



**COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM  
MANUAL**

for

***Acquisition and Construction Projects***

*Washington County  
Office of Community Development  
Updated February 2025*

# Instructions to Project Sponsors Applying for Community Development Block Grant (CDBG) Funding

This Program Manual outlines the various requirements that apply to entities receiving Community Development Block Grant (CDBG) funding for Acquisition and Construction projects. The CDBG program is funded by the US Department of Housing and Urban Development (HUD) and administered by Washington County Office of Community Development (OCD). OCD's responsibility is to ensure that federal and local program requirements are met, which is guided by the County's current Consolidated Plan, and Community Development Block Grant (CDBG) Program Policy Manual. The purpose of this CDBG Program Manual is also to provide guidance to project sponsors about the steps they must undertake and consider before applying for funding.

Federal requirements are often detailed and technical. We have not attempted to include all federal requirements in this manual; rather to provide enough information for project sponsors to determine whether to proceed with an application. Sponsors are encouraged to contact OCD for additional guidance on individual project needs. Federal requirements can also be vague and/or subject to interpretation. Do not hesitate to contact OCD if you have any questions as to how to proceed. If necessary, we will contact HUD for guidance.

Please be aware that federal requirements often apply to non-CDBG funded portions of a project or to activities that are undertaken prior to receipt of a grant award. For example, federal labor requirements may apply to demolition activities necessary for construction of a CDBG funded facility, even if the sponsor uses their own funds for the demolition. Another example, once a sponsor's application is received for an acquisition project, federal regulations governing the displacement of tenants, both people and businesses, may go into effect (assuming the project later receives a grant award), as well as the implications of environmental review requirements, which prohibit any "choice-limiting" activities be performed on the project site after the application for funding is submitted but prior to completion of the environmental review and "Notice to Proceed". It is challenging and costly to implement federal regulations after a project has begun. **Please contact OCD before taking any steps in the development of your project if you intend to apply for CDBG funding.**

Once you are notified your project has been selected for funding, OCD will conduct the environmental review and draw up an agreement with your jurisdiction or agency. This agreement will require compliance with specific federal and local program requirements. OCD will send you a "Notice to Proceed" when the environmental review is completed and the agreement between the County and your jurisdiction or agency will be signed by both parties. From that date to the termination date specified in the agreement, you will be able to undertake project activities reimbursable by the grant program.

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# **Section I: Environmental Review Requirements**

## Environmental Review Requirements

This section offers guidance for the completion of an Environmental Review (ER) under HUD regulations found at [24 CFR part 58](#). It is critical that environmental reviews be conducted in a timely and accurate manner so that projects may move forward and receive positive consideration for CDBG funding.

**Incomplete or inaccurate reviews may result in decisions to deny or rescind project funding.**

### The Federal Requirement

The environmental review process is required for all federally funded projects to ensure that the proposed project doesn't negatively affect the surrounding environment and that the site itself doesn't have an adverse effect from the existing environmental conditions. This requirement falls under the National Environmental Policy Act of 1969 (NEPA) and other provisions of law which can be referenced in regulation [24 CFR part 58](#). As the Responsible Entity (RE), Washington County is authorized to assume HUD environmental review, decision making, and action responsibilities.

### Why are Environmental Reviews Important?

- To disclose any environmental impacts of proposed projects to decision makers and the public;
- To avoid or mitigate environmental affects that may cause harm to humans;
- To avoid or mitigate any harm to the surrounding environment;
- To commit to the legal responsibility, we have as grantees and sub-grantees from HUD.
- To commit to the community's environmental needs and standards.

### Overview of the Environmental Review Process

Project sponsors should consult with OCD staff to learn the anticipated level of Environmental Review (ER) that will be required for a project and should complete the ER checklist (provided at time of application) to the best of their knowledge and ability. OCD staff is always available to provide consultation and assistance. If the answer to a question is unknown, please do not leave the question blank, but simply answer "unknown".

There are five levels of Environmental Review with nearly all projects falling into the first four levels for review. Levels increase in number of requirements, complexity, and length of time to complete the review. The level of review needed for a particular project is determined by OCD staff, who confer with HUD environmental staff as needed. Levels of review include:

- Exempt – applies to activities at [24 CFR 58.34](#) only (e.g. services, tenant-based rental assistance, and administrative costs).
- Categorically Excluded, Not Subject To the related laws and authorities of 24 CFR [58.5](#) (CENST) (e.g. downpayment assistance for homeownership, predevelopment expenses)
- Categorically Excluded, Subject to the related laws and authorities of [24 CFR 58.5](#) (CEST) (e.g. sidewalk improvements, rehabilitation of existing facilities)
- Environmental Assessment (EA) (e.g. new construction of facilities or housing).
- Environmental Impact Statement (EIS) (applies with the complexity of a project exceeds scope of an EA; a project requiring this level of review is not advised).

Environmental reviews for some activities will not require publishing of public notices or comment periods, but if there are any mitigating factors to consider as part of the review, this may be necessary. For a site requiring an “Environmental Assessment” level of review, a public notice known as a “Finding of No Significant Impact” (FONSI) is required to be published in local publications. The FONSI allows the public to comment directly to HUD on the content of and methodology used to create the Environmental Review Record (ERR) for the project. Following the comment period, any comments are considered by HUD in conjunction with the County’s request that the record be approved, which is accomplished through a “Request for Release of Funds and Certification” (RROF). OCD staff will guide the project sponsor through environmental review process. Sponsors should be prepared for an environmental assessment level of review to take 2-4 months to conduct, depending on the complexity of the review and should be provide requested information promptly throughout the process to help limit the overall length of the review.

*Please note the following if your project includes acquisition of land and/or buildings:*

#### **Guidance for Purchase of Property Prior to Application for Funding**

If bare land or land with improvements is purchased prior to a project sponsor applying for CDBG funds, the following will apply:

- CDBG funds maynot be used to reimburse acquisition costs if the sale occurred prior to the completion of the HUD Environmental Review and prior to having executed a CDBG Grant Agreement.
- Once an application for CDBG funds is submitted, no choice-limiting actions can occur on the property until Environmental Review is completed. Choice-limiting actions include but are not limited to: executing a purchase agreement for acquisition (though an option agreement is allowed), demolition, construction, and executing construction contracts.
- Project sponsor will need to demonstrate through disclosure notices that the property was acquired through a voluntary transaction with the seller, with a purchase price at or below fair market value based on appraisal or broker’s estimate. If the disclosure notices are not executed correctly, the project will be ineligible for funding.
- If the property has been purchased by a third party with the intent to transfer it to the project sponsor at a future date, the transfer cannot take place until the Environmental Review has been completed. The eventual transfer price from the third party to you cannot exceed the third-party purchase price. In other words, the third party cannot receive holding fees for participating in the transaction.
- The third party also maynot initiate any choice-limiting actions on the site after application for CDBG funds but prior to completion of the Environmental Review.

#### **Guidance for Purchase of Property after the Environmental Review Process is completed:**

- No choice-limiting actions can take place until the entire HUD Environmental Review process has been completed. Choice-limiting actions include but are not limited to: executing a purchase agreement for acquisition (though an option agreement is allowed), demolition, construction, and executing construction contracts.
- The property may be purchased with non-public funds only after the completion of the HUD

Environmental Review process described at [24 CFR Part 58](#). If CDBG funds are being used for the acquisition, all conditions of the funding award need to be met, with an executed CDBG Grant Agreement in place prior to completing the acquisition.

- A written option agreement with the seller of the property with sale of the property contingent on completion of the HUD Part 58 Environmental Review process is required to demonstrate site control at the time of application of CDBG funds. As a part of the option agreement, the seller is required to sign relevant Uniform Relocation Act (URA) acquisition notices indicating that the sale is voluntary (see Section II).
- An appraisal or a certified broker's estimate of the fair market value of the property is required before an offer is made to the seller, and that information provided to the seller.
- The purchase price may not exceed the appraised/broker estimated fair market value of the property.

Please remember that under no circumstances can property be acquired by project sponsor or third party using any resource between the time an application for CDBG funds is submitted and the environmental review is completed. Failure to comply with this requirement will cause the project to become ineligible for CDBG funds.

1. Choice Limiting Action	<p>Have any of the below activities been undertaken for the proposed project?</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Acquisition</li> <li><input type="checkbox"/> Leasing</li> <li><input type="checkbox"/> Rehabilitation</li> <li><input type="checkbox"/> Demolition</li> <li><input type="checkbox"/> New construction</li> <li><input type="checkbox"/> Ground disturbance</li> <li><input type="checkbox"/> Executed a construction agreement</li> <li><input type="checkbox"/> None of the above</li> </ul>
2. Historic Preservation [36 CFR Part 800]	<p>Will the project include ground disturbance?</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Yes</li> <li><input type="checkbox"/> No</li> </ul> <p>Is your site or any structure on it listed in the National Register of Historic Places?</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Yes</li> <li><input type="checkbox"/> No</li> </ul>
3. Flood Disaster Protection Act of 1973	<p>Is the project located in 100 or 500-year floodplain?</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> 100-year</li> <li><input type="checkbox"/> 500-year</li> <li><input type="checkbox"/> Neither</li> </ul> <p>Is the project located in a floodway?</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Yes</li> <li><input type="checkbox"/> No</li> </ul>
4. Wetland Protection [Executive Order 11990]	<p>Is the project site located within wetlands identified on the National Wetlands Inventory <a href="#">NWI</a></p>
5. Toxic & Radioactive Materials [24 CFR 58.5(i)(2)]	<p>Based on a visual inspection is the site and its adjacent properties free of toxic hazards?</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Yes</li> <li><input type="checkbox"/> No</li> </ul>

## Section II: Uniform Relocation and Real Property



# Acquisition Policies Act

## **Requirements of the Uniform Relocation and Real Property Acquisition Policies Act of 1970, as amended ([49 CFR Part 24](#))**

The CDBG program is covered by the federal Uniform Relocation and Real Property Acquisition Policies Act of 1970, as amended (URA). Under the URA, all persons (families, individuals, businesses, not-for-profit organizations and farms) displaced (forced to move) as a direct result of rehabilitation, demolition or acquisition (privately undertaken or public) for a CDBG-assisted project are entitled to relocation payments. Displaced residential tenants are also entitled to replacement housing payments. It is the policy of OCD to encourage project sponsors to pursue only those projects that will not permanently cause displacement.

Consistent with the URA, the CDBG project sponsor must ensure that all reasonable steps have been taken to minimize the displacement of businesses and/or persons as a result of a project assisted with federal funds. To the extent feasible, residential tenants must be provided a reasonable opportunity to lease and occupy the same or another suitable, decent, safe, sanitary and affordable dwelling unit in the building/complex upon completion, and perhaps during the course of the project. Displacement not only includes the physical displacement of persons, it also includes “economic displacement.” Economic displacement occurs when, as a direct result of the project, the existing tenant is not able to afford a new, higher rent for their current unit. If a CDBG applicant intends to rehabilitate an occupied property, the issue of economic displacement needs to be of particular concern.

**Project sponsors** intending to acquire and/or rehabilitate renter-occupied structures are encouraged to contact OCD prior to submitting an application for funding and must follow the process outlined below. Project sponsors planning to acquire property must advise the current owner that notices regarding the acquisition and Uniform Relocation Act will be provided to their tenants.

**Agreement from the property owner that they will not require tenants to move, except for cause, must be obtained. All new tenants (once the first contact with tenants has been made) must be advised of the project in writing, and documentation must be kept showing both that prospective tenants have been so notified, and that tenants moving from the property did so voluntarily and without coercion.**

### **Steps to Take BEFORE APPLYING for CDBG Funds:**

- **General Information Notice (GIN). A General Information Notice (GIN) must be sent to all tenants (residential and commercial) *prior* to submission of a funding application.** The notice must be sent by certified mail/receipt requested, or hand delivered, and a delivery receipt obtained. Copies of all notices must be provided to OCD with the funding application. Sample notices are available upon request for:
  - Tenants whose displacement status is unknown at the time of application;
  - Tenants who will be permitted to reside in the project after completion; and
  - Tenants who will be required to move or may be displaced because of the project.

Project sponsors must submit evidence to OCD with their application indicating that GIN notices were issued to all tenants. This can be accomplished by submitting a copy of the signed receipt (if sent certified) for each tenant, or by submitting a copy of the notice that has been signed by each tenant to acknowledge their receipt.

The brochure entitled “Relocation Assistance to Persons Displaced from Their Homes” must be provided to all residential tenants with the GIN. The brochure will be provided by OCD upon request in English and Spanish. If the tenant in the property is a business, contact the city where the project is located for the appropriate brochure. The business brochure must be provided with the GIN.

- **A tenant survey must be completed.** This is a preliminary survey to determine who currently occupies the property and to identify potential URA problems. This includes both residential and commercial tenants. Please use the Tenant Survey Form (provided by OCD upon request) and present it at the same time you present the GIN. Copies of all surveys must be provided to OCD with your funding application.

#### **After Submitting your CDBG Application:**

- **Displacement Prevention Plan (DPP).** HUD requires that all reasonable steps be taken to minimize displacement of tenants as a result of a HUD-assisted program or project. It is in the grantee’s best interest to avoid tenant displacement through careful planning and documentation of efforts to accommodate each tenant during rehabilitation of their rental unit so that there is not a claim of unintended displacement. This means considering whether displacement or temporary relocation will occur, identifying potential relocation workload and resources early in project planning and feasibility determinations, and following notification and advisory services procedures carefully.

The purpose of developing a Displacement Prevention Plan is to assure that tenants do not leave their rental unit because they have not been informed about plans for the project or their rights. It is imperative to document efforts to ensure each tenant occupies a decent, safe and sanitary unit following and during construction, and that concerns about tenants’ special needs are considered early in the planning of the project. The plan must be written to inform tenants how and when the rehabilitation will impact their living conditions so that each may make an informed decision to remain in their unit during construction activities or be temporarily relocated to another unit. Project sponsors are required to identify problems and solutions to minimize adverse impacts of displacement on individuals, families, businesses, farms, and nonprofit organizations.

- **Notice to New Tenants.** Each new prospective tenant must be provided a notice informing him or her about the rehabilitation project **before a lease or rental agreement is signed**. The tenant must sign a form (sample provided by OCD upon request) acknowledging receipt of this notice. Failure to issue this notice can be very costly, as the tenant may later be able to prove eligibility for payment of relocation assistance.
- **Notice to Tenants Who Move.** Documentation (sample provided by OCD upon request) is necessary to show that each tenant moving after the CDBG application submission date has done so voluntarily. A person may be evicted for cause, if properly documented, but not in order to avoid paying relocation assistance.

#### **Upon Execution of CDBG Funding Agreement:**

- **Update the Tenant Survey.** Update the survey to reflect tenants who have moved, new tenants,

and other new information.

- **Notice of Displacement/Non-Displacement.** As soon as possible after the CDBG funding agreement is executed, a notice must be issued (sample provided by OCD upon request) to each tenant who was in occupancy on the date the funding application was submitted. The notice must either:
  - Contain a specific offer of a suitable, affordable unit in the project, or
  - Be a notice of displacement, if the tenant will be permanently displaced. It must inform the tenant of the specific relocation benefits for which they are eligible.
- **Temporary Moves.** Arrange for temporary moves if necessary. Planning for temporary moves should be addressed in the Displacement Prevention Plan described above. Document temporary move notices and document all temporary moving costs. Tenants must be given reasonable advance written notice explaining the terms and conditions of the move and must be reimbursed for all reasonable out-of-pocket expenses relative to the move. Tenants cannot be required to move their personal belongings but may choose to.
- **Lead Based Paint Disclosure Forms.** Upon execution of a CDBG funding agreement, if the rental units were constructed before January 1, 1978, the project sponsor must provide each tenant household a lead paint disclosure form (sample provided by OCD upon request). The form ensures that all lead paint information has been disclosed to current and prospective tenants, and that each tenant household has received the pamphlet, "Protect Your Family from Lead in Your Home." It is also acceptable to have the Agent and/or Lessor (they may be the same) fill out, sign and date the disclosure form in advance, and then present a copy of that form to each tenant household for original signature. The project sponsor is required to retain tenant-signed forms for review by OCD. A signed copy of the lead paint disclosure form is required from each new tenant at move in. It is suggested that these disclosure forms are a part of the lease document package for any buildings constructed before 1978.
- **Occupant Protection Plan.** For pre-1978, non-exempt projects that involve the disturbance of lead paint or the control of lead hazards, a written Lead Hazard Occupant Protection Plan must be submitted to the City where the project is located for approval prior to the initiation of any work. The Occupant Protection Plan for lead hazards will coincide with the project's Displacement Prevention Plan and, if necessary, will include provisions for temporary relocation to another unit that has been determined to be lead safe. If certified abatement work is involved, additional notifications to the State of Oregon are required. Whenever a project includes lead disturbance or control, tenants will not be permitted to enter contained work areas, nor may they be allowed to return to the unit until certified clearance has been obtained.
- **Rehabilitation Project Completion/Project Closeout.** Update tenant survey to account for all tenants in place on date of project closeout. This date begins the compliance period for the project.
- **Comparable Units.** Prior to providing a tenant that is being displaced with the 90-day notice to move, project sponsors must identify comparable units and provide the tenant with a list of such units. To be comparable, units must be inspected, meet the HUD Section 8 Housing Quality

Standards, and meet the needs of the tenant. To the extent feasible, comparable replacement dwellings are to be selected from the neighborhood in which the displacement dwelling was located or, if that is not possible, in a nearby or similar neighborhood where housing costs are generally the same or higher. It is important to gather information during the interview of a person to be displaced to understand the displaced person's preferences and needs in replacement housing.

