on those pages, the City may also choose to hold a fair housing seminar for its citizens. Once you have accomplished this, please send us documentation of such.

PUBLIC FACILITY IMPROVEMENTS

The review of this area encompassed the bid document, construction contract, project plans and specifications, and contractor certifications as related to the construction undertaken by Oops, Inc.

Finding Number 101-0000-1-2-110

At the time of our visit, no evidence could be found to support that the plans and specs for the sewer project had been reviewed by the appropriate state agency.

Corrective Action Required: Please submit documentation to support that the plans and specs for this project were submitted to the appropriate state agency for their review.

PROCUREMENT

The City's general files on procurement were reviewed in addition to the procurement procedures utilized in hiring engineering, administrative consulting, and construction services.

Finding Number 101-0000-1-2-080

The contract between the City and the engineering firm did not contain the following required language: Termination for Cause; Termination for Convenience: Equal Opportunity; Title VI; Access to Records; Conflict of Interest; Section 3; and Section 109.

Corrective Action Required: The contract must be amended to include all the provisions listed above and a copy submitted for our review.

## FINDING(S) OF CONCERN

### FINANCIAL MANAGEMENT

Two checks written on the LCDBG account had only one signature. Two signatures are required on all checks written from LCDBG funds as required in Section A of the Grantee Handbook.

## FINDING(S) OF MERIT

### NATIONAL OBJECTIVES

The City's local survey revealed that approximately eighty-one percent of the persons benefitting from the sewer project were of low and moderate income. The City is maintaining a copy of the local survey in its files. Based upon our review of the target area during the monitoring visit, this figure appears accurate.

### PROGRAM PERFORMANCE

The City's actual progress in completing the program activities in accordance with the schedule (Exhibit B) in the contract with the State was reviewed. That schedule projects that the construction of the project will be complete by February of 2_____. Therefore, the program is progressing ahead of the proposed schedule.

### ENVIRONMENTAL REVIEW

No activities or project sites have changed from those approved in the original application for funds. Therefore, the previously accepted Environmental Review Record remains relevant and complete.

### RECORDKEEPING

The City is maintaining the program records in accordance with the State's program requirements. When the staff requested specific information during the monitoring visit, the supporting documentation was easily retrievable.

### ANTI-DISPLACEMENT

No displacement occurred as a result of this grant. A review of the anti-displacement file was made and it was found to be in compliance with the LCDBG program requirements.

### CITIZEN PARTICIPATION

The citizen participation files were reviewed for and found to be in compliance with the federal and state program requirements.

DISCLOSURE

The initial and updated disclosure reports were reviewed for compliance with the LCDBG program requirements. It was determined that acceptable disclosure reports were submitted as required.

Please submit the items necessary to address the findings of deficiency to us no later than August 30, 2_____. Your cooperation in this matter will be appreciated. If you have any questions or need further clarification, please contact Dolly Dolittle at 225/342-7412.

Sincerely,

U.R. Good

State LCDBG Director

## E-2: EXAMPLE RESPONSE TO STATE'S MONITORING LETTER

EXAMPLE

RESPONSE TO STATE'S MONITORING LETTER

August 25, 2_____

Mr. U. R. Good
Division of Administration, Office of Community Development
Post Office Box 94095
Baton Rouge, Louisiana 70804

Dear Mr. Good:

This letter is in reference to your letter of July 25, 2_____.

LABOR STANDARDS

Finding Number 101-0000-1-1-030

Enclosed is a copy of the written authorization from Oops, Inc. designating Ms. Deshotel as the authorized payroll signor.

FINANCIAL MANAGEMENT

Finding Number 101-0000-1-1-010

The missing bank statements and canceled checks requested in your letter are enclosed.

Finding Number 101-0000-1-1-011

Enclosed is documentation which supports that all City officials are now bonded in accordance with State Law.

FAIR HOUSING/EQUAL OPPORTUNITY

Finding Number 101-0000-1-1-040

A copy of the revised Section 3 Plan is enclosed.

Finding Number 101-0000-1-1-041

Documentation of other activities that the City has now undertaken to further fair housing is enclosed.

PUBLIC FACILITY IMPROVEMENTS

Finding Number 101-0000-1-2-110

Enclosed is a letter from the Department of Health and Hospitals regarding their review of the plans and specs for the sewer project.

PROCUREMENT

Finding Number 101-0000-1-2-080

The amended contract with the engineering firm is enclosed.

I am sorry we had so many findings. We had no idea that your monitoring staff would be looking so closely at our files. I wish we had followed the suggestions made during the Grantee Workshop; if we had, then we could have saved ourselves a lot of trouble trying to clear the findings. I give you my written assurance that we will do better on our next grant.

Sincerely,

I.M. Mayor, Mayor

AA/ZZ:ff

Enclosures

## E-3: MONITORING CHECKLISTS

**Acquisition of Property** (*Part 1*) May 2013

Grantee:_____ Contract #:_____ FY:_____ Type:_____
Reviewer:_____ LGR:_____ Date:_____

| | Yes | No | N/A |
|---|---|---|---|
| 1. Did application include acquisition by purchase or donation or lease? | ____ | ____ | ____ |
| ~ If ***Yes***, was the acquisition process started after grant award? | ____ | ____ | ____ |
| ~ If ***No***, should the application have included acquisition? | ____ | ____ | ____ |
| 2. If property was acquired for the project prior to the application, should the Uniform Act have been applicable? | ____ | ____ | ____ |

Comments: _____

3. Was documentation of ownership or maintenance on file for grantee owned property or servitude acquired under R.S. 9:1253? [i.e., recorded plat map, title, attorney's statement]
Attorney's Name: _____
Documentation: _____ ____ ____ ____
Date of Documentation: _____

Comments: _____

### Exempt Acquisition

[land acquired from another public agency, temporary construction servitude/easement, voluntary acquisition, leases less than 15 yrs.]

3. Was exempt acquisition involved? _____

~ If ***Yes***, identify type of exempt acquisition under A., B., C., and/or D. below.

A. **Acquisition from another public agency?** ____ ____ ____

1) Identify other public agency: _____

2) Identify documentation; i.e., title, map, transfer, deed. _____

Comments: _____

B. **Temporary Construction Servitudes or Easements?** ____ ____ ____
[OCD recommends this]
1) Is there a signed agreement from all property owners? ____ ____ ____
2) Does it include provisions for the contractor to survey, layout and construct the service connections? ____ ____ ____

Comments: _____

C. **Leases?** ____ ____ ____

If long-term lease, is it for a term of less than 15 years including options to extend?
[Uniform Act applies if lease is 15 years or longer; 14.99 years with an option to renew.]

____ ____ ____

**[An executed lease must have had prior review from OCD.]**

Comments: _____

| | Yes | No | N/A |
|---|---|---|---|
| D. **Voluntary acquisition?** | ____ | ____ | ____ |
| 1) Is there an adopted Voluntary Acquisition Policy? | ____ | ____ | ____ |
| 2) Was a public solicitation notice published in the local newspaper prior to any voluntary acquisition activity? | ____ | ____ | ____ |
| ~ If ***Yes***, did the notice explain or were the owners advised that unless the local governing body and the property owners agree on the terms and conditions of the sale, the property could not otherwise be acquired? | ____ | ____ | ____ |
| ~ If ***No***, how was notification achieved? _____ | | | |
| 3) Were there at least two properties in the community which met the criteria established for the property to be acquired? | ____ | ____ | ____ |
| ~ If ***No***, then the Voluntary Acquisition process cannot be completed. Did this occur? | ____ | ____ | ____ |
| ~ If ***Yes***, why wasn't the Uniform Act followed? _____ | | | |
| 4) How many parcels were acquired using the Voluntary Acquisition process? _____ | | | |
| 5) List owners involved: _____ | | | |
| 6) Did an appraisal establish fair market value? | ____ | ____ | ____ |
| ~ If ***No***, was the fair market value of the property established by a person familiar with real estate values in the community? | ____ | ____ | ____ |

Comments / Recommended Corrective Action: _____

**Acquisition of Property** (*Part 2*) May 2013

Grantee: _____ Contract #: _____ FY: _____ Type: _____
Reviewer: _____ LGR: _____ Date: _____

1. Address of property acquired _____

2. Use of property prior to the beginning of the acquisition process.

   ___single family residential ___industrial ___non-profit organization ___multi-family residential
   ___commercial ___other [identify] _____

3. Owners (Indicate whether occupant). _____

4. Tenants. _____

5. Current address and home and business telephone numbers of owners(s) to be interviewed.
   (Interviews should be conducted if review finds there may be some impropriety with the acquisition process.)

   _____

   _____

   _____

6. Significant dates. (Reviewer must determine that event actually occurred and was in compliance with HUD regulations. Reviewer must review the timing of these events and the reasons for any delays in order to determine if the owner was caused an unnecessary hardship that would warrant negative findings.)

   a. Date of Determination to Acquire: (Date of LCDBG Application). _____

   b. Date of "Notice of Intent to Acquire": _____

   c. When a Public Agency Acquired Your Property. Date grantee provided owner with the notice of land acquisition procedures? (usually the same date as b. above) _____

## Appraisal Process

7. Was an appraisal required? ***Yes*** ___ ***No*** ___

   ~ If **No**, explain why an appraisal was not required. (i.e., if the value of property was less than $10,000; voluntary acquisition; etc.)

   _____

   _____

   ~ If an appraisal was not conducted because the property was valued at less than $10,000, list the documentation used to determine the fair market value of the property.

   _____

   _____

   _____

~ If ***Yes***,

a. If requested by owner, did the grantee obtain an appraisal?

***Yes*** ___ ***No*** ___ ***Amt.*** _____ ***Date*** _____

> If ***Yes***, continue.

b. Was a review appraisal conducted? ***Yes*** ___ ***No*** ___ ***Amt.*** _____ ***Date*** _____

c. Does the appraisal and review appraisal disregard the influence of the project on the fair market value? ***Yes*** ___ ***No*** ___

d. Do you find the amount determined to be just compensation an acceptable conclusion of the fair market value of the property? ***Yes*** ___ ***No*** ___

e. Was the amount determined to be just compensation less than the grantee's approved appraisal of the fair market value of the property?

***Yes*** ___ ***No*** ___ ***Amt.*** _____ ***Date*** _____

~ If ***Yes***, explain._____

_____

f. Were the owners invited to accompany the appraisers on their inspection of the property? ***Yes*** ___ ***No*** ___

## Act of Sale/Donation/Condemnation/Quick Take

8. a. Purchase Offer. Prior to any bargaining, did grantee furnish owner a firm written offer stating all basic terms and conditions to purchase his property at the full amount determined to be just compensation?

***Yes*** ___ ***No*** ___ ***Date*** _____

b. Date owner accepts offer to donate, or rejects offer. _____

~ If donated, was the donation process carried out in a proper manner? ***Yes*** ___ ***No*** ___

> If **No**, randomly pick 2 donations. Call and ask how the process was handled.

~ Did the owners indicate they felt pressured into waiving their right to just compensation? ***Yes*** ___ ***No*** ___

> If ***Yes***, explain. _____

_____

c. Date final contract entered into: (all parties) _____

d. Date condemnation proceedings initiated, if applicable: _____

e. Date Quick Take proceedings initiated, if applicable: _____

f. Date estimated just compensation deposited with court: _____

g. Date title vested in agency: _____

h. Date 90-day notice to vacate property: _____

i. Summary Statement. Did the grantee provide the owner with a "Statement of the Basis for the Determination of Just Compensation" at the time the grantee furnished the owner with the written purchase offer? (Section 301 (3)) ***Yes*** ___ ***No*** ___

j. Payment of Just Compensation. Did the owner receive the amount determined to be just compensation for his property? (Section 301) ***Yes*** ___ ***No*** ___

k. Settlement Costs. Has grantee paid all settlement costs as required? (Sect. 303) ***Yes*** ___ ***No*** ___

9. General Acquisition Process. Based on the available evidence, did the grantee carry out the acquisition process in a manner that minimized hardships to the owners, and was the grantee consistent with its' treatment of other owners? (Section 301)

***Yes*** ___ ***No*** ___

Comments / Recommended Corrective Action: _____

_____

_____

_____

_____

_____

_____

## Anti-displacement (Part 1)

May 2013

Grantee: _____ Contract #: _____ FY: _____ Type: _____

Reviewer: _____ LGR: _____ Date: _____

| | Yes | No | N/A |
|---|---|---|---|
| 1. Is there a Residential Anti-displacement and Relocation file? | ____ | ____ | ____ |
| ~ If ***Yes***, does it contain the following information? | | | |
| a. Residential Anti-displacement and Relocation Plan | ____ | ____ | ____ |
| b. resolution adopting the Plan | ____ | ____ | ____ |
| c. Residential Anti-displacement/Relocation Certification | ____ | ____ | ____ |
| d. if applicable, regulations, information booklets, relocation claim forms | ____ | ____ | ____ |
| 2. Does the Plan identify a person who is responsible for displacement and relocation compliance? | ____ | ____ | ____ |
| ~ If ***Yes***, identify: _____ | | | |
| 3. Was a person or business displaced as a result of this program? | ____ | ____ | ____ |
| ~ **Checklist (Part 2).** | | | |
| ~ **If Yes,** was the acquisition subject to the Uniform Act? | ____ | ____ | ____ |
| ~ **If Yes, complete the Anti-displacement Checklist (Part 2).** | | | |

Comments / Recommended Corrective Action: _____

_____

## Compliance with National Objectives

May, 2013

Grantee: _____ Contract #: _____ FY: _____ Type: _____

| Activity(ies): | National Objective(s)*: | Verification: |
|---|---|---|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

| | Yes | No | N/A |
|---|---|---|---|
| 1. a. If grant provides hook-ups or service line repairs to L/M income families, does the residents' application for services include documentation which supports amount of annual income? | ____ | ____ | ____ |
| b. Were work authorizations obtained from the L/M property owners? | ____ | ____ | ____ |

Comments / Recommended Corrective Actic _____

_____

* LMA = principal benefit to low-to-moderate income persons
LMC = principal benefit to low-to-moderate income clientele
N/A = not applicable
S/B = prevention/elimination of slum and blight
U/N = urgent need

Anti-displacement / Compliance w /National Objectives Page 1 of 1

## Citizen Participation

May, 2013

Grantee: _____ Contract #: _____ FY: _____ Type: _____

Reviewer: _____ LGR: _____ Date: _____

| | | Yes | No |
|---|---|---|---|
| 1. | Does grantee have an adopted Citizen Participation Plan? | _____ | _____ |
| | ~ If ***Yes***, was the plan adopted prior to the first public hearing? | _____ | _____ |
| | ~ If ***No***, was it prepared before hearing but adopted after hearing w/o changes? | _____ | _____ |
| 2. | Does the plan... | | |
| | • provide citizens with reasonable access to local meetings, information concerning the State's method of distributing funds and the use of funds under Title I? | _____ | _____ |
| | • provide for LCDBG-related public hearings to obtain views on the development of needs, the review of proposed activities and the review of program performance? | _____ | _____ |
| | • provide for and encourages participation, particularly persons of low/mod income residing in blighted areas and/or in areas where CDBG funds will be used? | _____ | _____ |
| | • provide TA to facilitate participation where requested? | _____ | _____ |
| | • address accommodations at hearings for non-English speaking persons? | _____ | _____ |
| | • address accommodations at public hearings for persons with disabilities? | _____ | _____ |
| | • provide for public hearings to obtain views concerning program amendments? | _____ | _____ |
| | ~ Was a program amendment requested and approved? | _____ | _____ |
| | ~ If ***YES***, was a public hearing conducted prior to the request? | _____ | _____ |
| | • provide for a public hearing on performance at closeout? | _____ | _____ |
| 3. | Does the Citizen Participation Plan include a complaint procedure? | _____ | _____ |
| | ~ If ***Yes***, does the complaint procedure identify; | | |
| | • how a citizen should file a complaint? | _____ | _____ |
| | • the manner in which a complaint is processed? | _____ | _____ |
| | • a response time to the complainant - maximum of 15 working days? | _____ | _____ |
| 4. | If any complaints were filed, was the procedure followed? | _____ | _____ |

Comments: _____

| | | | |
|---|---|---|---|
| 5. | Did first public notice for the public hearing state the following would be discussed? | | |
| | • amount of funds available for community development and housing needs | _____ | _____ |
| | • the range of eligible activities and the estimated amounts for activities that will benefit low/mod income persons | _____ | _____ |
| | • the applicant's plans for minimizing displacement and the provision of benefits should displacement occur | _____ | _____ |
| | • information of the applicant's past LCDBG performance | _____ | _____ |
| 6. | Did the notice encourage citizens, particularly those of low/mod income & residents of slum/blight areas to submit their views on community development and housing needs? | _____ | _____ |
| 7. | Did the notice state accommodations would be provided for non-English speaking and disabled individuals? | _____ | _____ |
| 8. | Were five calendar days allowed for notification of the public hearing? | _____ | _____ |

| | | Yes | No |
|---|---|---|---|
| 9. | Is there a roster of those in attendance of the public hearing? | _____ | _____ |
| 10. | Are there minutes of the public hearing? | _____ | _____ |
| | ~ If **Yes**, do they state the items in #5 above were discussed? (Reference to items is not necessary if no one was in attendance.) | _____ | _____ |
| 11. | Was the second public notice published: | | |
| | • After the first public hearing was held? | _____ | _____ |
| | • After all forms in the application were dated? | _____ | _____ |
| | • Prior to application submittal? | _____ | _____ |
| 12. | Was the second public notice published a minimum of 7 calendar days prior to application submittal? | _____ | _____ |
| 13. | Was the following information included in the grantee's second public notice? | | |
| | • proposed objectives | _____ | _____ |
| | • proposed activities | _____ | _____ |
| | • location of proposed activities | _____ | _____ |
| | • activity amounts | _____ | _____ |
| | • application submittal date | _____ | _____ |
| | • the opportunity to comment on the application and the place and time to review the application | _____ | _____ |

Comments / Recommended Corrective Action: _____

_____

_____

_____

_____

_____

_____

| Civil Rights | May 2013 |
|---|---|

Grantee:_____ Contract #:_____ FY:_____ Type:_____
Reviewer:_____ LGR:_____ Date:_____

## Section 504 [Review of Section 504 Summary nos. 1-5 applicable through FY 2005 and from FY 2010 forward.]

**Summary of Previous Actions Taken** **[NOTE:** If grantee was required to complete a self-evaluation, questions 1-5 should be answered in regards to the self-evaluation.**]**

| | Yes | No | N/A |
|---|---|---|---|
| 1. Has the grantee prepared a "Summary of Previous Actions Taken"? | | | |
| a. Does it identify when the grantee conducted its Self-Evaluation? | | | |
| b. According to the "Summary", did the Self-Evaluation address: | | | |
| ⇨ Physical Accessibility | | | |
| ⇨ Communications | | | |
| ⇨ Employment | | | |
| c. Is a copy of the grantees' "Summary of Previous Actions Taken" on file? | | | |

### Physical Accessibility

| | | | |
|---|---|---|---|
| 2. According to the "Summary of Previous Actions Taken", … | | | |
| a. did Self-Evaluation identify all non-housing facilities owned by grantee? | | | |
| b. were facilities identified as "new" and "existing"? ("existing" means constructed, altered or designed before July 11, 1988; "new" means after this date.) | | | |
| c. did the Self-Evaluation identify any physical barriers that impede accessibility to any programs or activities? | | | |
| ~ If ***Yes***, continue. | | | |
| d. did the grantee make physical alterations to provide for accessibility? | | | |
| e. were all physical barriers identified in the Self-Evaluation removed? | | | |
| ~ If ***No***, continue. | | | |

| | Yes | No | N/A |
|---|---|---|---|
| 3. For "existing" facilities with continuing physical barriers, according to the "Summary of Previous Actions", | | | |
| a. have new policies or practices been adopted or existing ones modified or revised in order to achieve accessibility such as relocation, home visits, selective alterations? (24 CFR 8.21(2)) | | | |
| b. has community's adopted policies and/or practices been modified to achieve accessibility for all physical barriers identified? | | | |
| ~ If ***No***, continue. | | | |
| c. has grantee determined that making facility accessible and usable by individuals with handicaps would impose either an undue financial and administrative burden, or demonstrated that it would result in a fundamental alteration in the nature of the program or activity? (24 CFR 8.21 (b)(I)(ii)) | | | |
| d. did the grantee identify any facilities as "new"? ~ If ***Yes***, continue. | | | |
| e. did the grantee identify all "new" facilities as accessible? | | | |
| ~ If ***No***, inaccessibility must be addressed in **Transition Plan** below. | | | |

### Communications

| | | | |
|---|---|---|---|
| 4. According to the "Summary of Previous Actions Taken", … | | | |
| a. did the Self-Evaluation identify any impediments to communications accessibility? ~ If ***Yes***, continue. | | | |
| b. did the grantee adopt policies to remedy impediments? | | | |

| | Yes | No | N/A |
|---|---|---|---|
| **Employment** | | | |
| 5. According to the "Summary of Previous Actions Taken", ... | | | |
| a. did the Self-Evaluation identify any practices discriminatory towards disabled persons? (i.e., advertising, tests, selection criteria, job assignment, ~ If ***Yes***, continue. | _____ | _____ | _____ |
| b. did the grantee adopt policies to remedy impediments? | _____ | _____ | _____ |
| **Current Policies** | | | |
| 6. a. does grantee use the LA Relay System, and if so, is it advertised? | _____ | _____ | _____ |
| b. does grantee operate a 24 hour emergency service? ~ If ***Yes***, continue. | _____ | _____ | _____ |
| c. does grantee have a functioning TDD? | _____ | _____ | _____ |
| d. does grantee have any disabled employees? ~ If ***Yes***, continue. | _____ | _____ | _____ |
| e. are reasonable accommodations made for a qualified applicant or employee with a disability? (restructuring/relocating job, modifying schedule, acquiring or modifying equipment, providing reader/interpreter. This can be a policy statement). | _____ | _____ | _____ |
| f. Based on your observations of the grantee's facilities, are there any obvious areas of non-compliance? | _____ | _____ | _____ |

**Other Section 504 Requirements,** as applicable

If grantee has less than 15 employees,go to 'Transition Plan'. Otherwise continue.