- **Record Keeping.** Project sponsors must keep records documenting each step in communicating with tenants about their rights and responsibilities under the URA. These records should document what happens to each tenant, whether or not they are displaced, from the start to the finish of the project. Copies of all records and documents related to URA, and gathered prior to or during the project, must be provided to OCD.

### **Acquisition-specific Requirements of the URA**

Site control is an important issue in OCD's consideration of funding proposed projects. Projects without control of a site, either through ownership, an option to purchase, or an earnest money agreement, will likely be at a competitive disadvantage at time of application.

The URA also applies to property acquisition. There are two types of acquisition procedures depending upon the type of acquisition - voluntary acquisition procedures and involuntary acquisition procedures.

Involuntary acquisition procedures are stringent and must occur when the acquisition is site-specific, in that the project cannot occur without a specific parcel to be acquired.

In most instances, the URA's voluntary acquisition procedures will apply. HUD and OCD prefer a project sponsor to have site control – either by already owning the property or by obtaining an option to purchase prior to application submission. An option to purchase should provide adequate time (minimum six months to a year) to allow the funding application to be reviewed by OCD, the HUD Environmental Review to be completed, funding decision made by OCD, and funding agreements executed, prior to closing on the property purchase. Please keep in mind that other sources (e.g., private loan funding for acquisition) may also have time frames that impact the length of the option agreement needed for your purchase.

**No property acquisition transaction closing or other choice-limiting action may take place until the HUD Environmental Review for the property has been satisfactorily completed.**

Project sponsors will need to notify the seller of the following:

- The project sponsor does not have the power of eminent domain. The property will only be acquired if the owner wants to sell and an amicable agreement can be reached.
- The purchase price must be the lesser of the property's fair market value, or an agreed upon price.
- The seller must be informed of the fair market value of their property and given the opportunity to withdraw from the transaction at the time they are notified of the fair market value, even if there is a purchase agreement in place.
- *For tenant-occupied properties*, the seller must also allow the acquiring agency to send the Relocation Notices described above to tenants.

The purchaser should give the seller this written information before making a formal offer. If for some reason the seller has not been informed of these facts, and the sale has not yet closed, the seller should immediately be informed and allowed to withdraw from the purchase agreement without penalty.

Additional URA requirements for property acquisition include:

- **Notice of Disclosure to Seller (either before or with the purchase offer).** The project sponsor is required to provide the seller with the appropriate Notice (sample provided by OCD upon request) before completing the property acquisition transaction.
- **Notice of Disclosure to Seller of Fair Market Value.** You are required to complete a determination of the fair market value of the property you wish to acquire either by hiring an appraiser, or by receiving an estimate from a qualified real estate broker. Once you have determined the fair market value of the property, the seller must be informed of its value, and that the purchase price must be the lower of either that value, or a price you negotiate with them.

*Please confer with OCD for more information about the URA and obligations as a project sponsor and possible recipient of federal funds.*

## **The Uniform Relocation Act (URA)**

### **Seven Things Every CDBG Funding Applicant Should Know**

1. The federal government takes the rights of tenants in rental acquisition and rehabilitation properties very seriously.
2. Project sponsors and developers who are working on HUD-funded projects need to understand that the Uniform Relocation Act (URA) is basic consumer legislation that addresses “fairness” issues. Tenants whose living circumstances are changed by a project—either by higher rents or involuntary moves—should and will be protected and compensated.
3. There are actions that can be taken to control costs and prevent displacement. These actions include informing tenants about the project, treating them fairly during the process, staging work if it is feasible, and keeping their rents affordable. Tenants must continue to pay rent and comply with their lease during the process.
4. Mistakes can be costly. Planning for relocation and tenant concerns is critical because tenants can take actions that can incur a financial liability for the sponsor/developer. Displaced tenants are entitled to 42 or 60 months of rental assistance, depending on the situation. Many claims exceed \$10,000 per household. Although some claims are unavoidable, there is no reason to incur these costs by failure to follow the rules.
5. Planning is critical. Relocation concerns must be thought about early in the process so decisions about rents, construction timing and project feasibility can be considered before they are a crisis.
6. Cooperation is essential between all parties involved in the project in order to make the process work.
7. There are three basic requirements for tenants in rental acquisition and/or rehabilitation projects:
  - They must be given timely information about the pending application. If the project is approved, they must be advised about any changes that will occur to their situation. If they are not advised—and move—they could claim that they were displaced even if that was not intended.
  - If they must be displaced, they must be offered a comparable replacement unit that is decent, safe, and sanitary. Moving expenses must be paid. No one can be required to move without 90 days notice.
  - Tenants who will stay in the property after work is complete must be offered a suitable unit that is decent, safe and sanitary, and affordable to them.

## **Section III: Guidelines for Project Beneficiary Income Verification/Documentation**



## **CDBG Program Guidance: Project Beneficiary Income Verification/Documentation**

The Community Development Block Grant (CDBG) program exists to serve low- and moderate-income community members and areas.

Project sponsors generally must verify household income eligibility for beneficiaries of federally assisted programs and activities. CDBG program resources must be used in ways that primarily benefit people in Washington County with incomes at or below 80% of the Median Family Income (MFI) for their household size. CDBG Program income limits refer to the HUD Median Family Income (MFI) Levels for the Portland Primary Metropolitan Statistical Area. These income limits are included in the application package for CDBG funding and are available on OCD's website.

### Overview of Income Eligibility Determination process for Public Infrastructure projects

Projects may qualify on the basis of providing services to all residents of a geographic area where at least 51% of those residents are low/moderate income persons. This defined geographic area is considered the Area of Benefit. To determine eligibility of the Area of Benefit for a CDBG-funded activity, the project sponsor should identify the Census tract and block group of the proposed project, as well as the address of the project site or general area, if known. A map delineating the Area of Benefit must be included with the application for funding.

Use the maps below to identify Census Tracts and Block Groups of your project's service area.

Census Tract:

<https://hudgis-hud.opendata.arcgis.com/datasets/HUD::low-to-moderate-income-population-by-tract/about>

Block Group:

<https://hudgis-hud.opendata.arcgis.com/datasets/HUD::low-to-moderate-income-population-by-block-group/about>

Public Infrastructure projects can also determine eligibility by conducting a Demographic Survey of the area if the project is not in a low-income Census Block Group. The Demographic Survey methodology is required to be approved by HUD. ***CDBG applicants should contact OCD as soon as possible and prior to conducting any survey to ensure the service area boundaries and methodology is acceptable.***

***Public Infrastructure projects are not required to report race and ethnicity data for*** beneficiaries unless this data is made available through a demographic survey.

### Overview of Income Eligibility Determination Process for Public Facility Projects

Project sponsors receiving funding for Public Facility projects that are not determined to be eligible on an Area of Benefit basis are required to determine the number of low-income beneficiaries as well as the race, ethnicity, disability status, and head of household data. Data reported to OCD should be collected for each person accessing services at the facility within a one-year time period, typically between July 1 – June 30<sup>th</sup> of the program year in which the project sponsor is receiving CDBG funding.

While the project sponsor is not required to submit this program accomplishment data with each Voucher Request for reimbursement, the Sponsor will be asked to provide this information to OCD at the completion of the project.

The CDBG program regulations require that the income of all adult (18 or older) household members be included in the determination of "annual income." Also, income limitations are relative to household size. In practice, this means that before determining income, you must first determine the number of persons comprising the household, then calculate the income of all adult persons in the household. CDBG Program Income Limits refer to the HUD Median Family Income (MFI) Levels for the Portland Primary Metropolitan Statistical Area. These income limits are included in the application package for CDBG funding and are available upon request.

If the facility project will ***exclusively*** serve any of the following groups, then they are ***presumed*** to be serving low-income beneficiaries:

- |   |   |
|---|---|
| <ul style="list-style-type: none"><li>▪ abused children</li><li>▪ battered spouses</li><li>▪ elderly persons (over the age of 62)</li><li>▪ adults meeting the Bureau of Census definition of "severely disabled"</li></ul> | <ul style="list-style-type: none"><li>▪ homeless persons</li><li>▪ illiterate adults</li><li>▪ persons living with AIDS</li><li>▪ migrant farmworkers</li></ul> |
|---|---|

The attached Sample Client Intake Form contains the minimum information that must be collected by the Sponsor for all beneficiaries of a Public Facilities project for purposes of reporting "limited clientele" data to the Office of Community Development. Please note that all beneficiary information must represent an UNDUPLICATED count – so please count each person served only once. Sponsors of facility projects need to demonstrate that the facility will continue to serve low-income people for the time period specified in the grant agreement.

***Please consult with OCD staff for a determination of eligibility on area basis, or if the nature and purpose of the facility must be qualified based on a clientele basis.***

### **Instructions for the Race and Ethnic Data Reporting**

Applicants and organizations receiving Federal financial assistance from the Department of Housing and Urban Development (HUD) are required to report race and ethnic information. The revised definitions of ethnicity and race have been standardized across the Federal government and are provided below.

***Please note that HUD's collection of racial data treats ethnicity as a separate category from race.*** To report race and ethnicity data correctly, each person must first identify his or her race, and then select the appropriate ethnicity (either Hispanic/Latino or NOT Hispanic/Latino). Example, if someone answers that they are Latino, you would indicate "Hispanic/Latino" under the ethnicity column, and then ask the person to indicate which category under race most closely identifies with that person's continent of origin.

<i>Race</i>	<i>Ethnicity</i>
<b>American Indian or Alaska Native.</b> A person having origins in any of the original peoples of North and South America (including Central America), and who maintains tribal affiliation or community attachment.	<b>Hispanic or Latino.</b> A person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race. The term “Spanish origin” can be used in addition to “Hispanic” or “Latino.”
<b>Asian.</b> A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam.	<b>Not Hispanic or Latino.</b> A person not of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race.
<b>Black or African American.</b> A person having origins in any of the black racial groups of Africa. Terms such as “Haitian” or “Negro” can be used in addition to “Black” or “African American.”	
<b>Native Hawaiian or Other Pacific Islander.</b> A person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands.	
<b>White.</b> A person having origins in any of the original peoples of Europe, the Middle East or North Africa.	

HUD states that self-reporting of self-identification, rather than observer identification is the preferred method for collecting race and ethnicity data. Self-identification for race and ethnicity means that responses are based on self-perception. You must make every effort to collect data for the aforementioned racial and ethnic categories. You may use the category “Other Multi- Racial” category, but you must still track what these race categories or race combinations are. Anytime you gave a number that fits in this “other Multi-Racial” category, you should provide a narrative description in the space provided.

**Income Reporting**

In the table below, please find your household size (the total number, including yourself, who live in your home) in the first column, and then look at the three numbers in the columns to the right of your household size. Please circle the one number that is both **higher** than your annual income, and the **closest** to your annual income:

Household Size	80% AMI (Low Income)	50% AMI (Very Low Income)	30% AMI (Extremely Low Income)
1	\$66,100	\$41,300	\$24,800
2	\$75,550	\$47,200	\$28,350
3	\$85,000	\$53,100	\$31,900
4	\$94,400	\$59,000	\$35,400
5	\$102,000	\$63,750	\$38,250
6	\$109,550	\$68,450	\$41,100
7	\$117,100	\$73,200	\$43,900
8	\$124,650	\$77,900	\$46,750

**Race and Ethnicity Reporting (Report for both Race AND Ethnicity)**

1) Please check the box below next to your race: (You may check more than one box.)	2) Please check the box below next to your ethnicity: (Check only one box.)
<input type="checkbox"/> American Indian or Alaska Native	<input type="checkbox"/> Hispanic or Latino
<input type="checkbox"/> Asian	<input type="checkbox"/> Not Hispanic or Latino
<input type="checkbox"/> Black or African American	
<input type="checkbox"/> Native Hawaiian or Other Pacific Islander	
<input type="checkbox"/> White	
<input type="checkbox"/> American Indian or Alaska Native <b>and</b> White	
<input type="checkbox"/> Asian AND White	
<input type="checkbox"/> Black/African American <b>and</b> White	
<input type="checkbox"/> American Indian/Alaska Native <b>and</b> Black	
<input type="checkbox"/> Other Multi-Racial	

<p><b>Do you have a disability?</b></p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>	<p><b>Please check the box below next to your gender:</b></p> <p><input type="checkbox"/> Male</p> <p><input type="checkbox"/> Female</p>
<p><b>Are you a City of Hillsboro or City of Beaverton resident?</b></p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>	<p><b>If you checked "female" above, are you the head of your household (either living alone, or a single mother, or living with a female roommate)?</b></p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>

## **Section IV: CDBG Guidelines for Selection and Procurement of Project Contractors**

**CDBG Program Guidance:  
Selecting and Procuring Project Contractors  
(Applies to both Architectural/Design Services and Construction Contracting Services)**

This section outlines requirements for purchasing products, materials, or services with federal funds. Project sponsors must be aware of requirements for competitive selection of the contractors that will carry out the work proposed in a CDBG funding application. These requirements apply to the full scope of a capital project funding in whole or in part with CDBG funds.

**The Federal Requirement**

[2 CFR 200](#) provides the Uniform Administrative Requirement, Costs Principles, and Audit requirements for federal awards.

Key procurement and contracting requirements:

*Cost reasonableness* must be determined and documented for all project costs including costs for purchase of goods and services. Some form of price analysis must be made and documented in the project sponsor's files in connection with every procurement action. At a minimum, records must include: criteria for proposal selection, justification for lack of competition when competitive bids or offers are not obtained, and the basis for making a cost reasonableness determination. [2 CFR Part 200 – Subpart E](#) stipulates that a cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.

Using a price analysis to determine cost reasonableness may be accomplished via a comparison of price quotations submitted, independent and qualified third-party estimates or in-house estimates that are performed and documented prior to receiving contractor proposals, or written comparisons to market prices and similar indicators.

Procurements shall, to the maximum extent practical, provide for open and free competition with at least two, preferably three or more proposals from architectural, design or engineering firms if needed for the project, as well as at least two, preferably three or more, proposals from licensed, bonded and insured contractors for construction or rehabilitation elements of the project.

Cost agreements with contractors shall be in the form of a lump sum (aka: fixed sum or stipulated sum) for work or services that are clearly delineated.

The applicant makes the final contractor selection and will contract directly with the contractor. Washington County Office of Community Development does not and will not have a contractual relationship with the contractor, does not endorse or recommend one contractor over another, warranty the work or performance of any contractor, or require that the applicant relies solely upon the list or lists of contractors that may be provided.

In selecting project contractors for projects where the total CDBG funding requested exceeds \$200,000, **and** which will have one or more contracts in excess of \$100,000, affirmative efforts must be

made to solicit proposals from Section 3 firms. Additional information on these requirements follows (see “Section 3 Overview”).

Solicitation documents must be provided to Washington County Office of Community Development to review prior to distribution to contractors. All **solicitation documents** must include the following or similar language:

*“The project described in this (Request for Proposals or other solicitation document, as applicable) is being funded in whole or in part with funding from the U.S. Department of Housing and Urban Development through the Washington County Office of Community Development CDBG program.”*

Contractors that assist in the development of specifications, requirements, statements of work, invitations for bids and/or requests for proposals for the proposed project may be precluded from competing for contracts on that project. Check with OCD staff prior to making such an arrangement with a contractor.

All construction contractors must be CCB licensed, bonded and insured. Contractors may not be listed on the federal debarred, suspended or ineligible contractor list (found at [www.sam.gov/](http://www.sam.gov/)). All contractors and subcontractors must have a Unique Entity Identifier ([UEI Number](#)).

For construction contracts that exceed \$100,000, bid bonds, performance bonds and payment bonds are required.

- Bid Guarantee of 5% of contract
- Performance Bond - at 100%
- Labor and Material Bond - at 100%
- Payment Bond - at 100%
- Public Works Bond - ORS 279C.836 requires that all independent contractors working on qualifying public works projects, with a total project cost that exceeds \$100,000 must obtain and file with the Construction Contractors Board (CCB) a public works bond with a corporate surety authorized to do business in Oregon for the amount of \$30,000 before starting work on a contract or subcontract for a public works project. Bonds must be purchased prior to the start of work and valued at not less than \$30,000 for every contractor who works at the job site. If you choose you may also require these bonds for contracts in amounts less than \$100,000.

Ensure the project budget reflects the costs of these bonds and the payment of state (BOLI) or Federal (Davis-Bacon) prevailing wages, as they apply.

All CDBG-funded contracts must be provided to Washington County Office of Community Development to review prior to execution. All **contract documents** must include the following language:

*“This contract and the work it will carry out is being funded in whole or in part with funding from the U.S. Department of Housing and Urban Development through the Washington County Office of Community Development CDBG program.”*

In addition to the above statement, contract documents must also include certain federally required clauses, depending on the type of service contract. (See attached, “CDBG Construction Contract Clauses and CDBG Professional Services Contract Clauses”)

Project sponsors are required to designate a project manager to facilitate the selection of contractors, executing construction contracts, and coordinating funded activities with Washington County Office of Community Development.

Projects funded with CDBG must meet HUD National Standards for the Physical Inspection of Real Estate (NSPIRE) upon completion of the project. Examples of such repairs that would need to be addressed include inadequate plumbing, heating, or electrical systems or failing structural components. Project sponsors are responsible for an initial determination, with the review and approval of the Washington County Office of Community Development staff, of the scope of work to be performed at the project site. An initial NSPIRE inspection is recommended to determine deficiencies that will need to be included in the scope of work. The project contractor(s) are required to adhere to all applicable building codes and either the project sponsor or the contractor(s) shall obtain all required building permits. Where permits are required, documentation that all work has passed final inspections must be provided prior to final payment to the contractor(s).

### **Methods of Procurement**

Since the minimum grant award for a public facilities or infrastructure project is \$200,000, generally competitive sealed bids and competitive proposal processes are required for procurement. Very occasionally, a noncompetitive process will be allowed.

#### **1. *Competitive Sealed Bids***

This method of procurement is appropriate for all construction and material contracts. Competitive sealed bids mean sealed bids are publicly solicited through formal advertising and a formal bid opening is conducted. A firm fixed price contract is awarded to the responsible bidder whose bid conforms to all the material terms and conditions of the bid invitation and is the lowest in price. The contract awarded may be a lump sum or a unit price contract. (See Section III, Part F, "Bid Documents and Procedures".)

#### **2. *Competitive Proposals***

This method is appropriate for the procurement of professional services such as architectural or engineering. A Request for Proposal (RFP), Request for Letters of Interest (RLI), or Request for Statement of Qualification should be published in a business newspaper of general circulation. Proposals from qualified vendors are evaluated based on experience, price, personnel, and other pertinent factors. The most qualified is selected subject to negotiation of fair and reasonable compensation.

Such contracts are usually written for a "fixed price" or "cost plus fixed fee not to exceed". Regardless of fee schedule, professional service contracts should include a schedule of payments tied to the completion of specific tasks. Reimbursable costs, such as printing, mileage, communication expenses should be listed separately.

In utilizing competitive proposals, the following requirements must be met:

- a. Solicit proposals from a sufficient number of qualified vendors to permit reasonable competition.
- b. The Request for Proposals shall identify all significant evaluation factors.



- c. Sponsors will have a method for conducting technical evaluations of the proposals, and for making the award.
- d. Awards will be made to the firm whose proposal is the most advantageous for the purpose of the project, with price and other factors considered.
- e. Sponsors may use competitive proposal procedures for qualifications-based procurement of Architectural/ Engineering (A/E) services. Competitor qualifications can be 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 service.
- f. The RFP should ask for a list of the firm's clients and employee references. Frequently, professional consultants change employment or start their own firms. By contacting previous employers, a more thorough background check of a firm and its employees can be made.
- g. The RFP should also require detailed cost information for each phase of the work. The number of hours and the cost to complete each task should be clearly shown in the proposal received.

### 3. *Noncompetitive Proposals*

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.

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 apply:

- a. the item is available only from a single source;
- b. Public emergency when the urgency for the project will not permit a delay relative to competitive solicitation;
- c. After solicitation of a number of sources, competition is determined inadequate; or,
- d. HUD authorizes noncompetitive negotiation.

### **Minimum Procurement Requirements**

Any sponsor using CDBG funds to purchase goods or services should have formalized procurement procedures in place prior to contracting for any goods or services. At a minimum the sponsor procurement practices should:

1. Require the maintenance of records sufficient to detail the history of procurement. These records will include, but not be limited to the rationale for the procurement, selection of contract type, contractor selection or rejection, and the basis for contract price.
2. Include procedures to handle and resolve disputes relating to procurement and allow for full disclosure of information regarding a protest to OCD.
3. Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. The description shall not contain features that unduly restrict competition.
4. Address the avoidance of real or apparent conflicts of interest and specify standards of behavior.

5. Follow competitive bidding/selection whenever possible.
6. Establish procedures to prohibit "cost plus a percentage of cost" and "percentage of construction cost" methods of contracting.
7. Establish procedures to review contracts or requests for financial, contractual, and programmatic requirements prior to payment.
8. Award the contract to the lowest bidder, unless there is a clear indication that the contract should not be awarded to the lowest bidder based on an assessment of the integrity, resources, capacity and past performance of the firm making the bid.
9. Perform a cost or price analysis for every procurement, including contract modifications. A cost analysis must be performed when the bidder is required to submit elements of the estimated cost, e.g., under professional, consulting, and architectural engineering service contracts. A cost analysis is necessary when adequate competition is lacking, for sole source procurements unless price reasonableness can be established.
10. A price analysis will be used in all other instances to determine the reasonableness of the proposed contract price.
11. Comply with the procurement procedures of [2 CFR part 200](#).

### **Bid Documents and Procedures**

This section applies to construction projects over \$100,000. All bid specifications must be reviewed and approved by the Office of Community Development before prospective vendors are allowed to tender a bid or submit a proposal. Following receipt of the Notice to Proceed from OCD, sponsors must follow, at a minimum, the steps outlined below.

Bid Documents should include:

1. Instructions to bidders (see Appendix D for required advertisement language);
2. Agreement, including time limit and liquidated damages;
3. Federal Contract Provisions which include the applicable federal wage use determination (OCD will provide clean copy of HUD contract specifications, forms and other program required language); and,
4. Specifications and drawings. Brand names can only be used if "or approved equal" is included in their reference.

Bid documents with an estimated construction cost exceeding \$100,000 shall require the following:

#### Bonds

- a. A bid guarantee equal to five percent (5%) of the proposed contract. The bid guarantee may be secured through a bid bond or a certified check and must accompany a bid as assurance that the bidder will, upon acceptance of his bid, execute the contractual documents within the time specified.
- b. A separate Performance Bond and Labor and Material Payment Bond, each for one hundred percent (100%) of the contract price.
- c. Payment Bond for one hundred percent (100%) of the contract price.

#### Public Notice & Distribution

- a. Advertise for bids in at least one general business newspaper. A normal bid time is two to four weeks depending on the complexity of the project.

- b. Request the Affidavit of Publication and provide a copy to OCD.
- c. Distribute copies of the bid documents to local plan centers.
- d. Following a minimum two-week bidding period, the sponsor shall publicly open the bids received. OCD should attend the bid opening. The sponsor shall:
  - o Contact OCD to assure that the apparent low bidder is not on the General Services Administration's Excluded Parties list.
  - o Review the bids with the Architect/Engineer (A/E).
  - o Execute the Contract.
  - o Conduct Preconstruction Conference. The General Contractor and all subcontractors must attend. Please let OCD staff know at least one week in advance so that they may attend and provide the contractor the applicable forms and explain HUD requirements.
  - o Send the Notice to Proceed to the General Contractor and provide a copy to OCD staff.

### **Contract Compliance**

This section includes some of the provisions which must be included in contracts. Others are addressed in the previous section on bid documents. It also includes some ways to ensure contract compliance.

#### *Contract Provisions*

The sponsor's contracts must contain the provisions of this section.

- a. 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 other than small purchases.
- b. Termination for cause and for convenience by the sponsor including the manner by which it will be affected and the basis for settlement (for all contracts in excess of \$10,000).

#### **Professional Service Contracts**

The sponsor must monitor consultants for the following:

- a. Certificate of Insurance; and,
- b. Invoices for completion of stated work and current charges.

#### **Construction Contracts**

The sponsor must monitor the General Contractor and provide copies to OCD of the following:

- a. Bonds for contracts/subcontracts over \$100,000 (Bid Bond, Performance Bond, Labor and Material Payment Bond);
- b. Certificate of Insurance (construction of new structures requires "Builder's All Risk" insurance);
- c. Submission by the contractor of the Schedule of Values if the contract does not

- require unit prices;
- d. Written change orders; and
- e. Payment retainage to the contractor.

The Contract Work Hours and Safety Standard Act, Davis Bacon Act, Section 3, and Build America Buy America Act (BABA) requirements will be monitored by OCD.

### **Sponsor Documentation**

Each project sponsor must maintain and fully document the procurement process for each project.

## **Davis-Bacon Labor Standards**

(Applies to Construction Contracting Services)

### **Applicability**

The Davis Bacon and Related Acts (DBRA) requires all contractors and subcontractors performing work on federal construction contracts or federally assisted contracts in excess of \$2,000 to pay their laborers and mechanics not less than the prevailing wage rates and fringe benefits for corresponding classes of laborers and mechanics employed on similar projects in the area. The prevailing wage rates and fringe benefits are determined by the Secretary of Labor for inclusion in covered contracts.

Federal Davis-Bacon prevailing wage rate requirements apply to your project if you are proposing a CDBG-funded project that will involve construction or rehabilitation of a public facility (e.g., a homeless shelter), installation of public improvements to support affordable housing (e.g. streets, water/sewer lines), or rehabilitation of multifamily housing containing eight or more assisted units.

These requirements often have an impact on the cost of projects, and carry with them significant record keeping procedures, so applicants are encouraged to contact OCD early in their project planning for further information if a proposed project will be subject to Davis-Bacon. If yours will be a covered project, your solicitation documentation will need to alert contractors that Davis- Bacon requirements will apply and will need to include the appropriate federal wage decision and other required labor provisions. Federal wage decisions will be made available by OCD for project cost feasibility determinations upon request.

The following checklist has been prepared to assist Contractors and Subcontractors in meeting contractual labor standards responsibilities. All major administrative and procedural activities have been covered in the sequence they will occur as the construction contract progresses.

Careful attention to and use of the checklist should result in a minimum number of problems with respect to labor standards.

The word “employer,” as used below, refers to the Prime Contractor, each Subcontractor, or each Lower-tier Subcontractor. Payrolls and documentary evidence of compliance is required to be sent in the delivery procedure as follows:

- Each Lower-tier Subcontractor, after careful review, submits required documents to the respective Subcontractor.
- Each Subcontractor, after checking his own and those of each Lower-tier Subcontractor he may have, submits required documents to the Prime Contractor.
- The Prime Contractor, after reviewing ALL payrolls and documentation, including his/her own, and correcting violations where necessary, submits all to OCD.

*Working Subcontractors Are Not Exempt From Receiving Prevailing Wage.* Davis-Bacon Act regulations specifically stipulate that independent subcontractors are not exempt from receiving weekly prevailing wage for the classification of work which they perform. This is true regardless of any contractual relationship between the primary contractor and subcontractor. This means that it is the prime contractor’s responsibility to ensure that a prevailing wage rate is paid to subcontractors performing on-site work. (Source documentation: Department of Labor Relations Letters dated January 13, 1993 and December 2, 1996.)

## Davis-Bacon Compliance Checklist

### BEFORE CONSTRUCTION BEGINS, THE CONTRACTOR HAS:

- Not been debarred or otherwise made ineligible to participate in any Federal or Federally-assisted project (including subcontractors) (found at [www.sam.gov](http://www.sam.gov))
- Received the appropriate contract provisions covering labor standards requirements.
- Reviewed and understands all labor standards contract provisions
- Received the applicable wage decision as part of the contract.
- Requested through Washington County Office of Community Development (OCD) and received the minimum wage for each classification to be worked on the project which was not included on the wage decision by the additional wage classification process and before allowing any such trade(s) to work on the project.
- If an apprentice is to be performing work on the project, the contractor has requested and received certification of his/her apprentice program from the State's Bureau of Apprenticeship and Training (recognized by USBAT) and submitted copy thereof to the recipient prior to employment on the project. Likewise, "trainee" program certification from U.S. BAT, if applicable, must be submitted.

### AT CONSTRUCTION START, THE CONTRACTOR HAS:

- Notified Washington County Office of Community Development (OCD) of the construction start date and work schedule in writing
- Has placed each of the following on a bulletin board prominently located on the project site which can be seen easily by workers (and replaced if lost or unreadable at anytime during construction):
  - A copy of the Wage Decision
  - "Notice to Employees" Poster
- Before assigning each project worker to work, has obtained the worker's name, job classification, and best mailing address. (Note: It is no longer necessary to report an employee's Social Security number on every certified payroll report, only the last four digits of the employee's SSN must be reported, and only on the first payroll report in which that employee worked on the Davis-Bacon covered project).
- Has informed each worker of:
  1. His/her work classification (journeyman or job title) as it will appear on the payroll
  2. His/her duties of work
  3. The U.S. DOL's requirements on this project that he/she is either a journeyman, apprentice, or laborer:
    - If a journeyman, he/she must be paid a journeyman's minimum wage rate or more.
    - If apprentice, he/she is to be paid not less than the apprentice's rate for the trade based on his year of apprenticeship.
    - If a laborer, he/she is to do laborer's work only—not use any tool or tools of the trade and not perform any part of the journeyman's work and is to be paid the laborer's minimum rate or more.
- If applicable*, has obtained a copy of each apprentice's certificate with the apprentice's registration number, percentage of wage to be paid and his year of apprenticeship from the State BAT.
- Understands the requirements that each laborer or mechanic who performs work on the project in more than one classification within the same work week shall be classified and paid at the highest wage rate applicable to any of the work which he performs unless certain requirements

are met (refer to “Additional Guidance for filling in a Payroll Report”):

- Has informed each worker of:
  - His/her hourly wages (not less than the minimum wage rate for his/her work as stated on the Wage Decision);
  - Payment of overtime at the rate of time and one half for all work over 40 hours per week;
  - Fringe benefits, if any (see wage decision for any required), paid in cash or into an approved third party trust;
  - Permissible deductions from his/her pay and/or any deductions voluntarily requested in writing from the employee.
- Has informed each worker that he is subject to being interviewed on the job by a representative of OCD to confirm that the employer is complying with all labor requirements.
- Has informed each foreman, journeyman, and apprentice that the proper journeyman-to-apprentice ratio must be observed on the job site at all times when an apprentice is working.

**DURING CONSTRUCTION, EACH EMPLOYER:**

- Has not selected, assigned, paid different pay rates to, transferred, upgraded, demoted, laid off, and not dismissed any project worker because of race, color, religion, sex, or national origin.
- Has employed all registered apprentices referred to him through normal channels up to the applicable ratio of apprentices to journeyman in each trade used by the employer.
- Will maintain basic employment records for no less than three years, accessible to inspection by HUD, OCD, or other U.S. government representatives.
- Must comply with all safety and health standards.
- Must pay all workers** weekly
- Must submit weekly payroll reports prepared on either recommended form WH-347 (or on computerized printouts cleared by Washington County Office of Community Development) and accompanied by the Statement of Compliance.
- HUD considers the following project workers exempt from labor requirements and does not require them to be shown on payrolls:
  - Project superintendent
  - Supervisory foreman (performing less than 20% in a classification)
  - Messenger
  - Clerical workers

**WEEKLY PAYROLL REVIEW:**

- Subcontractors and Lower-tier Subcontractors have promptly reviewed the weekly payroll for compliance with all labor standards requirements (using this checklist) and has made any necessary corrections
- The Prime Contractor has received all weekly payrolls or reports that no work was performed (refer to “No Work Performed” Notice) from each Subcontractor or Lower-tier Subcontractor, has reviewed and requested necessary corrections and has submitted all payrolls, including his own, to OCD **within 7 work days of the last date of the respective work week.**

**AFTER PROJECT COMPLETION:**

Each employer is required to keep all weekly payroll reports on the project for no less than three years after the Prime Contractor’s project completion date.

**Subcontractor Reporting Form**

Project Name: \_\_\_\_\_ Project Address: \_\_\_\_\_

Project #: \_\_\_\_\_

Property Owner/Sponsor: \_\_\_\_\_

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

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

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

CCB # \_\_\_\_\_

Tax ID #: \_\_\_\_\_

The Prime Contractor must identify all subcontractors who will perform work on the project identified above. Please use your own format or additional sheets if necessary.

Subcontractor Name		Subcontractor Name	
Address		Address	
Phone		Phone	
CCB#		CCB#	
Subcontractor Name		Subcontractor Name	
Address		Address	
Phone		Phone	
CCB#		CCB#	
Subcontractor Name		Subcontractor Name	
Address		Address	
Phone		Phone	
CCB#		CCB#	

I certify that the information presented above is true and complete to the best of my knowledge.

\_\_\_\_\_  
Prime Contractor/Representative

\_\_\_\_\_  
Date



## Section 3

### What is Section 3?

Section 3 is a provision of the Housing and Urban Development (HUD) Act of 1968 (implemented through HUD's regulations at [24 CFR 75](#) that helps foster local economic development, neighborhood economic improvement, and individual self-sufficiency. The Section 3 program requires that recipients of certain HUD financial assistance, to the greatest extent feasible, provide job training, employment, and contracting opportunities for low- or very low-income residents in connection with projects and activities in their neighborhoods.