| | | | |
|---|---|---|---|
| 7. a. Has grantee designated a Section 504 coordinator? | _____ | _____ | _____ |
| b. Adopted a grievance procedure for complaints alleging prohibited actions? (File should include the grievance procedure and resolution adopting it.) | _____ | _____ | _____ |
| c. Complied with notice in Section 504 handbook which states that grantee "does not discriminate against participants, beneficiaries, applicants, employees or unions or organizations with whom they have collective bargaining agreements, in admission or access to or treatment or employment treatment or employment in its federally assisted programs or activities" ? | _____ | _____ | _____ |
| i. If ***Yes***, was the initial notice made within 90 days of receipt of the executed contract and once a year thereafter? | _____ | _____ | _____ |
| ii. If ***Yes***, does notice list the Section 504 coordinator? | _____ | _____ | _____ |
| iii. Note method grantee used to make notification. _____ | | | |

**Grantee's Transition Plan** (Subsequent to Evaluation & original Transition Plan)

| | | | |
|---|---|---|---|
| 8. Has grantee acquired an "existing" facility constructed prior to 1988 that is not accessible and will renovate prior to occupying it? **OR,** | _____ | _____ | _____ |
| Has the U.S. Justice Dept. required the grantee to make a facility physically accessible? **OR,** | _____ | _____ | _____ |
| Did the grantee complete a self-evaluation for this project? ~ If ***Yes***, continue. | | | |

| | Yes | No | N/A |
|---|---|---|---|
| 9. Has a plan been developed listing all steps needed to complete the changes? | ____ | ____ | ____ |
| ~ If ***Yes***, | | | |
| a. Does the plan identify a compliance officer? | ____ | ____ | ____ |
| b. Does it list handicap resources used in writing the plan? | ____ | ____ | ____ |
| c. Does the plan identify all impediments? | ____ | ____ | ____ |
| d. Does it describe how all facilities will be made accessible? | ____ | ____ | ____ |
| e. Is there a time schedule for rectifying all impediments? | ____ | ____ | ____ |
| Note time period - _____ | | | |
| i. Are the renovations on schedule? | ____ | ____ | ____ |
| ii. If ***No***, should the time schedule be revised? | ____ | ____ | ____ |

Comments / Recommended Corrective Action: _____

## Equal Employment Opportunity

| | | | |
|---|---|---|---|
| 10. Are EEO guidelines followed or EEO language included in ads for vacancies? | ____ | ____ | ____ |
| 11. Are EEO posters posted or is an EEO slogan printed on grantee's stationary? | ____ | ____ | ____ |
| 12. Is employment data maintained? (EEO-4 form if grantee has 100 or more employees; Workforce Analysis in handbook) | ____ | ____ | ____ |
| 13. Has grantee been cited by a state or federal agency for EEO non-compliance or discrimination in hiring? | ____ | ____ | ____ |
| 14. Did the advertisement for bids for construction call bidders' attention to: | | | |
| • E/O 11246 | ____ | ____ | ____ |
| • Segregated Facilities | ____ | ____ | ____ |
| 15. Did bid/contract documents contain: | | | |
| • E/O provisions for contracts not subject to E/O 11246 ($10,000 & under | ____ | ____ | ____ |
| • E/O provisions for contract subject to E/O 11246 (above $10,000) (must have goals for minority and female participation) | ____ | ____ | ____ |
| • Certification of Non-Segregated Facilities clause (above $10,000) | ____ | ____ | ____ |
| 16. Did contractor(s) sign the Equal Opportunity certification? (applicable through FY2005) | ____ | ____ | ____ |
| 17. Did subcontractor(s) sign the Equal Opportunity Certification? (applicable through FY2005) | ____ | ____ | ____ |

## Minority Business Enterprise (MBE)

| | | | |
|---|---|---|---|
| 18. Did grantee encourage and/or achieve MBE participation? (Methods: SBA, newspaper ads, direct solicitation, divided project into smaller contracts, etc.) | ____ | ____ | ____ |

~ If ***No***, explain.

_____

_____

## Section 3

Section 3 goals:
- new hires - 30%
- contracting with Section 3 professional services contractors - 3%
- contracting with Section 3 construction contractors - 10%

**[If grant is less than $200,000, Section 3 requirements do not apply.]**

| | Yes | No | N/A |
|---|---|---|---|
| 19. Is grantee maintaining a certification file for Section 3 employees and businesses? (Beginning with FY 2010 grantees.) | _____ | _____ | _____ |
| 20. Did grantee hire employees to work on this project? | _____ | _____ | _____ |
| ~ If ***Yes***, what percentage were Section 3 residents? _____ % | | | |
| 21. Did grantee enter into construction contracts over $100,000? | _____ | _____ | _____ |
| ~ If ***Yes***, did grantee meet the 10% contracting goal? | _____ | _____ | _____ |
| 22. Was the 3% contracting goal met for professional services? | _____ | _____ | _____ |

~ If contracting or hiring goals for construction and/or professional services contracts were not met, list impediments and efforts taken by grantee to comply.

(Beginning with FY 2010 grantees, advertisement in newspaper alone is not sufficient for compliance.)

_____

| | | | |
|---|---|---|---|
| 23. Did the advertisement for bids for construction call bidders' attention to Section 3? | _____ | _____ | _____ |
| 24. Did bid/contract document contain the Section 3 Compliance for Training, Employment and Business Opportunities clauses? | _____ | _____ | _____ |

*(answer: **Yes**, **No** or **N/A**)*

| ***Prime Contractors/Subcontractors:*** | ***1*** | ***2*** | ***3*** |
|---|---|---|---|
| 25. Contractor(s) 'Section 3' Documents [applicable for contracts over $100,000] | | | |
| a. Was a complete 'Section 3' plan prepared including Tables A & B? | _____ | _____ | _____ |
| b. Section 3 Certification [applicable beginning FY 2006] | _____ | _____ | _____ |
| c. Section 3 and Segregated Facilities Certification [through FY 2005] | _____ | _____ | _____ |
| 26. Subcontractor(s) 'Section 3' Documents | | | |
| a. Section 3 and Segregated Facilities Certification [required by all subs] | _____ | _____ | _____ |
| b. Section 3 Plan including Tables A & B [for contracts over $100,000] | _____ | _____ | _____ |
| 27. a. Did the prime contractor(s) have any new hires? | _____ | _____ | _____ |
| ~ If ***Yes***, did the contractor(s) meet the 30% goal? | _____ | _____ | _____ |
| b. Did the prime contractor(s) hire any subcontractors? | _____ | _____ | _____ |
| ~ If ***Yes***, did the contractor(s) meet the 10% goal? | _____ | _____ | _____ |
| 28. Did the subcontractor(s) have any new hires? | _____ | _____ | _____ |
| ~ If ***Yes***, did the subcontractor(s) meet the 30% goal? | _____ | _____ | _____ |

29. If hiring goals were not met, list impediments and efforts taken by contractors and subcontractors to comply.
*(Beginning with FY 2010 grantees, advertisement in newspaper alone is not sufficient for compliance.)*

_____

| | Yes | No | N/A |
|---|---|---|---|
| 30. Was a complaint made to HUD by a Section 3 resident or business that challenged non-compliance with Section 3 on the part of the grantee, prime or sub? | ____ | ____ | ____ |
| ~ If ***Yes***, explain. _____ | | | |
| a. What is the status of the complaint? _____ | | | |
| b. Was there a finding of non-compliance? | ____ | ____ | ____ |

## Fair Housing

31. Identify actions taken or scheduled to be taken to further fair housing during this project/contract period.

_____

_____

_____

| ***[Question # 32 applicable through FY 2005, and FY 2010 forward]*** | Yes | No | N/A |
|---|---|---|---|
| 32. **FAIR HOUSING ASSESSMENT:** | | | |
| a. Did the grantee complete the assessment within its jurisdiction? | ____ | ____ | ____ |
| b. Is the assessment complete and are the responses reasonable? | ____ | ____ | ____ |
| c. Do all "N/A's" have an explanation or are confirmed by the numbers in Part I of the assessment? | ____ | ____ | ____ |
| d. Does Part II of the assessment indicate the contact or source of information and describe the policies and/or practices? | ____ | ____ | ____ |
| e. Did the assessment identify any impediments? | ____ | ____ | ____ |
| f. Is Part III marked "N/A" only in the case of Part II being marked "N/A" or "None"? | ____ | ____ | ____ |
| g. Has grantee taken steps to remedy impediments? | ____ | ____ | ____ |
| h. Has the assessment been signed by the Preparer and the CEO? | ____ | ____ | ____ |
| i. Do grantees' records maintain the assessment and actions taken? | ____ | ____ | ____ |
| 33. Have any fair housing complaints been recorded? | ____ | ____ | ____ |
| ~ If ***Yes***, explain. _____ | | | |
| a. Was complaint sent to HUD if discrimination was alleged? | ____ | ____ | ____ |
| b. Did grantee notify complainant of HUD's involvement? | ____ | ____ | ____ |
| c. What is the status of the complaint? _____ | | | |

Comments / Recommended Corrective Action: _____

_____

_____

_____

_____

## Environmental

May, 2013

Grantee: _____ Contract #: _____ FY: _____ Type: _____

Reviewer: _____ LGR: _____ Date: _____

| | | Yes | No | N/A |
|---|---|---|---|---|
| 1. | Were all activities exempt from the environmental review process? | | | |
| | ~ If ***No***, complete remainder of checklist. | | | |
| 2. | Has an activity or project site changed since review of the ERR and/or grant (*View Site)* | | | |
| | ~ If ***Yes***, was the ERR amended and sent to OCD for review? | | | |
| | ~ If ***Not***, note the date an amended ERR will be submitted: _____ | | | |
| 3. | Did the Historic Preservation Officer request additional information before or during construction? | | | |
| | ~ If ***Yes***, is there documentation to show compliance? | | | |
| 4. | Was a 'Statutory Checklist Completion Form' completed for each home selected for rehabilitation? | | | |
| | ~ If ***Yes***, were copies sent to OCD? | | | |

Comments / Recommended Corrective Action: _____

_____

_____

_____

## Financial Management

May 2013

Grantee: _____ Contract #: _____ FY: _____ Type: _____
Reviewer: _____ LGR: _____ Date: _____

### Financial Reporting

Reference: 24 CFR 85.20 (b)(1)

| | | Yes | No | N/A |
|---|---|---|---|---|
| 1. | Does grantee have adequate financial records? [Statement of Revenues, Expenditures & Changes in Fund Balance and Balance Sheet or General Ledger] | | | |
| 2. | Are the YTD financial records reasonably current? | | | |
| 3. | Are the financial records accurate? | | | |
| 4. | Are the records prepared on an accrual basis?<br>~ If ***No***, make an Area of Concern. | | | |
| 5. | Are there any delinquent annual financial reports? | | | |
| 6. | Does grantee have more than one open LCDBG grant? | | | |
| | ~ If ***Yes***, are they accounted for separately? | | | |
| 7. | Has program income been received? | | | |
| | ~ If ***Yes***, has it been returned to the State? | | | |

Comments / Recommended Corrective Action: _____

### Accounting Records

Reference: 24 CFR 85.20 (b)(2)

| | | Yes | No | N/A |
|---|---|---|---|---|
| 8. | Does grantee properly maintain program records? [contract, authorization to incur costs, program amendments, budget revisions, etc.] | | | |

9.

| Authorizations and Awards | Dates |
|---|---|
| Authorization to Incur Costs letter: | |
| First administrative invoice: | |
| ▪ Period covered: | |
| Release of Funds letter: | |
| First construction invoice: | |
| ▪ Period covered: | |

| | | | |
|---|---|---|---|
| Was there evidence costs (other than approved pre-agreement costs) were being incurred prior to the Authorization to Incur Costs letter? | | | |