### What contracts are affected by Section 3?

Contracts and subcontracts for: work arising in connection with a Section 3-covered project where the individual contract or subcontract exceeds \$100,000 **and** the amount of HUD assistance for the project exceeds \$200,000. **Both conditions must be present.**

### Are any other contracts excluded?

Contracts exclusively for supplies or materials, unless the contract includes their installation.

### What does Section 3 require my contractors and subcontractors to do?

The safe harbor benchmark goals are as follows:

- Twenty-five (25) percent or more of the total number of labor hours worked by all workers on a Section 3 project are Section 3 workers
- Section 3 Labor Hours / Total Labor Hours – 25%

And

- Five (5) percent or more of the total number of labor hours worked by all workers on a Section 3 project are Targeted Section 3 workers, as defined at [24 CFR Part 75.21](#).
- Targeted Section 3 Labor Hours/Total Labor Hours = 5%

HUD establishes and updates Section 3 benchmarks for Section 3 workers and/or Targeted Section 3 workers through a document published in the Federal Register, not less frequently than once every 3 years. Given that the Section 3 benchmarks are subject to change every three years or sooner, Washington County will review and update the Section 3 Plan every year, as needed.

Professional Service Labor Hour: non-construction services that require an advanced degree or professional licensing are excluded from Section 3 Final Rule.

Recipient may count any work performed by a professional services Section 3 worker or Targeted Section 3 worker as Section 3 labor hours and as Targeted Section 3 labor hours by adding to the numerator.

Do not count the professional services as part of the total labor hours (the denominator)  
It is the responsibility of contractors to implement efforts to achieve Section 3 compliance. Any

contractor that does not meet the Section 3 benchmarks must demonstrate why meeting the benchmarks were not feasible and must provide evidence that they have made qualitative efforts to assist low and very low-income persons with employment and training opportunities. All contractors submitting bids or proposals to the Washington County are required to certify that they will comply with the requirements of Section 3.

Under Washington County's Section 3 Program, contractors and subcontractors should make best efforts to provide employment and training opportunities to Section 3 workers in the priority order listed below:

1. Provide employment and training opportunities to Section 3 workers within the metropolitan area (or nonmetropolitan county) in which the project is located in the priority order listed below:
2. Section 3 business concerns that provide economic opportunities to Section 3 workers residing within the service area or the neighborhood of the project, and
3. Participants in YouthBuild programs.

Contractors and subcontractors will be required to certify that they will and have made best efforts to follow the prioritization of effort requirements prior to the beginning work and after work is completed.

Contractors and subcontractors should employ several active strategies to notify Section 3 workers and Targeted Section 3 workers of Section 3 job opportunities, including:

- Clearly indicating Section 3 eligibility on all job postings with the following statement: "This job is a Section 3 eligible job opportunity. We encourage applications from individuals that are low income and/or live in Public Housing and/or receive a Section 8 voucher."
- Including the Section 3 Worker and Targeted Section 3 Worker Self-Certification Form in all job postings
- Working with the Section 3 Coordinator to connect Section 3 worker and Targeted Section 3 workers in Washington County's database with opportunities and/or utilize the Section 3 Opportunity Portal to find qualified candidates
- Establishing a current list of Section 3 eligible applicants
- Contacting local community organizations and provide them with job postings for Section 3 eligible applicants; and
- Coordinating a programmatic ad campaign, which results in widespread job posting across diverse ad networks including:
  - Advertising job opportunities via social media, including LinkedIn and Facebook;
  - Advertising job opportunities via flyer distributions and mass mailings and posting ad in common areas of housing developments and all public housing management offices
  - Contacting resident councils, resident management corporations, and neighborhood community organizations to request their assistance in notifying residents of available training and employment opportunities

*Other requirements for contractors*

- Include the Section 3 requirements clause in all applicable subcontracts.
- Take appropriate action if a subcontractor violates the Section 3 regulation.
- Not to subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found to be in violation of the Section 3 regulation.

- Certify that the contractor did not circumvent the Section 3 employment opportunity requirements, if the contractor hired any persons not covered by Section 3 between the time the contractor was selected and the contract was executed.

### **What are Section 3 Businesses?**

A Section 3 business concern is a business that meets at least one of the following criteria, documented within the last six-month period:

1. At least 51 percent owned and controlled by low- or very low-income persons,
2. Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers, or
3. A business at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.

### **Who are Section 3 and Targeted Section 3 workers?**

*To certify a Section 3 or Targeted Section 3 worker, please use [HUD forms 4736, 4376A, or 4736C](#). HUD form 4737A may be helpful for the contractor to track section 3 hours but is not required.*

A Section 3 worker is any worker who currently fits, or when hired within the past five years fit, at least one of the following categories, as documented:

1. The worker's income for the previous or annualized calendar year is below the income limit established by HUD,
2. The worker is employed by a Section 3 business concern, or
3. The worker is a YouthBuild participant.

Section 3 Targeted Worker (for Housing and Community Development Financial Assistance Projects). A Section 3 targeted worker is a Section 3 worker who:

1. Is employed by a Section 3 business concern, or
2. Currently fits or when hired fit at least one of the following categories, as documented within the past five years:
3. Living within one mile of the Section 3 project, or if area population is less than 5,000 people within a radius containing 5,000 people, or
4. A YouthBuild participant

Low-Income and Very Low-Income

Income limits are defined by HUD and can be found at <https://www.huduser.gov/portal/datasets/il.html>

Low-Income – 80 percent of Area Median Income (AMI)

Very Low-Income – 50 percent of AMI

### **How can I be sure that a business is really a Section 3-covered business?**

Businesses that seek Section 3 preference shall certify, or demonstrate to Washington County, contractors or subcontractors, that they meet the definitions provided in the above. Businesses may demonstrate eligibility by submitting the Section 3 Business Concern Certification Form, located in Washington County's LCPtracker database.

Section 3 Business Concern Certification Forms must be submitted at the time of bid/proposal. If the

Washington County previously approved the business concern to be Section 3 certified, then the certification can be submitted along with the bid, as long as the form is submitted within the prescribed expiration date. The Section 3 Business Concern Certification Form will expire after 12 months. Establishing a 12-month certification of eligibility period allows the Washington County the ability to assess contractor performance to ensure the business is striving to meet the required goals. Section 3 status should be verified before awarding contracts or subcontracts to businesses that self-certified.

### **How can businesses find Section 3 residents to work for them?**

Businesses can recruit Section 3 residents in public housing developments and in the neighborhoods where the HUD assistance is being spent. Effective ways of informing residents about available training and job opportunities include:

- Contacting resident organizations, local community development and employment agencies
- Distributing flyers
- Posting signs
- Placing ads in local newspapers

*Are recipients, contractors, and subcontractors required to provide long-term employment opportunities, not simply seasonal or temporary employment?*

Recipients are required, to the greatest extent feasible, to provide all types of employment opportunities to low and very low-income persons, including permanent employment and long-term jobs.

A Section 3 resident who has been employed for 3 years may no longer be counted towards meeting the 30 percent requirement. This encourages recipients or contractors to continue hiring Section 3 residents when employment opportunities are available.

*What if it appears an entity is not complying with Section 3?*

There is a complaint process. Section 3 residents, businesses, or a representative for either may file a complaint if it seems a recipient is violating Section 3 requirements are being on a HUD-funded project.

### **Will HUD require compliance?**

Yes. HUD monitors the performance of contractors, reviews annual reports from recipients, and investigates complaints. HUD also examines employment and contract records for evidence that recipients of federal funding are training and employing Section 3 residents and awarding contracts to Section 3 businesses as it applies. Contractors and subcontractors will be required to sign the attached acknowledgement form before start of construction and are required to fill out a Section 3 summary form upon project completion.

### **Reporting**

#### ***a. Reporting of labor hours.***

1. For Section 3 projects, recipients must report in a manner prescribed by HUD:
  - i. The total number of labor hours worked;
  - ii. The total number of labor hours worked by Section 3 workers; and
  - iii. The total number of labor hours worked by Targeted Section 3 workers.

2. Section 3 workers' and Targeted Section 3 workers' labor hours may be counted for five years from when their status as a Section 3 worker or Targeted Section 3 worker is established pursuant to [§ 75.31](#).
3. The labor hours reported under [paragraph \(a\)\(1\)](#) of this section must include the total number of labor hours worked on a Section 3 project, including labor hours worked by any subrecipients, contractors and subcontractors that the recipient is required, or elects pursuant to [paragraph \(a\)\(4\)](#) of this section, to report.
4. Recipients reporting under this section, as well as subrecipients, contractors and subcontractors who report to recipients, may report labor hours by Section 3 workers, under [paragraph \(a\)\(1\)\(ii\)](#) of this section, and labor hours by Targeted Section 3 workers, under [paragraph \(a\)\(1\)\(iii\)](#) of this section, from professional services without including labor hours from professional services in the total number of labor hours worked under [paragraph \(a\)\(1\)\(i\)](#) of this section. If a contract covers both professional services and other work and the recipient or contractor or subcontractor chooses not to report labor hours from professional services, the labor hours under the contract that are not from professional services must still be reported.
5. Recipients may report their own labor hours or that of a subrecipient, contractor, or subcontractor based on the employer's good faith assessment of the labor hours of a full-time or part-time employee informed by the employer's existing salary or time and attendance-based payroll systems, unless the project or activity is otherwise subject to requirements specifying time and attendance reporting.

***b. Additional reporting if Section 3 benchmarks are not met.*** If the recipient's reporting under [paragraph \(a\)](#) of this section indicates that the recipient has not met the Section 3 benchmarks described in [§ 75.23](#), the recipient must report in a form prescribed by HUD on the qualitative nature of its activities and those its contractors and subcontractors pursued. Such qualitative efforts may, for example, include but are not limited to the following:

1. Engaged in outreach efforts to generate job applicants who are Targeted Section 3 workers.
2. Provided training or apprenticeship opportunities.
3. Provided technical assistance to help Section 3 workers compete for jobs (*e.g.*, resume assistance, coaching).
4. Provided or connected Section 3 workers with assistance in seeking employment including: drafting resumes, preparing for interviews, and finding job opportunities connecting residents to job placement services.
5. Held one or more job fairs.
6. Provided or referred Section 3 workers to services supporting work readiness and retention (*e.g.*, work readiness activities, interview clothing, test fees, transportation, child care).
7. Provided assistance to apply for/or attend community college, a four-year educational institution, or vocational/technical training.
8. Assisted Section 3 workers to obtain financial literacy training and/or coaching.
9. Engaged in outreach efforts to identify and secure bids from Section 3 business concerns.
10. Provided technical assistance to help Section 3 business concerns understand and bid on contracts.
11. Divided contracts into smaller jobs to facilitate participation by Section 3 business concerns.
12. Provided bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.
13. Promoted use of business registries designed to create opportunities for disadvantaged and small businesses.

14. Outreach, engagement, or referrals with the state one-stop system as defined in Section 121(e)(2) of the Workforce Innovation and Opportunity Act.

c. **Reporting frequency.** Unless otherwise provided, recipients must report annually to HUD under [paragraph \(a\)](#) of this section, and, where required, under [paragraph \(b\)](#) of this section, on all projects completed within the reporting year in a manner consistent with reporting requirements for the applicable HUD program.

## Section 3 Compliance Acknowledgment

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### PURPOSE OF SECTION 3

Section 3 is a provision of the Housing and Urban Development Act of 1968 that is regulated by the provisions of 24 CFR 75. Section 3 regulations ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations, be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very low-income persons. Section 3 is required for all housing rehabilitation, housing construction, or other public construction projects with over \$200,000 in federal funding from HUD.

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### COMPLIANCE REQUIREMENTS

The following thresholds must be met for Section 3 compliance:

#### Section 3 Compliance Benchmarks

1. **25%** or more of the total labor hours worked are Section 3 workers,  
*and*
2. **5%** or more of the total labor hours worked are Targeted Section 3 workers. \*

\*Note: the count of Targeted worker labor hours is included in the overall Section 3 worker labor hours.

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### REPORTING

Sponsor/Contractor/Subcontractor must report the following data to Washington County's Office of Community Development as part of the close out process using the OCD Section 3 Summary Report:  
Total number of labor hours worked.

Total number of labor hours worked by Section 3 workers.

Total number of labor hours worked by Targeted Section 3 workers.

If the threshold percentages outlined above are not met, the sponsor must report on qualitative efforts taken to reach Section 3 and targeted Section 3 workers. Efforts include, but are not limited to:

- Outreach efforts to generate applicants who are Public Housing Targeted Workers.
- Outreach efforts to generate applicants who are Other Funding Targeted Workers.
- Direct, on-the job training (including apprenticeships).
- Indirect training such as arranging for, contracting for, or paying tuition for, off-site training.
- Technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching).
- Outreach efforts to identify and secure bids from Section 3 business concerns.
- Technical assistance to help Section 3 business concerns understand and bid on contracts.
- Division of contracts into smaller jobs to facilitate participation by Section 3 business concerns.

## RECORDKEEPING

Sponsor/contractor/subcontractor must maintain documentation, or ensure that a subrecipient, contractor, or subcontractor that employs the worker maintains documentation, to confirm that workers meet the definition of a Section 3 worker or Targeted Section 3 worker, at the time of hire or the first reporting period, as follows:

For a worker to qualify as a Section 3 worker, one of the following must be maintained:

1. A worker's self-certification that their income is below the income limit from the prior calendar year,
2. A worker's self-certification of participation in a means-tested program such as public housing or Section 8-assisted housing,
3. Certification from a PHA, or the owner or property manager of project-based Section 8-assisted housing, or the administrator of tenant-based Section 8-assisted housing that the worker is a participant in one of their programs,
4. An employer's certification that the worker's income from that employer is below the income limit when based on an employer's calculation of what the worker's wage rate would translate to if annualized on a full-time basis, or
5. An employer's certification that the worker is employed by a Section 3 business concern.

For a worker to qualify as a Targeted Section 3 worker, one of the following must be maintained:

1. An employer's confirmation that a worker's residence is within one mile of the work site or, if fewer than 5,000 people live within one mile of a work site, within a circle centered on the work site that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census,
2. An employer's certification that the worker is employed by a Section 3 business concern, or
3. A worker's self-certification that the worker is a YouthBuild participant.

Definitions and sample tracking forms can be found on the [HUD Exchange Section 3 Tools](#) page.

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## SECTION 3 APPLICABILITY & ACKNOWLEDGEMENT

I have received and read this Section 3 Acknowledgement, related to the HUD funded project, \_\_\_\_\_, located in \_\_\_\_\_ and have been briefed on my responsibilities to comply with the requirements, regulations, and reporting of Section 3 (24 CFR Part 75).

Date:  
*Signature of Project Sponsor*

*Printed Name of Project Sponsor*

Date:  
*Signature of General Contractor*

*Printed name of General Contractor*



## Build America, Buy America Act (BABA)

### What is BABA? (2 CFR 184)

The Build America, Buy America Act (BABA) requires that all construction materials, manufactured products, iron, and steel used in federally funded infrastructure projects are produced in the United States, regardless of whether infrastructure is the primary purpose of the Federal Award.

### Applicability

CDBG projects are subject to the BABA requirement as outlined in the table below:

BAP will apply to...	Iron and Steel	Specifically Listed Construction Materials	Not Listed Construction Materials	Manufactured Products
CDBG	CDBG funds obligated on or after 11/15/22	Projects using FY24 CDBG funds	Projects using FY25 CDBG funds	Projects using FY25 CDBG funds

The BABA applies to the entire infrastructure project, even if it is funded by both federal and non-federal funds.

#### *Iron or Steel Products*

Means articles, materials, or supplies that consist wholly or predominantly of iron or steel or a combination of both.

#### *Construction Materials*

Means articles, materials, or supplies that consist of only one of the items listed in paragraph (1) of this definition, except as provided in paragraph (2) of this definition. To the extent one of the items listed in paragraph (1) contains as inputs other items listed in paragraph (1), it is nonetheless a construction material.

(1) The listed items are:

- (i) Non-ferrous metals;
- (ii) Plastic and polymer-based products (including polyvinylchloride, composite building materials, and polymers used in fiber optic cables);
- (iii) Glass (including optic glass);
- (iv) Fiber optic cable (including drop cable);
- (v) Optical fiber;
- (vi) Lumber;
- (vii) Engineered wood; and
- (viii) Drywall.

(2) Minor additions of articles, materials, supplies, or binding agents to a construction material do not change the categorization of the construction material.

(3) Not List Construction Materials: The term “not listed construction materials” refers to the category of construction materials that are subject to the BAP, but plastic and polymer-based pipe or tube; not included in HUD’s specifically listed construction materials, as defined in the Phased Implementation Waiver. This includes:

- I. plastic and polymer-based products other than composite building materials or plastic and polymer-based pipe or tube;
- II. glass (including optic glass); and
- III. drywall.

### Requirements and Procedures

All contractors will be required to comply with BABA. They will be required to submit a list of needed

materials and classify materials by type. Contractors will need to document that products used for projects comply with BABA. This may include labels with product details and manufacturer certification letters. There are waivers available that offer flexibility to waive the BABA requirements in some cases. Consult with OCD staff if you think a waiver is needed. The BAP must be included in all subawards, contracts, and purchase orders for the work performed, or products supplied under the Federal award. Contractors can connect with the [Manufacturing Extension Partnership \(MEP\) National Network](#) to find US-based suppliers.

## Buy American Preference Certification Form

### Project Information

<b>Grantee</b>	
<b>Grant Number</b>	
<b>Activity Name</b>	
<b>Activity Number (IDIS/DRGR)</b>	

This “*Optional Buy America Preference Certification*” is used to certify that, as required by the Build America, Buy America (BABA) Act, all of the iron, steel, manufactured products, and construction materials incorporated into an infrastructure project are produced in the United States, unless exempted by a HUD general waiver or a project-/product-specific waiver approved by the Made in America Office (MIAO) at the Office of Management and Budget (OMB).

For covered materials not otherwise exempted from the Buy America Preference (BAP), the undersigned certifies the following:

All iron and steel used in the project are produced in the United States. This means all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States;

All manufactured products used in the project are produced in the United States. This means the manufactured product was manufactured in the United States, and the cost of the components of the manufactured product that are mined, produced, or manufactured in the United States is greater than 55 percent of the total cost of all components of the manufactured product, unless another standard that meets or exceeds this standard has been established under applicable law or regulation for determining the minimum amount of domestic content of the manufactured product;

All construction materials used in the project are manufactured in the United States. This means that all manufacturing processes for the construction material occurred in the United States.

*Attach a list of all covered materials procured by the signatory and used in the project.*

I hereby certify this information is complete and accurate and agree to provide documentation collected on the country of origin for all covered materials I caused to be incorporated into or affixed to an infrastructure project to the CPD grantee and HUD upon request. I understand and agree that the provisions of 31 U.S.C. Chap. 38, Administrative Remedies for False Claims and Statements, apply to this certification and disclosure, if any.

Signature	Title/Organization	Date

## **Contract Clauses Required in All Community Development Block Grant (CDBG) Construction Projects**

This contract and the work it will carry out is being funded in whole or in part with funding from the U.S. Department of Housing and Urban Development through the Washington County Office of Community Development CDBG program.

### **Access to Records and Retention of Records**

The Community Development Block Grant (CDBG) recipient, Washington County Office of Community Development, the U.S. Department of Housing and Urban Development (HUD), 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 contract, for the purpose of making audit, examination, excerpts, and transcriptions. All required records must be maintained by the contractor for four years after the recipient makes final payments and all other pending matters are closed.

### **Section 3 of the Housing and Community Development Act**

*(Applicable to contracts/subcontracts of \$100,000 or more AND when the funding recipient has received \$200,000 or more in CDBG and/or other federal funding.)*

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.

The parties to this contract agree to comply with HUD's regulations in [24 CFR Part 75](#), 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., 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.

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.

The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in [24 CFR Part 75](#), 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 75](#). 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 75](#) the subcontractor is in violation of the regulations in [24 CFR Part 75](#). 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 75](#). 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 75](#) the subcontractor is in violation of the regulations in [24 CFR Part 75](#). 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 75](#). 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 75](#). 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 75](#). 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 75](#). 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 75](#). 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 75](#).

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 75](#) require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under [24 CFR Part 75](#).

Noncompliance with HUD's regulations in [24 CFR Part 75](#) may result in sanctions, termination of this Contract for default, and debarment or suspension from future HUD assisted contracts may result in sanctions, termination of this Contract for default, and debarment or suspension from future HUD assisted contracts.

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).

**Prohibition on the Use of Federal Funds for Lobbying** *(Applicable to federally funded contracts/subcontracts of \$100,000+)*

The contractor hereby certifies that:

No federal funds have been paid or will be paid, by or on behalf of Washington County Office of Community Development, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

If any funds other than federal funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the local government shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

### **Lead-Based Paint**

The use of lead-based paint on any interior or exterior surface is prohibited. For properties constructed prior to 1978, the construction work performed under this contract is subject to the Lead-Based Paint Regulations adopted by the Department of Housing and Urban Development ([24 CFR Part 35](#)) and by the State of Oregon (OAR 333.069).

### **Copeland “Anti-Kickback” Act**

Contractor shall comply with the Copeland “Anti-Kickback” Act (18 USC 874), as supplemented by Department of Labor regulations ([29 CFR part 3](#), “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). Contractor and all subcontractors shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he is otherwise entitled.

**Davis-Bacon Act** *(Applicable to CDBG contracts for construction or rehabilitation of housing containing eight or more CDBG-assisted units; any public facility or public improvement contract exceeding \$2,000; applicable to HOME contracts for construction of rehabilitation of twelve or more HOME-assisted units.)*

All laborers and mechanics employed by contractors or subcontractors on construction work assisted under this part shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis- Bacon Act, as amended (40 USC 276a-276a-5), and shall receive overtime compensation in accordance with and subject to the provisions of the Contract Work Hours and Safety Standards Act (40 USC 327-333), and the contractors and subcontractors shall comply with all regulations issued pursuant to these Acts and with other applicable Federal laws and regulations pertaining to labor standards.

### **Contract Work Hours and Safety Standards Act**

In compliance with Sections 102 of the Contract Work Hours and Safety Standards Act (40 USC. 327–333), as supplemented by Department of Labor regulations (29 CFR part 5), each contractor/subcontractor shall compute the wages of every mechanic and laborer on the basis of a standard workweek of 40 hours. Work in excess of the standard workweek is permissible provided that the worker is compensated at a rate of not less than 1 ½ times the basic rate of pay for all hours worked in excess of 40 hours in the workweek. In compliance with Section 107 of the Act, no laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

### **Clean Air Act and the Federal Water Pollution Control Act**

*(Applicable to federally-funded contracts and subcontracts in excess of \$100,000)*

This contract is subject to the requirements of the Clean Air Act, as amended, 42 USC 1857 et seq., the Federal Water Pollution Control Act, as amended, 33 USC 1857 et seq., and the regulations of the Environmental Protection Agency with respect thereto, at [40 CFR Part 15](#), as amended from time to time. Contractor and any of its subcontractors agree to the following requirements:

A stipulation by the contractor and 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 32](#);

Agreement by the contractor to comply with all requirements of Section 114 of the Clean Air Act, as amended (42 USC 1857c-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 thereunder;

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; and

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 non-exempt subcontract and requiring that the contractor will take such action as the government may direct as a means of enforcing such provisions. In no event shall any amount provided under this contract be utilized with respect to a facility which has given rise to a conviction under Section 113(c)(1) of the Clean Air Act or Section 309(c) of the Federal Water Pollution Control Act.

### **Debarment and Suspension**

Contractor certifies that neither it nor any of its employees or subcontractors are parties listed on the General Services Administration's List of Parties Excluded from Federal Procurement or Nonprocurement Programs in accordance with Executive Orders 12549 and 12689, "Debarment and Suspension," as set forth at [24 CFR part 24](#). This list contains the names of parties debarred, suspended, or otherwise excluded by agencies, and contractors declared ineligible under statutory or regulatory authority other than E.O. 12549.

### **Termination of Contract**

*Termination by Owner:*

#### 1) Without Cause

This contract and the work it will carry out is being funded in whole or in part with funding from the U.S. Department of Housing and Urban Development through the Washington County Office of Community Development CDBG program.

The owner may terminate this contract:

- In the event that the grant funds are rescinded in part or in whole; or
- If the work is stopped under an order of any court, or other public authority, for a period of thirty (30) calendar days, through no act or fault of the owner, owner's employees, or legal representatives.

#### 2) With Cause

The owner may terminate this contract if the contractor is in substantial breach of the provisions

contained in the contract documents and/or repeatedly fails to:

- Comply with federal, state, and local laws and regulations;
- Provide for the safety of all occupants and public at large during the execution of the work;
- Properly pay subcontractors or suppliers for material or labor;
- Correct defective work; or
- Progress in a timely manner which demonstrates that the contractor can complete the project within the specified time-frame.
- The contractor, upon receipt of written notice from the owner to terminate this contract, shall:
- Cease operation in a manner that protects and preserves work already performed.
- Instruct all subcontractors to cease work and cancel all special orders with suppliers.
- Leave the work site in a condition that is free of hazards to occupants and the public.

If the owner terminates the contract, the contractor may be eligible to receive payment for all work completed, and for material orders already in progress and for which cancellation is not possible. Payment is contingent upon the same inspection and approval procedures by owner and grantor as specified for progress payments. If the owner terminates this contract with cause, the owner may withhold payment until all work is otherwise completed by reasonable means determined by owner. If the unpaid balance of this contract is not sufficient to cover reasonable costs incurred by the owner to complete the work, the contractor shall pay the difference to the owner. If the unpaid balance of this contract is in excess of the reasonable costs incurred by the owner to complete the work, then the owner shall pay the difference to the contractor. Reasonable costs include architect fees, administrative fees, and other expenses made necessary by the above causes.

#### *Termination by Contractor*

Contractor may terminate this contract if:

- Work is stopped under an order of any court, or other public authority, for a period of thirty (30) calendar days, through no act or fault of the contractor, contractor's employees, subcontractors, or other persons or agents performing work under direct or indirect contract with the contractor;
- Work is stopped due to a declared state of emergency by government action;
- Owner fails to make payment within the time-frame and conditions stated in the Contract Documents;
- Owner repeatedly, through no fault of the contractor, contractor's employees, subcontractors, or other persons or agents performing work under direct or indirect contract with the contractor, causes delay of the work; and, such delay constitutes in excess of 100 percent of the total number of days scheduled for completion of the work specified in the Contract Documents.

#### *Termination by Mutual Consent*

Both parties may terminate this contract by mutual written consent.

#### **Build America, Buy America Act (BABA)**

The Award recipient, Sponsor, and Contractor must comply with the requirements of the Build America, Buy America (BABA) Act, 41 USC 8301 note, and all applicable rules and notices, as may be amended, if applicable to the infrastructure project ([2 CFR 184](#)). Pursuant to HUD's Notice, "Public Interest Phased Implementation Waiver for FY 2022 and 2023 of Build America, Buy America Provisions as Applied to Recipients of HUD Federal Financial Assistance" (88 FR 17001), any funds obligated by HUD on or



after the applicable listed effective dates, are subject to BABA requirements, unless excepted by a waiver.

The Buy America Preference (BAP) must be included in all subawards, contracts, and purchase orders for the work performed, or products supplied under the Federal award.

**Contract Clauses Required for All CDBG Professional Services Contracts (Architects, Engineers, Consultants)**

This contract and the work it will carry out is being funded in whole or in part with funding from the U.S. Department of Housing and Urban Development through the Washington County Office of Community Development CDBG program.

**Access to Records and Retention of Records**

The CDBG recipient, Washington County Office of Community Development, the U.S. 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 contract, for the purpose of making audit, examination, excerpts, and transcriptions. All required records must be maintained by the contractor for three years after the recipient makes final payments and all other pending matters are closed.

**Section 3 of the Housing and Community Development Act** *(Applicable to contracts/subcontracts of \$100,000 or more when the recipient received a total of \$200,000 or more in federal funding.)*

In hiring or soliciting businesses for goods, services or other types of work, consideration must first be given to local residents and firms. The work to be performed under this contract is on a project assisted under a program providing direct federal financial assistance from the U.S. Department of Housing and Urban Development and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 USC 170(1)(u). Section 3 requires that to the greatest extent feasible opportunities for training and employment be given to lower income persons residing in the project's City and County, and contracts for work in connection with the project be awarded to eligible business concerns which are located, or owned in substantial part by persons residing, in the project City and County.

**Prohibition on the Use of Federal Funds for Lobbying** *(Applicable to contracts/subcontracts of \$100,000 or more in federal funding.)*

The contractor hereby certifies that:

- a. No federal funds have been paid or will be paid, by or on behalf of the City of Corvallis, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- b. If any funds other than federal funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the local government shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.



## **Section V: Lead Paint Guidelines for Rehabilitation Activities**

## CDBG Program Guidance

### [24 CFR Part 35](#) (Lead-based Paint Poisoning Prevention in Certain Residential Structures)

The intent of the information that follows is to provide CDBG project sponsors with general background information about federal lead-based paint regulations, and to give you a basic understanding of what the regulations will mean for your project, especially as you determine project scope and solicit contractor bids for rehabilitation work. Please note that the following information is very general, and that you will need to consult very closely with Washington County Office of Community Development (OCD) if your project contains or may contain any lead-based paint.

HUD and the Oregon Health Division have issued regulations to protect occupants and especially young children (six years of age or younger) from lead-based paint hazards in housing that is financially assisted by the federal government or being sold by the government. These regulations address the requirements for notification, evaluation, and reduction of lead-based paint hazards in federally assisted properties. More information on the regulations and other educational materials can be found at [www.hud.gov/lead](http://www.hud.gov/lead). This summary addresses the requirements that must be met for rental housing projects that will receive Washington County Office of Community Development CDBG funding.

### **2010 EPA Rule**

In addition to the HUD regulations regarding lead-based paint in federally assisted projects, the EPA has also issued a new set of lead-based paint regulations which took effect April 22, 2010. These new regulations are called the EPA's lead-based paint "Renovation, Repair, and Painting (RRP) Program." The RRP program regulations will apply to all pre-1978 houses, apartments, and child-occupied facilities such as schools and day-care centers, regardless of whether federal funding is present. The new EPA rule is similar to the HUD rule but there are some significant differences. Both the EPA and the HUD rules will apply to many of the pre-1978 projects that are financed through the CDBG programs. For more information regarding the new RRP program please contact Washington County's Office of Community Development.

### **Background and Summary of HUD Regulations**

The HUD lead paint regulations took effect September 15, 2000, and affect both acquisition and rehabilitation of housing that was constructed prior to 1978 (known as "target housing"). All CDBG projects for pre- 1978 housing activities must comply with the new regulations. All units in an assisted project, not just federally assisted units, must comply with these regulations.

Residential Properties exempt from lead-based paint regulations include:

- Properties for which construction was completed on or after January 1, 1978;
- Properties found not to have lead-based paint by an inspection conducted in accordance with [24 CFR Part 35.1320\(a\)](#);
- Properties where all lead-based paint has been identified and removed using approved methods.
- Unoccupied units that will be demolished;
- Properties where rehab will not disturb paint;
- Single room occupancy units;

- Housing designated exclusively for elderly and/or disabled tenants;
- Emergency action activities (within certain parameters).

The regulations now require five types of notices (sample forms are available from Washington County Office of Community Development upon request):

- The lead hazard information pamphlet, Protect Your Family From Lead in Your Home, must be provided to all incoming tenants (and existing, if they have not received one); tenants must sign a receipt verifying that they have received the pamphlet;
- Owner/landlord must provide disclosure to occupants of all known lead hazards that exist in the project;
- Notice of the results of lead hazard evaluation(s) to all occupants within 15 days of completion (notice may be posted in a public place such as a lobby or mailroom);
- Notice of lead hazard reduction activities that have been undertaken to occupants within 15 days of completion (notice may be posted in a public area).
- Beginning December, 2008 construction contractors, prior to starting work, must provide occupants with the EPA's lead hazard information pamphlet: Renovate Right.

***Grantees must provide verification that each of these notices was delivered and received where applicable.***

## **Section VI: Non-Discrimination, Fair Housing and Accessibility Requirements and Guidelines**

## **Non-Discrimination, Fair Housing and Accessibility Requirements and Guidelines for Projects Receiving CDBG Funding**

Different sets of accessibility-related nondiscrimination requirements apply to the CDBG program: the Architectural Barriers Act, the Fair Housing Act, and the Americans with Disabilities Act (ADA), and Section 504. It is important to note that these requirements are not necessarily addressed in the building code.

### **The Architectural Barriers Act**

The Architectural Barriers Act of 1968 requires certain federal and federally-funded buildings and other facilities to be designed, constructed, or altered in accordance with standards that ensure accessibility to, and use by, physically handicapped people. Projects meeting the definition of a “building” (as defined below) are subject to the Architectural Barriers Act as it is implemented through the Uniform Federal Accessibility Standards (UFAS) (24 CFR Part 40 and 41 CFR Part 101).

Building: any building or facility (other than (A) a privately owned residential structure not leased by the Government for subsidized housing programs and (B) any building or facility on a military installation designed and constructed primarily for use by able bodied military personnel) the intended use for which either will require that such building or facility be accessible to the public, or may result in the employment or residence therein of physically handicapped persons, which building or facility is:

- 1) To be constructed or altered by or on behalf of the United States;
- 2) To be leased in whole or in part by the United States after August 12, 1968; or
- 3) to be financed in whole or in part by a grant or a loan made by the United States after August 12, 1968, if such building or facility is subject to standards for design, construction, or alteration issued under authority of the law authorizing such grant or loan.