Comments / Recommended Corrective Action: _____

## Internal Controls Reference: 24 CFR 85.20 (b)(3)

| | Yes | No | N/A |
|---|---|---|---|
| 10. Were there internal control findings relevant to the CDBG program in the most recent audit? | | | |
| 11. Does the internal control structure support the representations made in the financial management questionnaire? | | | |
| ▪ approval of invoices | | | |
| ▪ recording of LCDBG financial transactions | | | |
| ▪ signing of the checks | | | |
| 12. Are there two signatures on the checks? | | | |
| 13. Are checks pre-signed? | | | |
| 14. Are all employees handling financial transactions bonded? | | | |

Comments / Recommended Corrective Action: _____

## Budget Control Reference: 24 CFR 85.20 (b)(4)

| Budgeted Activities | Original Budget | Current (REVISED) Budget | Expenditures to Date |
|---|---|---|---|
| | | | |
| | | | |
| | | | |
| | | | |

| | Amount Drawndown | RFP# | Revenue Reported |
|---|---|---|---|
| **FYE:** | | | |
| **FYE:** | | | |
| **FYE:** | | | |
| **FYTD:** | | | |

| Ledger Cash Balance | Date | Bank Statement Cash Balance | Date |
|---|---|---|---|
| | | | |

| | | | |
|---|---|---|---|
| 15. Are there any discrepancies in the reporting of revenues and expenditures and the approved budget? | | | |

Comments / Recommended Corrective Action: _____

## Allowable Costs Reference: 24 CFR 85.20 (b)(5)

| | Yes | No | N/A |
|---|---|---|---|
| 16. Were purchases of supplies and leasing of equipment justified according to A-87 regulations? | | | |

Comments / Recommended Corrective Action: _____

## Source Documentation Reference: 24 CFR 85.20 (b)(6)

| | Yes | No | N/A |
|---|---|---|---|
| 17. Are accounting records [journal entries] supported by adequate source documentation? [cancelled checks, invoices, contracts] | | | |
| 18. Was employee time charged to the LCDBG Program adequately documented with time sheets and/or other source documents? | | | |
| ~ If ***Yes***, are the transactions regarding employee time recorded properly in the accounting records? | | | |

Comments / Recommended Corrective Action: _____

## Cash Management Reference: 24 CFR 85.20 (b)(7)

| | Yes | No | N/A |
|---|---|---|---|
| 19. Are LCDBG funds deposited in a non-interest bearing account? | | | |
| 20. Are all checks pre-printed and pre-numbered? | | | |
| 21. Are 'other' funds deposited in the LCDBG account? | | | |
| 22. Are bank statements reconciled upon receipt? | | | |
| 23. Is there evidence of a violation of the '3-day rule'? | | | |

| | Date Rec'd | Check # | Dollar Amt. | Check Written | Check Cleared * |
|---|---|---|---|---|---|
| **RFP#:** | | | | | |
| **RFP#:** | | | | | |
| **RFP#:** | | | | | |

* If more than *30 days* has lapsed, a written explanation must be requested in writing.

24. Financial Institution: _____ Account Number: _____

25. Last cash disbursement: Check # _____ Date _____ Amount _____

Payment made to: _____

Comments / Recommended Corrective Action: _____

_____

_____

_____

| | Yes | No | N/A |
|---|---|---|---|
| 26. Were the grantee's accounting records and financial practices sufficient to: | | | |
| a. permit the preparation of required financial reports? (24CFR 85.20(a)(1)) **and / or** | _____ | _____ | _____ |
| b. permit the tracing of LCDBG funds to establish that such funds have not been used in violation of the restrictions & prohibitions of applicable statutes and regulations? (24CFR 85.20 (a)(2)) | _____ | _____ | _____ |

What are the specific problems? _____

_____

If ***No***, inform grantee funds cannot be requested or disbursed until deficiencies are corrected.

Comments / Recommended Corrective Action: _____

_____

_____

_____

_____

_____

_____

## Labor Standards

May 2013

Grantee:_____ Contract #:_____ FY:_____ Type:_____

Reviewer:_____ LGR:_____ Date:_____

### Force Account

| | Yes | No | N/A |
|---|---|---|---|
| 1. Did grantee have prior written approval from OCD to use 'Force Account"? | | | |
| ~ If ***Yes***, did grantee follow the "LCDBG Guidelines for 'Force Account'? *[Refer to the guidelines to review.]* | | | |

~ If ***No***, complete the following:

| | Prime Contractor 1 | Prime Contractor 2 | Prime Contractor 3 |
|---|---|---|---|
| **Contractor** | | | |
| **Bid Opening Date** | | | |
| **Date of Eligibility** | | | |
| **Date of Contract Award** | | | |
| **Lock-In Date** | | | |
| **Total Contract Award** | | | |
| **Work Description** | | | |
| **A. Decision Type** | | | |
| **Effective Decision #** | | | |
| **Effective Mod #** | | | |
| **Effective Issue Date** | | | |
| **B. Decision Type** | | | |
| **Effective Decision #** | | | |
| **Effective Mod #** | | | |
| **Effective Issue Date** | | | |

| | Prime 1 Interviews | Prime 2 Interviews | Prime 3 Interviews |
|---|---|---|---|
| **Employee Interviews List Worker Classifications and Rates as Determined by Employee Interviews** | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

| Name of Sub(s) | 4 | 5 |
|---|---|---|
| **Employee Interviews** | | |
| | | |
| | | |
| | | |

| Name of Sub(s) | 6 | 7 |
|---|---|---|
| **Employee Interviews** | | |
| | | |
| | | |
| | | |

| **Primes and Subs** *(from page one)* | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|---|
| 2. Were interviews completed? (as defined on page 4) | | | | | | | |
| 3. Were weekly payrolls submitted and properly reviewed? | | | | | | | |
| 4. Did a company owner/officer or a person with written authorization sign the payrolls? | | | | | | | |
| 5. Did inspection reports provide the basic elements needed to verify Davis-Bacon; i.e., a description of work performed, worker classifications, equipment on jobsite? | Yes | | No | | | | |
| 6. Did the wage decision(s) have all job classifications needed by each contractor based on factors such as inspection reports, project type, site visits, etc. ? Yes / No | | | | | | | |
| 7. Were proper additional classifications requested? | | | | | | | |
| 8. Did the payrolls (or corrected payrolls) properly classify workers? | | | | | | | |
| 9. Did the wage decision(s) require fringes for any classification used by each contractor? No / Yes | | | | | | | |
| 10. If fringes were required, did the contractor check Box 4-b indicating payment in cash? Yes / No | | | | | | | |
| 11. Did Box 4-a indicate fringe benefit payment(s) into an approved plan? No / Yes | | | | | | | |
| [When answering #12 below, allow credit for no more than the fringe amount listed on the wage decision unless a schedule of fringe benefit payments indicates a higher amount(s).] | | | | | | | |
| 12. Is there any reason to further investigate "Box 4-a" fringe payments? Yes / No | | | | | | | |
| 13. Were Davis-Bacon compensation requirements met? (Without having to make restitution) Yes / No | | | | | | | |

Describe deficiency(ies): _____

_____

_____

_____

_____

Labor Standards Page 2 of 4

| **Primes and Subs** *(from page one)* | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|---|
| 14. Who detected the Davis-Bacon deficiency(ies)? _____ | | | | | | | |
| 15. Have Davis-Bacon restitution procedures been initiated and/or completed? | ____ | ____ | ____ | ____ | ____ | ____ | ____ |
| 16. Was there any overtime? No Yes | ____ | ____ | ____ | ____ | ____ | ____ | ____ |
| 17. Was there any deficiency in the calculation of overtime rates? No Yes | ____ | ____ | ____ | ____ | ____ | ____ | ____ |
| 18. Describe the overtime deficiency(ies): _____ | | | | | | | |
| 19. Who detected the overtime deficiency(ies)? _____ | | | | | | | |
| 20. Have overtime restitution procedures been initiated and/or completed? | ____ | ____ | ____ | ____ | ____ | ____ | ____ |
| 21. Have liquidated damages procedures been initiated and/or completed? (Applicable only to contracts over $100,000.00 under CWHSSA) | ____ | ____ | ____ | ____ | ____ | ____ | ____ |

A Labor Standards Enforcement Report (LSER) is required if restitution by a contractor exceeds $1,000.00

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 22. Has the requirement for a LSER been triggered? No Yes | ____ | ____ | ____ | ____ | ____ | ____ | ____ |
| 23. Has the process of submitting a LSER been initiated and/or completed? | ____ | ____ | ____ | ____ | ____ | ____ | ____ |
| 24. Based on activity thus far, should the Final Wage Compliance Report reflect restitution? (If yes, inform the Consultant.) | ____ | ____ | ____ | ____ | ____ | ____ | ____ |
| 25. Were there "other" deductions on the payroll reports? No Yes | ____ | ____ | ____ | ____ | ____ | ____ | ____ |
| 26. If there were "other" deductions, were employee consent forms used? | ____ | ____ | ____ | ____ | ____ | ____ | ____ |
| 27. Were payrolls complete? | ____ | ____ | ____ | ____ | ____ | ____ | ____ |
| If No, explain _____ | | | | | | | |
| 28. Were payrolls accurate? | ____ | ____ | ____ | ____ | ____ | ____ | ____ |
| If No, explain _____ | | | | | | | |

| **Prime Contractors Only** *(answer: Yes, No or N/A)* | **1** | **2** | **3** |
|---|---|---|---|
| 29. Did the advertisement for bids for construction call bidders attention to conditions of employment and minimum wage rates to be paid under the contract? | ____ | ____ | ____ |
| 30. Did the bid/contract document contain the following: | | | |
| • The proper federal wage decision(s) (By original inclusion in the bid document(s) or by addendum to the bid document(s)) | ____ | ____ | ____ |
| • The Federal Labor Standards Provisions | ____ | ____ | ____ |
| 31. Did the local government receive a fully executed Verification of Wage Decision and Contractor Eligibility form from OCD prior to the award of the construction contract? Yes No | ____ | ____ | ____ |
| 32. Does a resolution from the local government state that the award will be contingent on verification of wage decision and contractor eligibility? | ____ | ____ | ____ |
| 33. Was the "Notice of Contract Award" sent to OCD? No Yes | ____ | ____ | ____ |
| 34. Was the Notice of Contract Award rec'd by OCD within 30 days of the award date? | ____ | ____ | ____ |
| 35. Was the construction contract awarded more than 90 days after bid opening? | ____ | ____ | ____ |
| 36. Was the proper wage decision made a part of the construction contract? | ____ | ____ | ____ |
| 37. Were the Davis-Bacon and EEO posters accessible to workers? | ____ | ____ | ____ |
| 38. Was the Project Wage Rate Sheet or the Wage Decision, one of the two, accessible? | ____ | ____ | ____ |

Employee Interviews

Interviews shall include employees of the following contractors:

All Prime Contractors and any subcontractor with a contract of $100,000 or more

Subcontractors with a large number of payroll problems with contracts of less than $100,000

Other subcontractors, not listed above, that are on the jobsite on the date of the above interviews

One person of each classification present on the interview date(s) and 50% of all laborers should be interviewed.

Comments / Recommended Corrective Action: _____

_____

## Procurement

May, 2013

Grantee: _____ Contract #: _____ FY: _____ Type: _____

Reviewer: _____ LGR: _____ Date: _____

1. Did the grantee adopt the State's sample procurement policy? ***Yes*** ___ ***No*** ___

   ~ Date adopted: _____ *(If over 10 years ago, recommend they re-adopt.)*

2. Date contractor(s) cleared, if applicable: _____ (Consultant) _____ (Engineer) _____ (Other)

   ~ Is clearance date before contract date? ***Yes*** ___ ***No*** ___ ***Yes*** ___ ***No*** ___ ***Yes*** ___ ***No*** ___

3. Were grant funds used for all or part of a professional service contract(s)? ***Yes*** ___ ***No*** ___

   ~ If ***Yes***, complete Professional Service Contracts portion of checklist along with

### PROFESSIONAL SERVICES CONTRACTS:

4. Identify all **professional services contracts** executed by grantee. Determine whether a line-item contract

| | Contract Amount: | OCD Approved Amount: |
|---|---|---|
| **a)** _____ Administrative Consultant | _____ *Pre-agreement* | _____ *Pre-agreement* |
| | _____ *Administration* | _____ *Administration* |
| | **Contract Amount:** | **OCD Approved Amount:** |
| **b)** _____ Project Engineer | _____ *Pre-agreement* | _____ *Pre-agreement* |
| | _____ *Basic Engineering* | _____ *Basic Engineering* |
| | _____ *Inspections)* | _____ *Inspections* |
| | _____ *Topo Survey* | _____ *Topo Survey* |
| | _____ *Property Survey* | _____ *Property Survey* |
| | _____ *Testing* | _____ *Testing* |
| | _____ *Construction Staking* | _____ *Construction Staking* |
| | _____ *Other* _____ | _____ *Other* _____ |

**If applicable**: If any one of the contract line-item amounts listed above exceeds the OCD approved amount, make sure the local government understands its obligation to pay the difference, and advise they amend their contract(s)

| | Other Professional Service Contractors: | Contract Amount: |
|---|---|---|
| **c)** | Testing: _____ | $ _____ |
| | Appraiser: _____ | $ _____ |
| | Review Appraiser: _____ | $ _____ |
| | Legal: _____ | $ _____ |
| | Auditor: _____ | $ _____ |

**Review all Non-Competitive Negotiation contracts and a sample of the others.**

| (answer: ***Yes***, ***No*** or ***N/A***) | Consultant | Engineer | Other | Other |
|---|---|---|---|---|
| 5. For the Small Purchase method, does the file have… (an option when fees are less than $100,000) | | | | |
| • a minimum of 3 quotes rec'd by phone, fax or mail | _____ | | _____ | _____ |
| • documentation for basis of selection | _____ | | _____ | _____ |
| 6. The Competitive Negotiation method. | | | | |
| a. Using "**Requests for Proposals**", does the file have… | | | | |
| • a copy of the Request for Proposal? | _____ | | _____ | _____ |
| • Was RFP published in nearest MSA newspaper? | _____ | | _____ | _____ |
| • copies of proposals received? | _____ | | _____ | _____ |
| • a written evaluation of each proposal received? | _____ | | _____ | _____ |
| • evidence costs were reviewed for reasonableness | _____ | | _____ | _____ |
| • evidence the selection process was thorough and uniform and the criteria & point system identified in the RFP was used to make the selection? | _____ | | _____ | _____ |
| b. Using "**Statements of Qualifications**", does the file have… | | | | |
| • Was the request published in nearest MSA newspaper? | | _____ | | |
| • copies of statements received? | | _____ | | |
| • a written evaluation of each statement received? | | _____ | | |
| • evidence costs were reviewed for reasonableness? | | _____ | | |
| • evidence the selection process was thorough and uniform and the criteria & point system identified in the RFP Qualification Statements was used to make the selection? | | _____ | | |
| 7. For the **Non-competitive Negotiation** method, does the file have… (Applies to 2011 and prior year grants - used when procuring a planning district for admin. services. Prior approval by OCD is required for other services.) | | | | |
| • rationale for using this procurement method? | _____ | _____ | _____ | _____ |
| • justification for services provided? | _____ | _____ | _____ | _____ |
| • evidence costs were reviewed for reasonableness? | _____ | _____ | _____ | _____ |
| ~ If method used for other services, had OCD approved? | _____ | _____ | _____ | _____ |

| (*answer*: ***Yes***, ***No*** or ***N/A***) | Consultant | Engineer | Other | Other |
|---|---|---|---|---|
| 8. Does the contract include the following: | | | | |
| • scope of services | _____ | _____ | _____ | _____ |
| • contract amount, with breakout of fees by services | _____ | _____ | _____ | _____ |
| • method of compensation | _____ | _____ | _____ | _____ |
| • contract date (*make note of*) | _____ | _____ | _____ | _____ |
| • Termination for Cause, and Convenience Clause | _____ | _____ | _____ | _____ |
| • Conflict of Interest Clause | _____ | _____ | _____ | _____ |
| • Access to Records Clause | _____ | _____ | _____ | _____ |
| • Retention of Records Clause | _____ | _____ | _____ | _____ |
| 9. Was contract amended? | _____ | _____ | _____ | _____ |
| ~ If ***Yes***, why?_____ | | | | |
| 10. Was contract(s) executed *(signed)* by all parties before work was initiated(including pre-agreement activities)? | _____ | _____ | _____ | _____ |
| ~ If ***No***, document dates involved: _____ | | | | |

| | Yes | No | N/A |
|---|---|---|---|
| 11. Does consultant's contract stipulate 10% of contract amount will be held until program is conditionally closed? | ____ | ____ | ____ |
| 12. Amount awarded grantee for general admin less pre-agreement: $ _____ (*Example* : $35,000 Admin total for consultant plus local government.) | | | |
| ~ Did grantee hold 5% for their administrative expenses? *[10% allowed through 2005.]* | ____ | ____ | ____ |

**CONSTRUCTION CONTRACTS:**

Contractor 1: _____ Contract Amount: _____

Contractor 2: _____ Contract Amount: _____

Contractor 3: _____ Contract Amount: _____

Sub-contractor 1: _____ Sub-contractor 2: _____

| | Contractor 1 | Contractor 2 | Contractor 3 |
|---|---|---|---|
| **Bid Ad Dates** | | | |
| **Bid Opening Date** | | | |
| **Award Date** | | | |
| **Description of Work** | | | |

| | (*answer*: ***Yes***, ***No*** or ***N/A***) Contractors: | 1 | 2 | 3 |
|---|---|---|---|---|
| 13. | Did DHH review/approve plans/specs for the sewer/water project? | | | |
| | ~ If ***Yes***, is DHH's letter dated prior to start of construction? | | | |
| 14. | a. Is there a Certificate for Compliance with Minimum Standards for Accessibility by the Physically Handicapped? | ____ | ____ | ____ |
| | b. Has the State Fire Marshall issued a 'certificate of occupancy'? | ____ | ____ | ____ |
| 15. | Will grantee transfer ownership of system to another entity? | ____ **Yes** | ____ **No** | |
| | ~ If ***Yes***, has an intergovernmental cooperative agreement been executed? | ____ **Yes** | ____ **No** | |
| | (*answer*: ***Yes***, ***No*** or ***N/A***) | | | |
| 16. | Was ad for bids published once a week for 3 weeks according to State Bid Law? (First ad must appear at least 25 days prior to bid opening.) | ____ | ____ | ____ |
| 17. | Did advertisement for bids include time/place of bid opening? | ____ | ____ | ____ |
| 18. | Was a bid guarantee equivalent to 5% of bid submitted by the lowest bidder? (bid bond, certified check) | ____ | ____ | ____ |
| 19. | Did bid/contract document contain the following? | | | |
| | • Louisiana Uniform Public Work Bid Form [required beginning 08/09] | ____ | ____ | ____ |
| | • Certification of Compliance with Air and Water Acts [above $100,000] | ____ | ____ | ____ |
| | • Access to Records/Maintenance of Records Clause | ____ | ____ | ____ |
| | • Conflict of Interest Clause | ____ | ____ | ____ |
| | • Bonding and Insurance Requirements Clause | ____ | ____ | ____ |
| 20. | If applicable, were copies of all addendum(da) sent to all bidders & OCD? | ____ | ____ | ____ |

| | Contractors: | 1 | 2 | 3 |
|---|---|---|---|---|
| 21. | Were bid/contract documents reviewed by grantee's attorney? (not required, only suggested) | ____ | ____ | ____ |
| 22. | Did the selected bidder provide a signed attestation document re: past criminal convictions & verification of employees? [required for projects that were let out for bid beginning Dec 2010] | ____ | ____ | ____ |
| 23. | Were there minutes of the bid opening and a tabulation of bids? | ____ | ____ | ____ |
| | ~ Did grantee send OCD the itemized bid tabulation? [required beginning FY'06] | ____ | ____ | ____ |
| 24. | Was the contract awarded within the time frame established in State Bid Law? [**45 days**; time frame may be extended in 30-day increments by mutual consent.] | ____ | ____ | ____ |
| 25. | Was the contract awarded to the lowest responsible bidder? | ____ | ____ | ____ |
| 26. | Did the contract document include all items contained in the bid package and was it executed by the contractor? | ____ | ____ | ____ |
| 27. | Is there a performance bond and a payment bond for the contract amount? | ____ | ____ | ____ |
| 28. | Were the U.S. Treasury Dept. and the LA Insurance Commissioner's Office contacted regarding the surety company? | ____ | ____ | ____ |
| 29. | a. Identify resident inspector: _____ | | | |
| | b. Was inspector's Qualification Certificate sent to OCD prior to construction? | ____ | | |
| 30. | Are inspection reports available for review? | ____ | ____ | ____ |
| | ~ If ***Yes***, are they signed by the inspector identified above? | ____ | ____ | ____ |
| 31. | Were change order(s) approved by OCD prior to execution by grantee? | ____ | ____ | ____ |
| 32. | Was a copy of the executed change order with all necessary signatures submitted to OCD? | ____ | ____ | ____ |
| 33. | Has there been a final inspection of work? | ____ | ____ | ____ |
| 34. | Has the 'Certificate of Substantial Completion' been recorded? | ____ | ____ | ____ |
| 35. | Has final payment been made to contractor less retainage? | ____ | ____ | ____ |
| 36. | Has the 'Clear Lien Certificate' been issued? | ____ | ____ | ____ |
| 37. | Has contractor been paid their retainage? | ____ | ____ | ____ |

Comments / Recommended Corrective Action: _____

_____

_____

## Program Performance-Administration

May, 2013

Grantee: _____ Contract #: _____ FY: _____ Type: _____
Reviewer: _____ LGR: _____ Date: _____
Contract End Date: _____ Percent Drawn To- Date: _____

1. Were special assessments levied on property owners as a result of this project? (hook-up or tap-on fees) _____ _____ _____
2. Budget changes more than 10% or program changes that delete, add or change an activity require prior written approval. If applicable, was a Request for a Program Amendment submitted to OCD? _____ _____ _____
   ~ If Yes, was the Program Amendment approved? _____ _____ _____
3. Is a project sign prominently displayed at each target area of the project? _____ _____ _____
4. Is the program progressing in accordance with the current time schedule? _____ _____ _____
   ~ If ***No***, list the activity(ies) that is behind schedule and explain why.