### **The Fair Housing Act**

The Federal Fair Housing Act makes it illegal for landlords, managers, homeowners, real estate agents, mortgage brokers, lenders, banks and others to discriminate against anyone on the basis of:

- Race
- Color
- National Origin & Ethnicity
- Religion
- Family Status (families with children under 18)
- Physical or Mental Disability
- Sex & Gender

State Protected Classes Include:

- Marital status
- Legal sources of income (except Section 8)
- Sexual orientation including gender identity
- Honorably discharged veterans / military status
- Survivors of domestic violence

Local jurisdictions may have additional protected classes that you should be aware of.

Multi-family dwellings consisting of four or more units, first occupied after March 13, 1991, must also meet the design and construction requirements of the Fair Housing Act.

Multifamily dwellings must be designed and constructed so that at least one building entrance is located on an accessible route, unless it is impractical to do so because of the terrain or unusual characteristics of the site.

Multifamily dwellings with a building entrance on an accessible route will be designed and constructed so that:

- 1) The public and common use areas are readily accessible to and usable by handicapped persons;
- 2) The doors are designed to allow passage into and within the common areas are sufficiently wide to allow passage by handicapped persons in wheelchairs; and
- 3) All of the covered (accessible) dwelling units contain the following features of adaptable design:
  - a) An accessible route into and through the covered (accessible) dwelling unit;
  - b) Light switches, electrical outlets, thermostats, and other environmental controls in accessible locations;
  - c) Reinforcements in bathroom walls to allow later installation of grab bars around the toilet, tub, shower, stall and shower seat, where such facilities are provided; and
  - d) Usable kitchens and bathrooms such that an individual in a wheelchair can maneuver about the space.

### **The Americans with Disabilities Act**

The Americans with Disabilities Act (ADA) provides comprehensive civil rights to individuals with disabilities in the areas of employment, public accommodations, state and local government services and telecommunications. The ADA also states that discrimination includes the failure to design and construct facilities that are accessible to and usable by persons with disabilities. The ADA also requires the removal of architectural and communication barriers that are structural in nature in existing facilities. Removal must be readily achievable, easily accomplishable and able to be carried out without much difficulty or expense.

Project sponsors should alert project architects that the provisions of the Architectural Barriers Act, the Fair Housing Act and the Americans with Disabilities Act apply to CDBG-funded projects so the architect can incorporate these requirements into project design.

### **Section 504**

HUD's regulations implementing Section 504 in federally assisted programs services and activities are codified at 24 CFR Part 8. These apply to all HUD-funded projects.

Section 504 states:

"No otherwise qualified individual with a disability in the United States... shall, solely by reason of her or his disability, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program, service or activity receiving Federal financial assistance or under any program or activity conducted by any Executive agency or by the United States Postal Service."



HUD's Section 504 regulations define an individual with a disability as any person who has a physical or mental disability that substantially limits one or more major life activities; has a record of such an impairment; or is regarded as having such an impairment [24 CFR 8.3]. Major life activities include walking, talking, hearing, seeing, breathing, learning, performing manual tasks, and caring for oneself. The law also applies to individuals who have a history of such impairments as well as those who are perceived as having such an impairment.

A person who meets the above definition, and who is otherwise qualified for the program, service or activity, is covered under Section 504. To be otherwise qualified means the individual meets the essential eligibility requirements, including, for example, requirements for tenancy, if the program is a housing program.

Section 504 covers all programs, services and activities of recipients of HUD financial assistance, including, for example:

- Outreach and public contact, including contact with program applicants and participants
- Eligibility criteria
- Application process
- Admission to the program
- Tenancy, including eviction
- Service delivery
- Employment policies and practices

Section 504 Prohibitions Against Discrimination:

- Denying a qualified individual with disabilities the opportunity to participate in, or benefit from, the housing, aid, benefit, or service.
- Failing to afford a qualified individual with disabilities the opportunity for equal participation and benefit.
- Failing to provide a qualified individual with disabilities a program or service that affords the same opportunity to benefit as that afforded others.
- Providing different or separate housing, aid, benefits or services on the basis of disability unless providing such is necessary to provide housing or benefits that are as effective as that provide to persons without disabilities.
- Providing significant assistance to an agency, organization or person that discriminates on the basis of disability in any aspect of a federally assisted activity.
- Denying a qualified individual with disabilities the opportunity to participate as a member of planning or advisory boards.
- Denying a dwelling to an otherwise qualified buyer or renter because of a disability of that buyer or renter or another prospective tenant.
- Limiting in any other manner a qualified individual with disabilities in the enjoyment of any right, privilege, advantage, or opportunity afforded to others.
- Providing programs or services to qualified individuals with disabilities in settings that are unnecessarily separate, segregated or restricted.

Recipients' Responsibilities Under Section 504:

- Take steps to ensure effective communication with applicants, beneficiaries, and members of the public. [\[24 CFR 8.6\]](#)

- Take steps to ensure that employment activities, including job announcements, recruitment, interviews, hiring, work assignments, promotions and dismissals, do not discriminate on the basis of disability.  
[[24 CFR 8.10 - 8.13](#)]
- Ensure that all non-housing programs are operated in a manner that does not discriminate on the basis of disability and that new construction and alterations of non-housing facilities are made accessible in accordance with applicable standards. [[24 CFR 8.21](#)]
- Operate existing housing programs in a manner that does not discriminate on the basis of disability, and take steps, as needed, to ensure that existing housing programs are readily accessible to and usable by persons with disabilities. Develop and implement a transition plan to assure compliance. [[24 CFR 8.24](#)]
- Provide reasonable accommodations which may be necessary for a person with a disability to use or participate in the program, service or activity; unless the recipient can demonstrate that the accommodation will result in an undue financial and administrative burden or a fundamental alteration in the nature of the program, service or activity. A reasonable accommodation is an adaptation or modification to a policy, program, service, or workplace which will allow a qualified person with a disability to participate fully in a program, take advantage of a service, or perform a job. Reasonable accommodations may include, but are not limited to, adjustments or modifications to buildings, facilities, dwellings, and may also include provision of auxiliary aids, such as readers, interpreters, and materials in accessible formats. [[24 CFR 8.4, 8.11, 8.20, 8.21, 8.24, 8.25, 8.33](#)]
- Pay for a reasonable accommodation needed by the individual (e.g., a ramp to a unit) unless providing that accommodation would be an undue financial and administrative burden or a fundamental alteration of the program. [[24 CFR 8.4, 8.11, 8.20, 8.21, 8.24, 8.25, 8.33](#)]
- Ensure that all new construction of housing facilities is readily accessible to and usable by persons with disabilities, and meets the requirements of applicable accessibility standards. [[24 CFR 8.22 and 8.32](#)]
- Ensure that substantial alterations, when undertaken, meet the requirements for new construction. [[24 CFR 8.23\(a\)](#)] Ensure that all other alterations, to the maximum extent feasible, meet the requirements of the applicable accessibility standards. [[24 CFR 8.23\(b\)](#)]
- Conduct any required needs assessments (for recipients who are public housing agencies) to determine the extent to which the housing needs of persons with disabilities are being met in the recipient's program and in the community. [[24 CFR 8.25](#)]
- Distribute accessible dwelling units throughout projects and sites and make such units available in the same ranges of sizes and amenities to provide housing choices for persons with disabilities that are the same as those provided to others. [[24 CFR 8.26](#)]
- Adopt suitable means to ensure persons with disabilities are made aware of the availability of accessible units and to maximize use of accessible units by individuals needing the features of these units. [[24 CFR 8.27](#)]
- Conduct any required self-evaluations of programs, services, and activities to determine if they are programmatically and physically accessible to persons with disabilities, and involve persons with disabilities in these evaluations.  
[[24 CFR 8.51](#)]
- Recipients with 15 or more employees must designate an employee to ensure the recipient's programs, services and activities meet the requirements of Section 504; adopt a grievance procedure to effect due process standards and prompt and equitable resolutions of complaints. [[24 CFR 8.53](#)]

- Recipients with 15 or more employees must notify participants, beneficiaries, applicants and employees of their nondiscriminatory provisions. [[24 CFR 8.54](#)]
- Recipients must maintain records and reports of efforts to meet the requirements of Section 504, and keep these records on file so that they are available if a complaint is filed, or if HUD conducts a compliance review. [[24 CFR 8.55](#)]

## **Oregon Accessibility Laws**

The State of Oregon has its own laws addressing certain aspects of accessibility:

Current Oregon law is very broad, and extends the reach of the ADA accessibility standards beyond those covered by the federal law to include certain private educational facilities, “private membership clubs, and churches” when located in buildings of two stories or more which are either: a) over 4,000 square feet in ground floor area; or b) over 20 feet in height).

ORS 447.233 contains explicit numerical requirements for accessible parking spaces and related signage, dimensional requirements, and access spaces.

ORS 456.506 et seq., passed in 2003, adopted most of the accessibility criteria of the FHA and mandated they be included in all new non-owner-occupied housing, even single units, if those units were financed or subsidized in any way by state or federal funds, guarantees, or tax credits.

ORS 701.525 et seq., passed in 2005, requires the Oregon Construction Contractors Board (“CCB”) to adopt by rule a model list of accessibility features that developers of residential housing may provide to customers purchasing new residential housing from the developer.

ORS 447.231 mandates that the Oregon Structural Specialty Code (OSSC) include the requirements of the ADA and FHA.

Chapter 11 of the OSSC is devoted completely to accessibility. It is important to remember that most of the laws mandating accessibility are federal laws. While Chapter 11 incorporates the literal provisions of some of these laws, the ultimate authority for interpreting the meaning and consequence of federal laws remains with those federal agencies charged with their enforcement.

Consequently, approval of project plans or inspection of actual construction by Oregon building officials is limited to compliance with the OSSC, including Chapter 11. Building designers and construction contractors (and building owners) must independently consider federal accessibility law and federal agencies’ interpretations of accessibility standards based on federal accessibility laws.

**Project sponsors** should notify project architects that Section 504, the Fair Housing Act, and/or the Americans with Disabilities Act apply to CDBG-funded projects so the architect include these requirements in project design.

## **Section VII: CDBG Program Funding Terms and Periods of Compliance**

## **CDBG Program Funding Terms and Period of Compliance**

Federal CDBG regulations require a five-year period of compliance if more than \$25,000 is granted. The County's practice, however, is to require a minimum 20-year period of compliance for all grants. If a project does not meet the terms of compliance are not met for the full 20-year period, the full grant amount will be required to be repaid.

### **TRUST DEED AND PROMISSORY NOTE AGREEMENT**

All CDBG-funded facilities projects enter into a Trust Deed and Promissory Note with the County. CDBG-funded infrastructure projects enter into a promissory note only. The Trust Deed and Promissory Note guarantee that the sponsor will operate the facility to meet a national objective of the CDBG program during the 20-year compliance period and imposes conditions protect the county's CDBG investment. Following execution, the Trust Deed will be recorded, at sponsor's expense, and return a copy of both documents to the sponsor.

When both a Promissory Note and Trust Deed is necessary, the project sponsor will provide OCD with the deed and property description. The following policies apply:

- The County will require the sponsor to execute a Trust Deed and Promissory Note, or other legal document in the form of the County's choice, to secure the County's total projected CDBG contribution for real property acquisition and any improvements to be added to the property. Upon completion of any improvements, or at such time designated by the County, the aforementioned documents may be amended, as necessary, to reflect any change that may have occurred to the initial project budget as a result of change orders, contingency funding, etc.
- All sponsors must execute a Promissory Note and Trust Deed, where applicable, to secure the County's CDBG contribution towards acquisition within sixty (60) days following their transmittal to the sponsor by the County.
- The term of the Trust Deed and Promissory Note shall be twenty (20) years, or five (5) years following the date that Washington County is no longer an urban entitlement recipient;
- The County shall, at the expiration of the term of the Trust Deed and Promissory Note, convey to the sponsor all of the County's interest in the property.

### **CONTRACT EXHIBITS**

The County must complete the HUD Part 58 Environmental Review before entering into a CDBG grant agreement with a project sponsor. Once this is complete and all contracts are signed by the County Administrator or their designee, the project sponsor will receive the final executed grant agreement accompanied by the "Notice to Proceed," allowing eligible costs chargeable to the CDBG program to be incurred. **Please note that OCD is prohibited from reimbursing project sponsors for any activities performed prior to the date specified in the Notice to Proceed!**

Regular CDBG Sponsor Workshops will be held. to inform project sponsors on how access and be reimbursed with CDBG funding. Attendance at the workshop is strongly recommended as requirements change frequently.

The contracting process begins with the issuance of the Notice of Award letter. The Notice of Award letter includes additional documents required for contracting. The following items must be returned to

the OCD office by the date specified in the Notice of Award letter to ensure prompt contracting:

Exhibit A, "Project Description, Scope of Activities and Anticipated Accomplishments"	Prepared by OCD - Project sponsors are only reimbursed for activities included in this project description, so be sure that the scope of work and corresponding budget are an accurate reflection of the project. If the description is inaccurate, please contact OCD staff for revision as needed.
Exhibit B – Budget Summary	The Budget Summary is available in MS Excel format and will be emailed. Please complete the budget summary and <i>email</i> it back to OCD for review prior to signing and submitting the approved contract version.
Insurance Requirements	Provide project sponsor’s most recent Certificate of Liability insurance showing “ <b>Washington County, its officers, agents, elected officials and employees</b> ” listed as an additional insured on the policy along with the additional insured endorsement certificate. Refer to the section, “Insurance Requirements” at the end of this section for further instructions on the types and amounts of insurance that is required.
FFATA Checklist	Refer to the checklist at the end of this section for further instructions.
Faith-Based Checklist	Refer to the checklist at the end of this section for further instructions.
Section 504 Checklist	Refer to the checklist at the end of this section for further instructions.
Matching Funds letter	According to program policy, project sponsors have <b><u>90 days</u></b> after the Notice of Award to verify the availability of matching funds for the project as proposed in the application. <b><i>Please note this requirement and submit the letter to this office by that date designated in your Notice of Award letter verifying that all proposed funds are in place for the project.</i></b>

Following receipt and review of the completed contract exhibits and all other requested items, OCD staff will prepare agreements and send them to the project sponsor for endorsement along with the Promissory Note. OCD staff will then send the fully executed agreement along with the Notice to Proceed.

**EXAMPLE – EXHIBIT A**

**PROJECT DESCRIPTION, SCOPE OF ACTIVITIES AND  
ANTICIPATED ACCOMPLISHMENTS**

- I. **Project Number and Title:**  
CDBG Project #XXXX—Action Non-Profit Northwest – group home upgrades
- II. **Description of: Project, Activities, Anticipated Accomplishments, Low and Moderate or Other Target Group Beneficiaries.**
- A. **Nature and Purpose of the Project:**  
Rehabilitate one group home located in the Tigard area. The group home, which serves adult persons with developmental disabilities, is older and in need of repairs. Rehabilitation activities will include such critically needed repairs as creation of a secondary fire exit; HVAC system; and the remodeling of bathrooms. CDBG funds will also provide for a Construction Project Manager Position to oversee the project.
- B. **Proposed Location or Impact Area(s):**  
XXXX SW Tigard St, Tigard, OR
- C. **Duration/Timing of the Project:**  
July 1, 20XX thru June 30, 20XX
- D. **Number of Low and Moderate Income or Target Group Beneficiaries:**  
  
4 developmentally disabled adults
- E. **Component Activities (CDBG vs. Others):**  
  
CDBG = \$150,000.00      Agency = \$55,000.00
- F. **Quantitative Projections for CDBG Component Activities (in units, linear feet, square feet, etc.) for all acquisitions, construction, reconstruction, rehabilitation, etc.:**  
  
CDBG funds will be used to fund one staff salary and benefits, as well as operating costs that include office supplies, professional services, and construction costs for one group home upgrade.