   Activity: _____ Reason for delay: _____

   Activity: _____ Reason for delay: _____

5. Do you think the grantee can meet the current time schedule? _____ _____ _____
   ~ If ***No***, explain: _____
6. Was a revised schedule discussed? _____ _____ _____
7. Are there problems which could make the overall program infeasible? _____ _____ _____

Comments / Recommended Corrective Action: _____

## Record Keeping

May, 2013

Grantee: _____ Contract #: _____ FY: _____ Type: _____

| | | ***Yes*** | ***No*** |
|---|---|---|---|
| 1. | Does the filing system follow the model provided in the grantee handbook? | _____ | _____ |
| 2. | Was it difficult to find information or documentation during the review? | _____ | _____ |

~ If ***Yes***, explain: _____

3. Does grantee have another active grant, conditionally closed grant or grant that received a final closeout in the last four years? _____ _____

~ If ***Yes***, view files and review past monitoring letters for repetitive deficiencies.

Comments / Recommended Corrective Action: _____

## Exit Conference

May, 2013

Grantee: _____ Contract #: _____ LGR: _____

| Program Areas Reviewed | Identify Problems to be Corrected |
|---|---|
| Acquisition (05) | |
| Anti-displacement (14) | |
| Citizen Participation(13) | |
| Civil Rights: 504 / EO / MBE/Sec. 3/FH (04) | |
| Economic Development (14) | |
| Environmental (02) | |
| Financial Management (01) | |
| Housing Rehabilitation (07) | |
| Labor Standards (03) | |
| National Objective (10) | |
| Program Performance-Administration (09) | |
| Procurement (08) | |
| Record Keeping (12) | |
| Relocation (06) | |
| | |

## E-4: PROGRAM COMPLETION REPORT

PROGRAM COMPLETION REPORT
COVER SHEET

1. Name of Grantee 2. Address of Grantee

3. Contract Number

4. Citizen participation information submitted with this report includes the following:

   a) A summary of each citizen comment received during program implementation, the grantee assessment of the comment, and a description of actions taken or to be taken in response to the comment.

   b) Specific information on each required public hearing held which includes the purpose of the public hearing and the date(s) of each; and a copy of the public notice, attendance roster, and minutes of the public hearing on performance.

5. The grantee's chief elected official certifies that:

   a) To the best of his/her knowledge and belief the data in this report is true and correct as of the date identified below;

   b) The records described in this report are being maintained and will be made available upon request.

6. Typed name and title of chief elected official

7. Signature 8. Date

## INSTRUCTIONS FOR THE COVER SHEET

ITEM
NUMBER

1. Enter the name of your local government (municipality or parish).

2. Enter the official address of the local government.

3. Enter the contract number for the LCDBG program that is being closed out.

4. Attach the citizen participation information as identified and required. As a reminder, public hearings are required: a) for the development of the LCDBG application, b) for comments regarding any amendments to the Program, and c) for review of the grantee's program performance as a part of closeout. Identify the date and purpose of each public hearing. Also include a summary of each comment received during the program and the local government's response to each comment received. These comments must also include any complaints received regarding the program.

5. The Mayor's/President's signature on this page certifies that the data in the report is correct and the LCDBG Program files are being maintained in the local government's offices.

6. Type in the name and title of the chief elected official, e.g., the Mayor/President.

7. The Mayor/President must sign in this block.

8. Enter the date signed.

# CITIZEN PARTICIPATION INFORMATION

Attach the citizen participation information as identified and required. As a reminder, public hearings are required: a) for the development of the LCDBG application, b) for comments regarding any amendments to the Program, and c) for review of the grantee's program performance as a part of closeout. Identify the date and purpose of each public hearing. Also include a summary of each comment received during the program and the local government's response to each comment received. These comments must also include any complaints received regarding the program.

LOUISIANA COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAMM
GRANT PROGRESS FORM

1. Grantee

2. Contract Number:

| 3. Name of Activity | 4. National Objective Addressed | 5. Actions Accomplished | 6. Actions Remaining to Anticipated Completion Date | 7.* Current LCDBG Budget | 8.* LCDBG Funds Obligated | 9.* LCDBG Funds Expended |
|---|---|---|---|---|---|---|
| | | | | | | |
| | | | 10. TOTAL | $ | $ | $ |

*If other funds were injected into the project, attach a separate sheet identifying the amount of, source of, and use of funds for each activity. This is required for all economic development projects; however, it may also pertain, to housing, public facilities, demonstrated needs, or other types of projects. The amounts shown in columns 7, 8, and 9 should involve only LCDBG funds.

## INSTRUCTIONS FOR THE GRANT PROGRESS FORM

ITEM
NUMBER

1. Type in the name of your City/Parish.

2. Type in the contract number.

3. List the name of each activity identified exactly as it is shown in the contract or as established by any program amendments; for example, sewer system improvements, housing rehabilitation, demolition, etc.

4. Note the national objective served by each activity, e.g., "benefit to low moderate income persons" or "prevention/elimination of slums and blight." Although administration will be identified as an activity, do not identify that a national objective has been addressed by this activity.

5. Identify the specific actions accomplished under this activity, e.g., "replacement of 750 linear feet of sewer line, rehab of 24 houses, demolition of 3 houses," etc.

6. List the actions remaining to complete the activity and anticipated completion date, e.g., "finishing, inspection, and acceptance (5/03)" or identify the activity as "completed". In most instances, all of the activities will be completed when this form is prepared.

7. Show the current approved LCDBG amount budgeted for each activity.

8. List the total amount of LCDBG funds obligated for each activity as of the date of the report. The amount obligated generally means the amount under contract or for which expenses have been incurred. If other funds (state, local, or federal) were injected into the project, attach a separate sheet identifying the source of funds and use of funds for each activity. All economic development projects involve other funds; therefore, the amount, source and use of other funds (private and/or public) must be identified for economic development projects. Other funds may also have been used in conjunction with a housing, public facilities, demonstrated needs, LaSTEP or technology project.

9. Show the total LCDBG funds expended for each activity as of the date of the report.

10. Enter the total amounts under columns 7, 8, and 9.

## Louisiana Community Development Block Grant - Program Beneficiary Form

| | | | |
|---|---|---|---|
| 1 | Name of Grantee | 3 | FY/Type |
| 2 | Contract Number | 4 | Comments |

**ALL GRANTS MUST PROVIDE THE INFORMATION IN THIS BOX**

| | | |
|---|---|---|
| 5 | Name of Activity | |
| 6 | | Persons |
| 7 | Total--All Income Levels | |
| 8 | LMI % | #DIV/0! |
| 9 | Low/Moderate Income | |
| 10 | Above Income | |

**WATER & SEWER GRANTS WITH CONNECTIONS ON PRIVATE PROPERTY MUST PROVIDE THE INFORMATION BELOW FOR ALL HOUSEHOLDS RECEIVING FREE SERVICE LINE CONNECTIONS**

Income of and Type of Household

| | (Income Levels) | Total Households | Owner | Renter |
|---|---|---|---|---|
| 11 | Total--Low/Moderate | 0 | | |
| 12-A | Extremely Low Income | 0 | | |
| 12-B | Low Income | 0 | | |
| 12-C | Moderate Income | 0 | | |

Race/Ethnicity of Household

| | | | Owner | Renter |
|---|---|---|---|---|
| 13 | American Indian or Alaskan Native | Total | | |
| | | Hispanic | | |
| 14 | Asian | Total | | |
| | | Hispanic | | |
| 15 | Black or African American | Total | | |
| | | Hispanic | | |
| 16 | Native Hawaiian or Pacific Islander | Total | | |
| | | Hispanic | | |
| 17 | White | Total | | |
| | | Hispanic | | |
| 18 | American Indian and White | Total | | |
| | | Hispanic | | |
| 19 | Asian and White | Total | | |
| | | Hispanic | | |
| 20 | Black and White | Total | | |
| | | Hispanic | | |
| 21 | American Indian and Black | Total | | |
| | | Hispanic | | |
| 22 | Other Multi-racial | Total | | |
| | | Hispanic | | |
| 23 | Total Households--All Racial Groups | Total | | |
| | | Hispanic | | |
| 26 | Total Households--Owner Occupied and Renter Occupied | | | 0 |
| 27 | Female-Headed Households | | | |

| | | | |
|---|---|---|---|
| 28 | Source(s) for determining beneficiary data: | | |
| 29 | We certify that to the best of our knowledge and belief the beneficiary data on this form is correct. For those projects involving utility line connections on private property, the household information reflects only households physically connected to the system with LCDBG funds. For Economic Development projects, the engineer's signature is not required. | | |
| 30 | Signature, Chief Elected Official | | Date |
| 31 | Signature, Grant Consultant | | Date |
| 32 | Signature, Engineer/Architect | | Date |

## Instructions for the Program Beneficiary Form

**Objective:** The Program Beneficiary Form reports actual beneficiaries of an LCDBG project which has been completed. In contrast, the Activity Beneficiary Form(s) of the original LCDBG application reported the anticipated beneficiaries of the proposed project.

**Data Sources:** Data sources for the completion of the Program Beneficiary Form may include:

The original Activity Beneficiary Form or original combined Activity Beneficiary Form
A revised Activity Beneficiary Form as prepared during the application revision stage of the grant
Known beneficiary changes that occurred during the project
Beneficiary data from a Program Amendment
An actual count of beneficiaries

**Row 1:** "Name of Grantee": Enter the name of the grant recipient.

**Row 2:** "Contract Number": Enter the six digit LCDBG contract number.

**Row 3:** "Comments" Enter any additional comments.

**Row 4:** "FY / Type": For "FY" Enter the funding year of the grant. "Type" refers to the program type which may be one of the following: DN, DR, ED, HO, LS, PA, PF, or TE. Enter the type.

**Row 5:** Name of Activity—Enter a primary activity name that, in general, describes the purpose of the grant. Examples: sewer, water, or streets. Do not enter activity names or report beneficiaries for acquisition or administration.

**Rows 7 and 8:** The Total--All Income Levels and LMI% will auto-calculate based on the information entered in Rows 9 and 10.

**Rows 9 and 10:** Enter persons benefiting according to their income level as determined by HUD.

**WATER & SEWER GRANTS WITH CONNECTIONS ON PRIVATE PROPERTY MUST PROVIDE THE INFORMATION BELOW FOR ALL HOUSEHOLDS RECEIVING FREE SERVICE LINE CONNECTIONS**

Using the information on the Service Line Connection Summary Sheet, complete Rows 11 - 27.

**For Rows 11 - 27:** Do **NOT** count people benefiting; count **HOUSEHOLDS** benefiting

**Row 11:** The Total Households, Owner and Renter will auto-calculate based on the data entered in Rows 12-A, B, and C.

**Row 12-A:** Enter the number of Extremely Low Income Owner-Occupied Households and Tenant-Occupied Households receiving free service line connection. The Total Extremely Low Households will auto-calculate from this data.

**Row 12-B:** Enter the number of Low Income Owner-Occupied Households and Tenant-Occupied Households receiving free service line connection. The Total Low Households will auto-calculate from this data.

**Row 12-C:** Enter the number of Moderate Income Owner-Occupied Households and Tenant-Occupied Households receiving free service line connection. The Total Moderate Households will auto-calculate from this data.

**Rows 13 - 22:** Enter the number of households by their racial origin by household ownership or rental status; then enter the number of households in that racial origin that are of Hispanic or Latino ethnicity by household ownership or rental status. The total number of households listed in Rows 24, 25, and 26 should equal the number of households listed in Row 11.

**Rows 23 - 26:** These Rows will auto-calculate based on the data entered in Rows 13-22.

**Row 27:** Enter the total number of Female-Headed Households

**Row 28:** State the source/methodology used for determining the applicant data.

**Rows 29 - 32:** The beneficiary data on this form must be verified by signatures/dates of the chief elected official, administrative consultant and engineer/architect. The engineer's signature is not required on Economic Development projects.

| LOUISIANA COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM<br><br>HOUSING OPPORTUNITIES FORM | 1. GRANTEE:<br><br>2. CONTRACT NUMBER: |
|---|---|
| 3. Actions taken to affirmatively further fair housing in the grantee's community:<br><br>Actions Taken | Results |
| 4. Actions taken to increase housing opportunities for lower income:<br><br>Actions Taken | Results |

# INSTRUCTIONS FOR THE HOUSING OPPORTUNITIES FORM

ITEM
NUMBER

1. Type in the name of the local government.

2. Type in the contract number.

3. List all actions taken to affirmatively further fair housing in the community and the results of those actions.

4. Identify all actions taken to increase housing opportunities for lower income households in the community and the results of those actions.

LOUISIANA COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
MISCELLANEOUS INFORMATION FORM

1. GRANTEE: _____
2. CONTRACT NUMBER:

3. Did the grantee receive any program income during the course of this grant? Yes _____ No _____
(See the instructions on the back of this form.)

4. If yes,
   a. Enter the sum of program income received during this program $_____

   b. For all program income received, list separately the source and original LCDBG Program year which generated the program income and the amount received.

| SOURCE | ORIGINAL LCDBG PROGRAM YEAR | AMOUNT |
|---|---|---|

5. Was any property or equipment (property having a useful life of more than one year and an acquisition
cost of $300 or more per unit) purchased with LCDBG funds? Yes _____No _____

If yes, provide a description and dollar amount paid for such purchases.

| DESCRIPTION | AMOUNT |
|---|---|

Disposition of property acquired with federal funds must be in compliance with OMB Circular A-87. Notification will be provided for the proper procedures for disposition of the property described above.

6. Was any land acquired/donated in order to complete the project?

Yes _____ No _____
If yes, identify the number of parcels donated _____ and acquired _____.
(number) (number)

7. Has or will the local government transfer ownership of the system/asset to another entity?

Yes _____ No _____

If yes, a copy of the executed intergovernmental cooperative agreement must be attached to the closeout documents.

8. If the project included infrastructure construction, a copy of the recorded clear lien certificate must be submitted with the closeout documents.

9. If the project involved infrastructure construction which was subject to Davis Bacon and Related Acts, a Final Wage Compliance Report must be submitted.

# INSTRUCTIONS FOR THE MISCELLANEOUS INFORMATION FORM

ITEM
NUMBER

1. Type in the name of the City/Parish.

2. Type in the contract number.

3. Program Income
   The LCDBG program requires that Economic Development loan repayments be submitted to the State as program income. The rules governing Program Income requirements are explained in Section IV(J) of the Financial Management Manual. There are some situations which may arise whereby the State will allow a unit of local government to keep program income; this does not include ED loan repayments. If you have received our permission to earn and retain program income, the following information is needed.

   Identify whether or not any program income was received during the course of the grant for which these closeout documents are being prepared. The program income, however, may have been received as a result of a previous grant. For example, during the life of a FY 2009 CDBG program, the Town may receive program income from a FY 2006 economic development grant award.

4. a. Enter the sum of program income received during the life of the program being closed out, if applicable.

   b. Identify the source and dollar amount of all program income received. If applicable, distinguish between principal and interest. Also, identify the original grant year from which these funds were generated. If additional space is needed, provide the information on a separate sheet.

5. Indicate if any property or equipment was purchased with LCDBG funds and, if applicable, provide a description and cost.

6. If any land was acquired or donated in order to complete the project, please identify the number of parcels acquired and/or donated.

7. For all projects which involve the transfer of ownership of the system or asset purchased, improved, or constructed with LCDBG funds, a copy of the executed intergovernmental cooperative agreement must be attached to the closeout documents.

8. For all projects involving infrastructure construction (including economic development), a copy of the recorded clear lien certificate must be submitted with the closeout documents.

9. Attach a Final Wage Compliance Report for those projects which were subject to Davis Bacon and Related Acts.

# Section 3 Summary Report

Economic Opportunities for
Low – and Very Low-Income Persons

U.S. Department of Housing
and Urban Development
Office of Fair Housing
And Equal Opportunity

OMB Approval No: 2529-0043
(exp. 11/30/2010)

HUD Field Office:

Section back of page for Public Reporting Burden statement

| 1. Recipient Name & Address: (street, city, state, zip) | 2. Federal Identification: (grant no.) | 3. Total Amount of Award: |
|---|---|---|
| | 4. Contact Person | 5. Phone: (Include area code) |
| | 6. Length of Grant: | 7. Reporting Period: |
| 8. Date Report Submitted: | 9. Program Code: (Use separate sheet for each program code) | 10. Program Name: |

**Part I: Employment and Training** (** Columns B, C and F are mandatory fields. Include New Hires in E &F)

| A<br>Job Category | B<br>Number of New Hires | C<br>Number of New Hires that are Sec. 3 Residents | D<br>% of Aggregate Number of Staff Hours of New Hires that are Sec. 3 Residents | E<br>% of Total Staff Hours for Section 3 Employees and Trainees | F<br>Number of Section 3 Trainees |
|---|---|---|---|---|---|
| Professionals | | | | | |
| Technicians | | | | | |
| Office/Clerical | | | | | |
| Construction by Trade (List)<br>Trade | | | | | |
| Trade | | | | | |
| Trade | | | | | |
| Trade | | | | | |
| Trade | | | | | |
| Other (List) | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| Total | | | | | |

* Program Codes
1 = Flexible Subsidy
2 = Section 202/811
3 = Public/Indian Housing
A = Development,
B = Operation
C = Modernization
4 = Homeless Assistance
5 = HOME
6 = HOME State Administered
7 = CDBG Entitlement
8 = CDBG State Administered
9 = Other CD Programs
10 = Other Housing Programs

Page 1 of 2
form HUD 60002 (11/2010)
Ref 24 CFR 135

**Part II: Contracts Awarded**

1. Construction Contracts:

| | |
|---|---|
| A. Total dollar amount of all contracts awarded on the project | $ |
| B. Total dollar amount of contracts awarded to Section 3 businesses | $ |
| C. Percentage of the total dollar amount that was awarded to Section 3 businesses | % |
| D. Total number of Section 3 businesses receiving contracts | |

2. Non-Construction Contracts:

| | |
|---|---|
| A. Total dollar amount all non-construction contracts awarded on the project/activity | $ |
| B. Total dollar amount of non-construction contracts awarded to Section 3 businesses | $ |
| C. Percentage of the total dollar amount that was awarded to Section 3 businesses | % |
| D. Total number of Section 3 businesses receiving non-construction contracts | |

**Part III: Summary**

Indicate the efforts made to direct the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, toward low-and very low-income persons, particularly those who are recipients of government assistance for housing. (Check all that apply.)

_____ Attempted to recruit low-income residents through: local advertising media, signs prominently displayed at the project site, contracts with the community organizations and public or private agencies operating within the metropolitan area (or nonmetropolitan county) in which the Section 3 covered program or project is located, or similar methods.

_____ Participated in a HUD program or other program which promotes the training or employment of Section 3 residents.

_____ Participated in a HUD program or other program which promotes the award of contracts to business concerns which meet the definition of Section 3 business concerns.

_____ Coordinated with Youthbuild Programs administered in the metropolitan area in which the Section 3 covered project is located.

_____ Other; describe below.

Public reporting for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB number.

Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u, mandates that the Department ensures that employment and other economic opportunities generated by its housing and community development assistance programs are directed toward low- and very-low income persons, particularly those who are recipients of government assistance housing. The regulations are found at 24 CFR Part 135. The information will be used by the Department to monitor program recipients' compliance with Section 3, to assess the results of the Department's efforts to meet the statutory objectives of Section 3, to prepare reports to Congress, and by recipients as self-monitoring tool. The data is entered into a database and will be analyzed and distributed. The collection of information involves recipients receiving Federal financial assistance for housing and community development programs covered by Section 3. The information will be collected annually to assist HUD in meeting its reporting requirements under Section 808(e)(6) of the Fair Housing Act and Section 916 of the HCDA of 1992. An assurance of confidentiality is not applicable to this form. The Privacy Act of 1974 and OMB Circular A-108 are not applicable. The reporting requirements do not contain sensitive questions. Data is cumulative; personal identifying information is not included.

## Instructions for Completing Section 3 Report

1. Recipient: Enter the name and address of the recipient submitting this report.
2. Federal Identification (grant no.): Enter the number that appears on the contract with the State.
3. Total Amount of Award: Enter the total Community Development Block Grant dollars received, rounded to the nearest dollar. (This may not necessarily be the original grant amount awarded).

4&5. Contact Person/Phone: Enter the name and telephone number of the person with knowledge of the grant award and the recipient's implementation of Section 3.

6. Length of Grant: Indicate the time period for the grant.
7. Reporting Period: Indicate the time period that this report covers (months and years, such as 8/04-7/07).
8. Date Report Submitted: Enter the appropriate date.
9. Program Code: Enter number “8”.
10. Program Name: Enter “CDBG State Administered”.

### Part I: Employment and Training Opportunities

**Column A:** Contains various job categories. Professionals are defined as people who have special knowledge of an occupation (i.e., architects, engineers, administrative consultant, attorneys, appraisers, and accountants). Include any City/Parish persons hired by the grantee to work on project. For construction positions, list each trade and provide data in columns B through F for each trade where persons were employed. The category "Other" includes occupations such as service workers and supervisors.

**Column B**: Enter the number of new hires for each category of workers identified in Column A in connection with this award. New Hire refers to a person who is not on the contractor’s or recipient’s payroll for employment at the time of selection for the Section 3 covered award or at the time of receipt of Section 3 covered assistance.

**Column C:** Enter the number of Section 3 new hires for each category of workers identified in Column A in connection with this award. Section 3 new hire refers to a Section 3 resident who is not on the contractor’s or recipient’s payroll for employment at the time of selection for the Section 3 covered award or at the time of receipt of Section 3 covered assistance.

**Column D**: Enter the percentage of all the staff hours of new hires (Section 3 residents) in connection with this project. New Hires include full-time positions (permanent, temporary and seasonal).

**Column E**: Enter the percentage of the total staff hours worked for Section 3 employees and trainees (including new hires) connected with this award. Include staff hours for part-time and full-time positions.

**Column F**: Enter the number of Section 3 residents that were employed and trained (including new hires) in connection with this award.

**Part II: Contract Opportunities**

Block 1: Construction Contracts

Item A: Enter the total dollar amount of all construction contracts awarded on the project/program. **(CDBG dollars only)**

Item B: Enter the total dollar amount of construction contracts connected with this project/program awarded to Section 3 businesses. **(CDBG dollars only)**

Item C: Enter the percentage of the total dollar amount of construction contracts connected with this project/program awarded to Section 3 businesses.

Item D: Enter the number of Section 3 businesses receiving construction contracts.