**EXAMPLE – EXHIBIT B**

		Project Number:	XXXX
		Project Year (funded):	20XX
<b>Budget Summary (2 page form)</b>			
Community Development Block Grant			
Project Title: Group home upgrades			
Legal Name of Entity: Action Non-Profit Northwest			
Address: XXXX SW Tigard Street		City: Tigard	State: OR Zip: 97223
<b>I. BUDGET LINE ITEMS</b>			
<b>A. Personnel Services</b>			
<b>1. No. of Employees</b>	<b>2. Job Title</b>	<b>3. Total Salary</b>	<b>4. Portion Chargeable to CDBG</b>
1	Project Coordinator	\$ 54,950.00	\$ 23,450.00
5. Subtotal		\$ 54,950.00	\$ 23,450.00
6. Extra Help/Overtime			
7. Fringe Benefits		\$ 23,550.00	\$ 10,050.00
8. TOTAL PERSONNEL COSTS		\$ 78,500.00	\$ 33,500.00
		<b>Materials and Services</b>	<b>Portion Chargeable to CDBG</b>
<b>I.B. Materials and Supplies</b>			
9. Office Supplies		\$ 500.00	\$ 500.00
10. Operating Supplies			
11. Communications			
12. Travel and Training		\$ 1,000.00	\$ 1,000.00
13. Legal & Public Notices			
14. Professional Services		\$ 20,000.00	\$ 10,000.00
15. Construction Contracts			
16. Other: Specify			
17. TOTAL MATERIALS AND SERVICES		\$ 21,500.00	\$ 11,500.00



<b>C. CAPITAL OUTLAY</b>			<b>Total Capital Outlay</b>	
18. Capital Outlay	Quantity	Item		
19. Real Property Acquisition				
20. TOTAL CAPITAL OUTLAY			\$ -	
			<b>21. Total Project Cost</b>	
			<b>\$ 100,000.00</b>	
<b>II. SOURCES OF PROJECT FUNDING</b>				
1. Federal				
2. State			\$ 30,000.00	
3. Local Cash			\$ 15,000.00	
4. County				
5. In-Kind Service and Supply				
6. Other (detail)			\$ 10,000.00	
7. Subtotal			\$ 55,000.00	
8. CDGB			\$ 45,000.00	
<b>9. TOTAL PROJECT COST</b>			<b>\$ 100,000.00</b>	
<b>III. AUTHORIZATION</b>				
<u>2/10/XX</u> Date		<i>Mary Smith</i> Authorized Signature for Project		
<u>2/10/XX</u> Date		<i>John Cage</i> Authorized Signature for Project		
COUNTY USE ONLY Reviewed and approved by Washington County Office of Community Development on 4/16/20XX by _____ Signature				

## **INSURANCE REQUIREMENTS**

*(Taken from the CDBG Boilerplate Grant Agreement for Public Facility Projects Sponsored by Non-profits)*

- A. Agency shall provide insurance coverage and limits as described below. All insurance carried by Agency must be primary to and non-contributory with any insurance, including any self-insurance or retentions carried by the County.
- B. **Workers' Compensation Insurance.** Agency shall comply with [ORS 656.017](#), which requires subject employers to provide Oregon workers' compensation coverage for all their subject workers. No Workers' Compensation Insurance has been or will be obtained by the County for Agency or Agency's employees and subcontractors. Agency shall provide and maintain workers' compensation coverage for its employees, officers, agents or partners as required by applicable workers' compensation laws including employers' liability with limits not less than \$500,000/ \$500,000/ \$500,000.
- C. **Commercial General Liability Insurance.** Agency shall at all times carry a Commercial General Liability insurance policy for at least \$1,000,000 per occurrence and at least \$2,000,000 in the aggregate per project, for Bodily Injury, Property Damage, and Personal Injury. This insurance shall include contractual liability coverage for the indemnity provided under this Agreement.
- D. **Automobile Liability Insurance.** Agency shall at all times carry Automobile Liability Insurance in the amount of \$1,000,000 combined single limit per accident for Bodily Injury and property damage for Agency's vehicles, whether owned, hired, or non-owned, which coverage is for Washington County, its agents, officers, elected officials and employees.
- E. **Professional Liability/Errors and Omissions Insurance.** Agency shall at all times carry a Professional Liability/Errors and Omissions type insurance policy with limits of not less than \$1,000,000 each occurrence (or each claim if coverage is afforded on a claims made basis) and \$2,000,000 in the annual aggregate. If this policy is a "claims made" type policy, the policy type and company shall be approved by Washington County prior to commencement of the Work.
- F. **Physical Abuse and Molestation Insurance** with limits of not less than \$1,000,000 to cover actual or threatened physical abuse, mental injury, sexual molestation, or negligent employment, supervision, investigation, reporting to proper authorities or retention of any person for whom the Agency is responsible for, including but not limited to Agency and Agency's employees and volunteers. Coverage can be provided by a separate policy or as an endorsement to the general or professional liability policies.
- G. **Extended Reporting Coverage ("Tail Coverage").** For Professional Liability/Errors & Omissions Insurance written on a "claims made" basis and for any other required liability insurance provided on a "claims made" basis, Agency shall provide "tail" coverage at the completion of the contract for a duration of thirty-six (36) months or continuous "claims made" liability coverage provided for thirty-six (36) months following contract completion. Continuous "claims made" coverage will be acceptable in lieu of "tail" coverage provided the retroactive date of the coverage is on or before the effective date of this Agreement.
- H. **Bonding.** The Agency shall ensure that every director, officer or employee who is authorized to

act on behalf of the Agency for the purpose of receiving or depositing funds into Agency project accounts or issuing financial documents, checks, or other instruments of payment for projects be bonded or covered under a commercial crime policy to provide for protection against loss. The bond or commercial crime policy must be endorsed to add "Client Coverage". The amount of the coverage must be \$100,000 or the total amount received by Agency pursuant to this Agreement, whichever is greater, and must be secured until the entire amount is repaid in accordance with the terms of the Promissory Note and Trust Deed. The Agency shall provide the County with a copy of the bonding instrument or a certification of coverage from the bonding company or commercial crime policy issuer.

- I. **Maximum Deductible/Retention.** Any deductible or retention must be disclosed on the certificate of insurance and no deductible or retention may exceed \$25,000 without the prior written consent of the County.
- J. **Additional Insureds.** The County, its agents, officers, elected officials and employees all while acting in their official capacity as such, must be named as additional insureds on all insurance, other than worker's compensation insurance and professional liability insurance, required under this Agreement. The additional insured status must include both ongoing and completed operations and must be continued for at least 24 months after the project is completed and accepted. Such insurance shall include "cross-liability" coverage as provided under the standard ISO forms "Separation of Insured" clause.
- K. **Proof of Insurance.** Agency shall deliver to the County, prior to the commencement of the work, a certificate of insurance evidencing all policies required by this Agreement including additional insured provisions afforded by the policy. This requirement can be satisfied by providing a copy of the coverage form and/or the endorsement(s).

Further, it shall be an affirmative obligation of the Agency to notify the County within two (2) business days of the cancellation or substantive change of any insurance policy or endorsement required herein, and failure to do so shall constitute a breach of this Agreement.

- L. **Subcontractor/ Subgrantee Insurance.** Agency shall require and verify that all of its subcontractors or subgrantees of any tier provide insurance coverage and limits identical to the insurance required of the Agency under this Agreement, unless this requirement is expressly modified or waived by the County.
- M. **Self Insurance.** If the Agency is self insured, for any of its insurance requirements herein, it shall submit satisfactory evidence to the County of the terms and conditions of its own insurance coverage. A certification of self insurance shall constitute compliance with the section.
- N. **Acceptability of Insurers.** All insurance required pursuant to this section shall be issued by an insurance company or companies doing business in the state of Oregon. Insurance is to be placed with a carrier(s) having a Best's rating of no less than A:VII. Any exception must be approved by the County.
- O. **Builders Risk Insurance.** In addition to the requirements above, if this Agreement is for a capital project, the following will also be required:

- a. During the term of this Agreement, for new construction, the Agency shall or shall require the Owner to maintain in force, at its own expense, Builders Risk insurance on an all risk form, including earthquake and flood, for an amount equal to the full amount of this Agreement. Such insurance shall be maintained until the facility has reached substantial completion. The Agency shall or shall require Owner to name Washington County as Additional Insured and Mortgagee under the Builder's Risk insurance policy and any loss shall be adjusted by the Agency, Owner and County, as their interests may appear. The property insurance deductibles will be no more than \$25,000 per occurrence. The Agency shall or shall require the Owner to pay costs not covered because of such deductibles.
  
- b. Insurance - Reconstruction Following Casualty
  - i. Maintenance of Insurance – At its sole cost and expense, the Agency shall or shall require Owner to keep the building and all other improvements on the premises insured throughout the term of this Agreement and the Trust Deed required therein, against loss or damage by fire and such other risks, including earthquake and flood, written on an “all risk” form on a replacement cost basis, including coverage for loss or damage due to leakage of sprinkler systems and coverage for loss or damage due to explosion of steam boilers, pressure vessels, oil or gasoline storage tanks or similar apparatus.
  
  - ii. Insurance Casualties – Insurance Proceeds – In the event of any loss, damage or casualty which is covered by the insurance described in paragraphs (1) and (2) of this subsection M, the parties to this Agreement shall proceed cooperatively to settle the loss and collect the proceeds of such insurance, which proceeds shall be held in trust by the County (including interest earned by County on such proceeds) for use in accordance with the terms of this Agreement. The parties recognize that insurance proceeds shall be used for the purpose of repairing and restoring the improvements damaged by the casualty to their former condition or replacement of the same with equivalent or more suitable improvements.
  
  - iii. Insured casualties – Reconstruction – using such insurance proceeds (set forth in paragraph (ii) above, the parties shall proceed with reasonable diligence as soon as sufficient funds are available to prepare plans and specifications for, and thereafter carry out, all work necessary:
    - (a) to repair and restore the building and/or improvements on the premises damaged by the casualty to their former condition, or
    - (b) to replace said building and/or improvements on the premises to a quality and usefulness for the Project described in the application submitted by the Agency for the CDBG funding and the plans associated therewith, at least equivalent to, or more suitable than, the building and/or improvements which were damaged.
  
- P. The County, in its sole discretion, may waive or modify some or all of the insurance required in Section 11 of this Agreement. Any such waiver or modification must be approved in writing by the County's Risk Manager.

### **FFATA Checklist (contracts \$30,000 and over)**

The Federal Funding Accountability and Transparency act (FFATA) requires the Office of Management and Budget (OMB) to maintain a single, searchable website that contains information on all Federal spending awards. As part of this, Washington County OCD is requiring all agencies that have been awarded funding to complete this form.

<b>To Be Filled Out By OCD Staff</b>	
<b>Program source</b>	
<b>CFDA program number for grant</b>	
<b>Name of agency receiving award</b>	
<b>Amount of award</b>	
<b>Project number</b>	
<b>Award title descriptive of the funding action</b>	
<b>To Be Filled Out By Agency</b>	

Address of the entity including: (Zip + 4)	
Place of performance including: (Zip + 4)	
Congressional district	
Total compensation and names of top five executives*	1.
	2.
	3.
	4.
	5.
Unique Entity Identity (UEI) number	
Central Contractors Registration (CCR) number**	

\*Must give total compensation and names of top five executives if:  
1. More than 80% of annual gross revenues from the federal government, and those revenues are greater than \$25M annually and  
2. Compensation information is not already available through reporting to the SEC.  
\*\*Note: Because CCR registration expires annually, grantees are required to update their CCR information annually.

**How do you get a UEI number?**

Visit <https://www.gsa.gov/about-us/organization/federal-acquisition-service/office-of-systems-management/integrated-award-environment-iae/iae-systems-information-kit/unique-entity-identifier-update> for guidance.

Staff use only

**What is a CCR and how do you register?**

CCR stands for Central Contractor Registration, which is the primary registrant data Federal Government. CCR collects, validates, stores and disseminates data in support of agency acquisition missions. Here is the link to information needed to register and become familiar with CCR:

- Registration information: <https://www.sam.gov/portal/public/SAM/>

***Please sign below certifying that the above information is correct:***

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

**Washington County Office of Community Development Checklist Relating to Faith-Based Organizations Seeking CDBG or HOME Funds**

In September 2003, the US Department of Housing and Urban Development (HUD) provided new guidelines that expanded the ways in which Faith-Based Organizations may participate in HUD programs. (24 CFR Part 92 et al.) To ensure that Washington County is up-to-date in complying with these new regulations, the Office of Community Development is requiring ALL APPLICANTS for CDBG or HOME funds to complete this checklist, whether or not your organization is a Faith- Based Organization. Organizations that are not faith-based may simply complete Section A, answer the first question in Section B in the negative, and complete Section C and return the application to the Office of Community Development. Please complete one of these for each application that you submit, as some of the answers might be different for various programs.

**If you have any questions or would like assistance, please contact 503-846-8814.**

Please complete this form and  
return it to: Washington County  
Office of Community  
Development 328 W.  
Main St., Suite 100  
Hillsboro, OR

A. General Information

Name of Organization: \_

---

Name and Title of Contact Person: \_

---

Project: \_

---

Contact Phone Number: \_

---

B. Questions About Your Agency and Project:

*Please answer all required questions.*

1. Does your organization provide inherently religious activities, such as worship, religious instruction or proselytization? \_\_\_

**If yes, please complete the remainder of Section B. If no, proceed to Section C.**

- 2a. When and where does your organization offer religious activities? Please be

specific.

- 2b. When and where does your organization offer the services to be funded with HUD funds? Please be specific.
- 2c. Are these religious activities offered separately in time from the assistance to be funded with HUD funds? \_\_\_\_\_ Please explain.
- 2d. Are these religious activities offered in a separate location from the assistance to be funded with HUD funds? \_\_\_\_\_ Please explain.
- 3. Is participation in the religious activities voluntary for the beneficiaries of the HUD-funded assistance? \_\_\_\_\_ Please explain.
- 4. Is the HUD-funded assistance that your organization offers open to all, without respect to religion or religious belief? \_\_\_\_\_ Please explain.
- 5. Does your organization take religion into consideration in the employment of individuals to perform work for your organization? \_\_\_\_\_ If yes, please explain.
- 6a. Are you planning to use HUD funds for the acquisition, construction or rehabilitation of a structure or site? \_\_\_\_\_ If yes, please proceed to 6b. If no, please proceed to Section C.
- 6b. Will a part of that structure or site be used to inherently religious activities? \_\_\_\_\_ If yes, please answer 6c-f below. If no, please proceed to Section C.
- 6c. What part of the structure or site will be used for inherently religious activities?
- 6d. What part of the structure or site will be paid for with HUD funds?
- 6e. Can the portion of the structure or site funded with HUD funds be clearly distinguished from the portion where religious activities will occur? \_\_\_\_\_ If yes, please describe how this can be accomplished.
- 6f. Please complete the chart below:

	Total Structure	HUD-Funded Portion of Structure	Portion Where Religious Activities Will Occur
Square feet			
Cost (\$)			



C. Assurances and Signature

**I am an authorized representative of the organization described in Section A. I affirm that all of the statements on this form are true and accurate.**

---

Signature \_\_\_\_\_ Date \_\_\_\_\_

Name: \_\_\_\_\_

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

## **Instructions for the Section 504 Checklist**

This checklist is designed to assess your organization's compliance with requirements under Section 504 of the Rehabilitation Act of 1973.

These requirements are based on the regulations governing Section 504 of the Rehabilitation Act of 1973 ([24 CFR 8](#)), the Fair Housing Act ([24 CFR 100](#)), and the Uniform Federal Accessibility Standards (UFAS) ([24 CFR 8.32](#) and Appendix A to [24 CFR 40](#)).

Regarding compliance with Section 504 communications provisions, [24 CFR 8.6](#) requires that your organization take appropriate steps to ensure effective communication with applicants, beneficiaries, and members of the public. In effect, this means that, "to the maximum extent possible," persons with disabilities receive the benefits and services of the CDBG funded program or activity. You are not, however, required to take actions that can be demonstrated to result in a fundamental alteration in the nature of a program or activity or in undue financial and administrative burdens.

With respect to the accessibility of non-housing facilities, [24 CFR 8.21](#) and [8.32\(a\)](#) requires the design and construction of all new non-housing facilities to be readily accessible to, and usable by, persons with disabilities. The regulations also require alterations to existing non-housing facilities to make such facilities accessible to, and usable by, persons with disabilities, unless such alterations result in a fundamental change to the nature of the program or an undue financial and administrative burden.

Program accessibility requirements under Section 504, at [24 CFR 8.4](#) and [8.20](#), call for your organization to operate its non-housing programs or activities in ways that makes them readily accessible to, and usable by, persons with disabilities, unless it can be demonstrated that the actions taken to make these programs accessible would fundamentally change the nature of the program or impose undue financial or administrative burdens.

Please note that Section 504 record keeping requirements (at [24 CFR 8.55](#)) will be reviewed at your CDBG monitoring visit. OCD staff will examine applicable records maintained by your organization to determine that, not only are such records available, but that they correspond to information contained in performance and other reports submitted to OCD. While a lack of documentation may not imply discrimination, your organization's data serves as a basis for further investigation of compliance with nondiscrimination requirements.

## Section 504 Checklist

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

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

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

Email: \_\_\_\_\_

### Questions:

A. ACCESSIBILITY PROCEDURES

1.

If your organization has 15 or more employees, does it have a formal, written grievance procedure for resolution of complaints alleging discrimination based on disability? (If yes, obtain copy for FHEO review of due process standards.) [24 CFR 8.53(b)]	Yes	No	N/A
<b>Describe Basis for Conclusion:</b>  _____  _____  _____			

B. ACCESSIBILITY OF NON-HOUSING FACILITIES

2.

Does your organization maintain documentation (e.g., blueprints and construction specifications) that all new non-housing facilities assisted with CPD program funds are being designed and constructed to be readily accessible to, and usable by, persons with disabilities in conformance with accessibility requirements?	Yes	No	
<b>Describe Basis for Conclusion:</b>  _____  _____  _____			

3.

Do your organization's records indicate that, if any alterations have been made to existing non-housing facilities, that such alterations have made these facilities usable by, and accessible to, persons with disabilities?	Yes	No	N/A
<b>Describe Basis for Conclusion:</b>  _____  _____  _____			

C. ACCESSIBILITY OF HOUSING PROGRAMS

4.