Block 2: Non-Construction Contracts

Item A: Enter the total dollar amount of all non-construction contracts awarded on the project/program. (This will be professional service contracts such as those with architects, engineers, administrative consultant, attorneys, appraisers, and accountants). **(CDBG dollars only)**

Item B: Enter the total dollar amount of non-construction contracts connected with this project awarded to Section 3 businesses. **(CDBG dollars only)**

Item C: Enter the percentage of the total dollar amount of non-construction contracts connected with this project/program awarded to Section 3 businesses.

Item D: Enter the number of Section 3 businesses receiving non-construction contracts.

**Part III: Summary of Efforts** - Self-explanatory

Louisiana Community Development Block Grant Program

CERTIFICATE OF COMPLETION

1. Grantee:

2. Contract Number:

FINAL STATEMENT OF COSTS

| Program Activity Categories | 3. Paid Costs | 4. Unpaid Costs | 5. Total Grant Costs | 6. State Use Only |
|---|---|---|---|---|
| A. Acquisition of Real Property | $ | $ | $ | $ |
| B. Public Works, Facilities, Site Imp. | | | | |
| 1. Sewer | | | | |
| 2. Streets | | | | |
| 3. Water (Fire Protection) | | | | |
| 4. Water (Potable) | | | | |
| 5. Multi-purpose Community Centers | | | | |
| 6. Other | | | | |
| C. Rehabilitation Housing | | | | |
| D. Rehabilitation Administration | | | | |
| E. Clearance, Demolition | | | | |
| F. Relocation Payments | | | | |
| G. Economic Development | | | | |
| 1. Commercial/Industrial Infrastructure Development | | | | |
| 2. Loan | | | | |
| 3. Other | | | | |
| H. Planning and Management Development | | | | |
| I. Administration | | | | |
| 1. Pre-Agreement Costs | | | | |
| 2. Public Facilities, Housing & Economic Development | | | | |
| J. Other | | | | |
| K. Other | | | | |
| L. TOTAL GRANT COST | | | | |
| M. Prog. Income Applied to Prog.Cost | | | | |

COMPUTATION OF GRANT BALANCE

| Description | To be completed by Grantee | State Use Only |
|---|---|---|
| | 7. Amount | 8. Approved Amount |
| A. Total Grant. Cost | $ | $ |
| B. Unsettled third party claims | | |
| C. Subtotal | | |
| D. Grant amount as per contract | | |
| E. Unutilized Grant | | |
| F. Grant Funds Received | | |
| G. Balance of Grant Payable | | |

9. List any unpaid costs and unsettled third-party claims against the LCDBG Program. Describe circumstances and dollar amounts involved.

____ Check if continued on additional sheet and attach

CERTIFICATION OF RECIPIENT

It is hereby certified that all activities undertaken by the recipient with funds provided under the contract identified hereof, have, to the best of my knowledge, been carried out in accordance with the contract; that proper provision has been made by the recipient for the payment of all unpaid costs and unsettled third-party claims identified hereof; that the State of Louisiana is under no obligation to make any further payment to the recipient under the contract in excess of the amount identified in line 7.C. hereof, and that every statement and amount set forth in this instrument is, to the best of my knowledge, true and correct as of this date.

| 10. Date | 11. Typed Name and Title of Recipient's Chief Elected Official | 12. Signature of Recipient's Chief Elected Official |
|---|---|---|
| | | |

LCDBG APPROVAL

13. This Certificate of Completion is hereby approved. Therefore, I authorize cancellation of the unutilized contract commitment and related funds reservation and obligation of $_____ less $_____ previously authorized for cancellation.
(from Line 7.E.)

| Date | Typed Name and Title of State Authorized Official | Signature of State's Authorized Official |
|---|---|---|
| | Carol M. Newton<br>Director, Louisiana Community<br>Development Block Grant Program | |

CLOSEOUTS

# INSTRUCTIONS FOR THE CERTIFICATE OF COMPLETION FORM

Item Number

1. Type in the name of the local government.
2. Type in the contract number for the LCDBG program being closed out.
3. List the costs paid as of the date of the report for all program activity categories shown (A through K). Identify LCDBG funds only.
4. Show any unpaid costs as of the date of the report for all program activity categories shown (A through K). Identify LCDBG funds only.
5. Total the paid and unpaid costs (3 + 4) as of the date of the report for all program activity categories shown (A through K).

   3-5. L. Add lines A-K and enter the total on line L under columns 3, 4, and 5.

   3-5. M. Enter program income received that was applied to the program cost on line M; do not include program income dedicated to the economic development revolving loan fund.
6. Leave blank for State use.
7. Complete as follows:

   A. Enter amount shown on line 5.L.

   B. Enter estimated amount of any unsettled third-party claims; do not enter unpaid costs on this line.

   C. Add 7.A. and 7.B. and enter the total.

   D. Enter grant amount per LCDBG contract.

   E. Subtract 7.C. from 7.D. and enter difference.

   F. Enter grant funds actually received.

   G. Subtract 7.F. from 7.C. and enter amount (if 7.F. exceeds 7.C. enter amount of the excess in 7.G. as a negative amount; this amount must be repaid to the State by check made payable to the Division of Administration).
8. Leave blank for completion by State staff.
9. List any unpaid costs and unsettled third-party claims against the LCDBG Program.

   Describe circumstances and dollar amounts involved.
10. Type in the preparation date of the report.
11. Type in the name and title of the chief elected official.
12. Have the Mayor/President sign in the space provided.
13. Leave blank for completion by State staff

# Final Wage Compliance Report

(Not required for Housing grants)

1. Grantee Name _____
2. LCDBG Contract # _____
3. Fiscal Year of Grant _____
4. Date of this Report _____
5. Report Prepared By _____
6. Was there any wage underpayment(s)? _____ Yes _____ No
7. Listing of any contractors associated with underpayment(s):

| Prime contractor (above)<br>Sub(s) to this prime (below) | Prime contractor (above)<br>Subs to this prime (below) | Prime contractor (above)<br>Subs to this prime (below) |
|---|---|---|
| | | |
| | | |
| | | |

8. Are any labor issues unresolved? ____ Yes ____ No If yes, explain on the line below:

_____

9. Provide enforcement activity information for each contractor who had underpayment(s) using the format provided in 10-15.

| **10. Contractor (prime or sub)** | **11. Type of work** | **12. # of workers underpaid** | **13. Restitution under Davis Bacon** | **14. Restitution under CWHSSA** | **15. Liquidated Damages collected** |
|---|---|---|---|---|---|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

**Instructions for the *Final Wage Compliance Report***

| Item # and Description | Instructions |
|---|---|
| 1-4 Name, #, FY, Date | Self-explanatory. |
| 5. Prepared by | Usually the name of the grantee's Labor Compliance Officer (LCO). |
| 6. Wage underpayment(s)? | Answer "Yes" or "No" based on the duration of the project from start to finish. |
| 7. Listing of contractors…. | If the underpayment was to an employee of the prime contractor then list the prime contractor on the "above" line. If the underpayment was to an employee of a subcontractor(s), list both the name of the prime contractor on the "above" line and the name of the subcontractor(s) on the "below" line. If there were no underpayments leave this section blank. |
| 8. Issues unresolved? | Possible issues: An employee due restitution has not yet been located. An ongoing dispute may be in litigation.<br>Some issues must be resolved prior to grant closeout while others can be resolved after closeout. If there is an unresolved issue, provide enough information for the Office of Community Development to understand the situation. Attach a supplementary page if necessary. |
| 9. Enforcement activity | Include enforcement activity from the start to finish of the project. Some activity may have been previously reported in a Labor Standards Enforcement Report but that does not matter—it must be reported again along with any previously unreported activity. |
| 10. Contractor | List the name of any contractor who underpaid the employee(s) regardless of their status as prime or sub. If there were no underpayment(s) then leave items 10-15 blank. |
| 11. Type of work | Use one or two words to describe the work that most accurately describes what was constructed by the contractor. Examples: water lines, fire station, sewer lines, sewer plant, fence, elevated tank, water well, painting, street reconstruction, etc. |
| 12. Number of workers underpaid | Number of workers, per contractor, for whom wage restitution was disbursed or at least collected and put in escrow (in the event the worker could not be located). |
| 13. Restitution, Davis-Bacon | Total amount of Davis-Bacon restitution per contractor. |
| 14. Restitution, CWHSSA | Total amount of CWHSSA overtime restitution per contractor. |
| 15. Liquidated Damages | Total amount of liquidated damages per contractor collected for CWHSSA overtime violations. |

## E-5: EXAMPLE AUDIT REPORT EXCERPTS

**EXAMPLE**
**AUDIT REPORT EXCERPTS**

Honorable I.M. Good

City of Good Hope

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM ON INTERNAL CPONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR 133**

We have audited the compliance of the City with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2004. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

As described in item 200X-03 in the accompanying schedule of findings and questioned costs, the City did not comply with the requirements regarding documentation of related expenses.

Section – Federal Awards Findings and Questioned Costs

Finding 200X-3

**Statement of Condition**. During our review of required documentation supporting requested reimbursements we noted the following two items lacked sufficient documentation:

1. An expenditure of $145.92 to Xerox is unsupported by documentation indicating it was an LCDBG expense as opposed to a general City administrative cost.
2. The $4,700.00 expended for the salary of Ellen Smith, City Clerk, is unsupported by payroll records documenting the hours spent on LCDBG activities as opposed to general City administration.

**Criteria**. The 200X LCDBG Handbook states:

1. Office equipment may be purchased or leased with LCDBG funds when it is needed to carry out the LCDBG Program. … any LCDBG funds expended to lease or purchase equipment will result in disallowed costs unless the grantee can establish - and has fully documented in the grant files - that the expenditure(s) was reasonable, necessary, and allowable to the grant, and was not a general expense required to carry out the overall responsibilities of local government as required by OMB Circular A-87 Cost Principles for State and Local Governments.
2. All employees paid in whole or in part from LCDBG funds should prepare a timesheet indicating the hours worked and detailed duties performed on LCDBG projects for each pay period.

**Effect of Condition** Potential misuse of federal funds.

**Cause of Condition** Not following standard booking procedures and recording keeping.

**Recommendation** Accounting department should conduct a review of procedures.

**Questioned Costs** $4,845.92

## E-6: EXAMPLE RESPONSE TO AUDIT LETTER

**EXAMPLE**

**RESPONSE TO AUDIT LETTER**

Dear Mr. State:

In response to the Audit Report by John Sean and Associates of the City's LCDBG Program:

1. The $145.92 Xerox bill was paid with LCDBG funds based upon a six-cent/unit page cost for 2,432 units of copying recorded for the LCDBG Program over the year (2,432 x $0.06 = $145.92). Our Xerox machine is equipped with a counter and all charges made to #4 are LCDBG costs. We paid the $145.92 invoice in lieu of transferring funds from one account to another. A copy of the record is enclosed for your review.

2. Journal entries in Capital Project Fund show a Due from Intergovernmental Grant accounts for a total of 423 hours at $8.05 per hour. A copy is attached. However the General Ledger did not report the entries in the regular payroll account. This accounts for $3,405.15 of the disallowed $4,700.00, leaving $1,294.85 as an ineligible cost. It will be paid out of the City's General Fund. We have instituted a time sheet procedure to avoid a recurrence of this problem.

We look forward to your response.

Sincerely,

I. M. Goode,
Mayor