Do records indicate that programs or activities are readily accessible to, and usable by, persons with disabilities? [24 CFR 8.4, 24 CFR 8.20, 24 CFR 8.21(c)(2)]	<table border="1"> <tr> <td style="text-align: center;">Yes</td> <td style="text-align: center;">No</td> </tr> </table>	Yes	No
Yes	No		
<b>Describe Basis for Conclusion:</b>			

D. COMMUNICATIONS

5.

a. Has your organization taken steps to ensure effective communication with applicants, beneficiaries, and members of the public who have hearing, vision, or speech impairments using: <ul style="list-style-type: none"> <li>i. Qualified sign language and oral interpreters?</li> <li>ii. Readers?</li> <li>iii. Use of tapes?</li> <li>iv. Braille materials?</li> <li>v. TTD?</li> <li>vi. Other (describe below)?</li> </ul> [24 CFR 8.6]	<table border="1"> <tr> <td style="text-align: center;">Yes</td> <td style="text-align: center;">No</td> </tr> </table>	Yes	No
Yes	No		
<b>Describe Basis for Conclusion:</b>			

b. If the answer to "a" above is "no," describe the method(s) used by your organization to facilitate effective communication.
<b>Describe Basis for Conclusion:</b>

6.

Has your organization adopted and implemented procedures to ensure that interested persons (including those with impaired vision or hearing) can obtain information concerning the existence and location of accessible services, activities and facilities? [24 CFR 8.6(b)]	<table border="1"> <tr> <td style="text-align: center;">Yes</td> <td style="text-align: center;">No</td> </tr> </table>	Yes	No
Yes	No		
<b>Describe Basis for Conclusion:</b>			

7.

Is there documentation to show steps that your organization has undertaken to attract persons with disabilities, such as: making buildings more accessible to persons with physical disabilities; home visits to assist applicants for program benefits in filling out applications; supplying sign language interpreters for public meetings on issues relating to your programs? [24 CFR 8.54(b) and (c)]	<table border="1"> <tr> <td data-bbox="1307 262 1437 441">Yes</td> <td data-bbox="1437 262 1550 441">No</td> </tr> </table>	Yes	No
Yes	No		
<b>Describe Basis for Conclusion:</b>			

E. RECORD KEEPING

8.

Does your organization maintain data for compliance purposes showing the extent to which persons with disabilities are beneficiaries of the program(s) being reviewed? [24 CFR 8.55 (b) and 24 CFR 8.121]	<table border="1"> <tr> <td data-bbox="1307 697 1437 808">Yes</td> <td data-bbox="1437 697 1550 808">No</td> </tr> </table>	Yes	No
Yes	No		
<b>Describe Basis for Conclusion:</b>			

9.

Are copies of your organization's Reasonable Accommodation Policy, Section 504 Self-Evaluation Form and Transition Plan available for review?	<table border="1"> <tr> <td data-bbox="1258 995 1372 1102">Yes</td> <td data-bbox="1372 995 1469 1102">No</td> <td data-bbox="1469 995 1550 1102">N/A</td> </tr> </table>	Yes	No	N/A
Yes	No	N/A		
<b>Describe Basis for Conclusion:</b>				

## **Section VIII: Finance/Accounting Overview**

## **FINANCE/ACCOUNTING**

The following procedures are guidelines that should be adhered to in financial transactions in order to meet federal requirements under Washington County Office of Community Development's Community Development Block Grant (CDBG) Program.

### **FINANCIAL PROCEDURES**

To assist sponsors in meeting the financial guidelines, OCD has developed standard policies and procedures under the following sections for:

- 1) Authorizations
- 2) Budgeting/Budget Summary
- 3) Budget Revisions
- 4) Contingency Funds
- 5) Surplus Project Funds
- 6) Program Income
- 7) How to Submit a Voucher Request for Reimbursement

Limited technical assistance in setting up proper internal controls and record keeping can be obtained through OCD. However, sponsors will be ultimately held responsible for management of their project and budget.

#### **Authorizations**

In order to ensure that financial information including budgets, budget revisions and requests for payment are properly authorized, all forms and/or submissions will require the signature of the chief executive/financial officer, or their designee. Additional personnel authorized to sign/submit financial documents are maintained within the ZoomGrants system and are listed as authorized financial collaborators.

#### **Budgeting/Budget Summary**

The Budget Summary form is used in conjunction with the Voucher Request and Program Accomplishments. It is designed to enable sponsors, program staff, County finance and federal auditors to identify and track the expenditure of program funds. The sponsor, prior to executing a standard contract with the County, must complete the Budget Summary form. Upon receipt of the Budget Summary, OCD will prepare the standard project contract which incorporates the Project Description and Scope of Activities, and Budget Summary as exhibits.

#### **Claiming Volunteer Hours as Match**

In general, the following rules apply to volunteers:

A person cannot be a volunteer if the person is otherwise employed at any time on the project activity in the construction or maintenance work for which the person volunteers.

- Volunteers cannot be paid to provide materials or supplies unless the recipient has obtained the materials/supplies through a competitive process under the appropriate procurement rules.

- Persons providing work subject to the Davis-Bacon Act (laborers and mechanics in the construction trades) must be paid the applicable federal prevailing wage unless they meet the requirements for volunteers contained in 24 CFR Part 70.3 entitled “Use of Volunteers on Projects Subject to Davis-Bacon and HUD-Determined Wage Rates.” This rule is available, upon request, from the department.

In-Kind value of volunteer labor for the purpose of documenting local match, the Office of Community Development has established that volunteer labor is to be valued as follows:

- The time of a person who donates their professional skills shall be credited at their standard hourly fee. For example, a lawyer who donates their time to provide legal services.
- The time of a person that provides labor for which they are not normally paid shall be credited at the area’s current minimum wage. For example, a teacher that volunteers to perform carpentry work.

### **Budget Revisions**

A request for a Budget Revision must be submitted to the Office of Community Development before a sponsor:

- (1) Overspends in one cost category and proposes to use the surplus remaining in another cost category to cover any shortfall; or
- (2) Allows costs for any category or the total unobligated balance of project funds to be reduced to a level that is inadequate to meet current or anticipated obligations.

### **Contingency Funds**

Requests for the use of contingency funds may only be requested for a public facility or infrastructure project, as the amount of funding that is allowed to be spent on Public service activities is capped at 15% of the annual CDBG award received from HUD. Contingency funding requests must be made in writing in accordance with current program policies and prior to incurring costs. (See Program Policy Manual, policy number 4.) The request shall state the amount of funds requested and documentation of how that number was derived, as well as the circumstances that caused the need for additional funding. The sponsor must conclusively demonstrate that efforts have been made to contain cost overruns and to fund the additional expense from a source other than CDBG funds.

### **Surplus Project Funds**

Surplus project funds that result from completing a project under budget shall be reported to OCD as soon as practicable. Sponsors must obtain written approval from OCD if they wish to use any surplus project funds. Such requests must be made in writing prior to incurring costs. Costs must be related to the project for which your agency originally received the CDBG funds. Unspent surplus income shall be returned to the program to be used as reprogrammable income. (See Program Policy Manual, policy number 3.) If a project’s expiration date is approaching and you think you need more time to spend the remaining funds, you should contact the Senior Community Development Specialist as soon as possible.

### **Program Income**



Program income is defined as any funds accruing to a sponsor as a result of using CDBG resources. Examples include rental fees from the use of a community facility, sale proceeds from purchased equipment or property, and fees charged for services funded by program resources.

Sponsors are required to keep records of the sources of program income, reporting unanticipated program income as soon as possible. The use of all program income must be documented.

Program income may be used to support the operation of a CDBG program activity. Program income not used to continue or benefit the original CDBG activity shall be returned to the program.

### **How to Submit a Voucher Request for Reimbursement**

Reimbursement vouchers are submitted with relevant back-up documentation through ZoomGrants.

Project sponsors need to understand the difference between direct costs and indirect costs, and be aware of which type of costs are being charged to the CDBG grant. Direct Costs are costs that only benefit one program or activity. Indirect costs are those costs that benefit more than one activity or program. **If you are going to be charging indirect costs, you MUST have a federally approved cost allocation plan with an established indirect cost rate or use the de minimus rate to charge indirect costs.** This plan must be submitted to this office for approval. If you gave an internal allocation plan but it has not been approved by a federal agency, we can NOT pay for those indirect costs. This is a requirement.

Project sponsors should contact OCD with any questions about indirect cost rates to address any issues quickly and reduce any delays in processing vouchers.

When sponsors receive billings or incur costs for projects, the amount due can be paid and then reimbursement may be requested from OCD, or the sponsor may request reimbursement from OCD and then pay the amount due. The sponsor must disburse any reimbursement or combination of reimbursement made by the Washington County Office of Community Development that exceeds \$5,000 within 72 hours of receipt.

Costs which are charged must be included in the approved Budget Summary and must be allowable under [2 CFR Part 200 Subpart E](#).

To request payment for projects, the voucher request form must be completed in ZoomGrants. The voucher request includes the amount requested, by cost category, according to the approved budget for the project. After the voucher has been processed, the voucher form will be returned along with check payments. The voucher form is not emailed or sent for payments made electronically.

## **HOW TO SUBMIT AN INVOICE FOR REIMBURSEMENT**

BOX 1 This box is auto populated by ZoomGrants/OCD staff

**PO Number** --- County generated PO number.

Release # --- County generated sequential release number

**Account Code** --- County generated for payment processing and GL allocation(s).

**Environmental Release Date** — For most projects, the environmental release date is July 1<sup>st</sup> of the year the project is funded. To be sure, check the letter you receive from this office that gives you your “Notice to Proceed.” This letter usually accompanies your fully executed copy of the contract. The date specified in the letter is the date you can start expending grant funds. **You cannot incur costs prior to the environmental release date (the start date of your project).**

**Funding Year** — if you have a project that began July1, 20XX it will ALWAYS be that same year project whether it is a one year or two year project.

**Project Number** --- this identifies project and is unique to each project.

The screenshot shows the ZOOMGRANTS application interface. At the top, there is a navigation bar with the ZOOMGRANTS logo and several menu items: "How do I do this?", "Email This Voucher Request", "Save as PDF", "Print", "Close Window", and "A ▲ ▼". Below the navigation bar, the form displays the following information:

Name of Organization	Washington County Office of Community Development
Name of Project	CDBG Public Services 2023-2024 (1 year)
P.O. Number	XXXXXX
Release #	
Account Code	XXX-XXXXXX-XXXXX-XXXXXXX
Environmental Release Date	mm/dd/yyyy
Funding Year	23-24
Project #	XXXX

## **BOX 2**

**Total Requested** — this field will show the total of what you have requested for a prior invoice request. To see this you need to pull up a prior invoice. It will be empty for a new invoice request. Once you fill out a new invoice, hit the refresh button and the requested amount for this invoice will appear.

**Funding Amount Approved** — this box will only show what has been approved from a prior invoice request. It’s an easy way to check to see if an invoice has been approved.

**Date submitted** --- This field will be filled once you hit the Submit invoice Request button. Use the [Delete This Invoice Request] button to remove the invoice.

**Invoice Request Contact** --- This is the preparer. A preparer is the person who fills out the invoice and attaches the back-up documentation. A preparer **CAN** also be an authorized signer, but does not have to be.

**Invoice Request Number** --- You will need to generate an invoice number for this field. Please keep your numbering system consistent for better clarity.

**Show/Hide Invoice Request Status** --- This box will show history/status of invoice requests and funding balance.

<b>Name of Organization</b>	Tel: XXX-XXX-XXXX Fax: XXX-XXX-XXXX	<b>Project Contact</b> Name email address Tel: XXX-XXX-XXXX
Address City, State, Zip	EIN: XX-XXXXXXX	
<b>Total Requested</b> \$ 6,905.00	<b>Date Submitted</b> mm/dd/yyyy	<b>Voucher Request Contact</b> Name email address Tel: XXX-XXX-XXXX
<b>Funding Amount Approved</b> \$ 6,905.00	Return to Applicant	
	<b>Voucher Request Number</b> <input type="text"/>	

**Funding Uses/Expenses Line Items** --- Use only the lines that are in your approved budget. Enter the amount you are requesting for this time period. Once you refresh your invoice, your total should match Total Requested box. When using an "Other" line, you **must** add a description.

\*\*\*Be aware that the system will allow a line item to go into a negative balance. If you experience a negative balance you will need to lower the amount requested. If you feel you need to adjust your approved budget in any way you should contact OCD immediately before incurring any more costs. You can locate the Budget Revision Request form in your ZoomGrants Library. OCD **will not** approve any invoice that shows a negative line-item balance.

<b>Funding Uses/Expenses</b>			
<b>Line Item</b> <i>(from application)</i>	<b>Description</b>	<b>Requested</b>	<b>Funding Amount Approved</b>
Personnel Costs			\$ <input type="text"/>
Office Supplies			\$ <input type="text"/>
Operating Supplies			\$ <input type="text"/>
Communications			\$ <input type="text"/>
Travel & Training			\$ <input type="text"/>
Legal & Public Notices			\$ <input type="text"/>
Professional Services			\$ <input type="text"/>
Construction Costs			\$ <input type="text"/>
Capital Outlay			\$ <input type="text"/>
Property Acquisition			\$ <input type="text"/>
Relocation Expenses			\$ <input type="text"/>
Appraisal Fees			\$ <input type="text"/>
Other:	Emergency Rent Assistance	\$6,905.00	\$ 6905
Other:			\$ <input type="text"/>
Other:			\$ <input type="text"/>
Other:			\$ <input type="text"/>
		<b>\$6,905.00</b>	<b>\$6,905.00</b>

## **QUESTIONS**

**Question 1** --- Enter date parameters in which the costs were incurred. Example: Mar 1 – Apr 30 20XX

**Question 2** --- If you have an approved Budget Revision, enter the number of the most recent request. Enter a zero (0) if you have not had a budget revision.

**Question 3** --- This question pertains to the Line Item Details – Personnel Costs. If applicable, list name(s) and position(s) of all employees funded this quarter.

**Invoice Request Certification** --- The person submitting the invoice will have their name added (signed) to the voucher request certification statement.

**Documents Requested** --- Please attach all back-up documentation pertaining to the funds requested for this invoice. Vouchers will not be processed or paid if adequate documentation is not included.

**1. The costs presented in this request were incurred between the time periods of (dates):**  
 June 1st,2024-June 30th,2024

**2. Please include the most recent budget revision # and approval date. If you have not had a Budget Revision please enter 0.**  
 0

**3. Personnel (State names of employees funded in whole or in part by Block Grant during quarter)**  
 Name 1, Name 2...

Documents Requested *	Required?	Uploaded Documents *
Voucher Request Back-up Documentation (E.g. Timesheets, receipts, etc.)	<input checked="" type="checkbox"/>	Voucher Request XXXXXX
Budget Revision	<input type="checkbox"/>	-none-

*\* ZoomGrants™ is not responsible for the content of uploaded documents.*

**Voucher Request Certification**

1). I (we) certify that two authorized signers have reviewed and approved this voucher request, that to the best of our knowledge and belief this report is correct and complete, and that all expenditures and obligations are for the purpose set forth in the grant award documents. Items of cost were determined allowable under 2 CFR Part 200 OMB Super Circular. Funds drawn will be disbursed within 72 hours after receipt if the amount drawn exceeds \$5,000.

2). By signature below, I (we) understand that these funds are from the Community Development Block Grant Program (CFDA #14.218) and as such, are subject to the requirements of that federal program.

Signed by:  
 Digital Signature  
 Date/Time Stamp

**BACK-UP DOCUMENTATION**

Back-up documentation is a critical component of your request for reimbursement.

One of the areas that seem to cause the most problems is providing documentation for staff salaries (personnel line item) when staff work in multiple programs/projects. The reason for that is because you must track ACTUAL HOURS spent on the CDBG projects as opposed to an approximation or PERCENTAGE of hours.

For personnel charges, you need to provide timesheets that clearly show the hours you and/or your staff worked on this CDBG project. If you spent 5 hours on Monday, 3 hours on Tuesday, and 6 hours on Wednesday working on the CDBG, it should be reflected this way on your timesheet. Work with your agency’s finance person to be sure that your timesheets can accommodate tracking your hours in such a way.

**EXAMPLE:** Employee A works 110 hours in one month on the CDBG project, and has an hourly wage of

\$10.00. The timesheet would reflect the 110 hours spent on the CDBG project and would note the hourly wage for a total of \$1,100. If applicable (i.e., if taxes and fringe benefits are included in your budget) you would need to then calculate the appropriate amount for taxes and fringe benefits that are relevant to the \$1,100 and submit that amount along with the timesheet. The total of salary and taxes and benefits would be the amount shown under Personnel on page 1 of the voucher.

You CANNOT round off and say Employee A worked 64% of his/her time on the CDBG project. Percentages are ONLY allowed if you have a federally-approved indirect cost rate which OCD has reviewed and approved.

If you have multiple employees, you should provide some kind of summary sheet (in addition to the timesheets) that shows what you are requesting.

#### **Office Supplies/Operating/Travel/Communications/Legal Notices**

If you have multiple invoices/sales slips for reimbursement for any of the above line items, you should copy the bills legibly and highlight the amount on each invoice. For each line item category, it helps to attach a calculator tape or spread sheet to the first page showing the total for all receipts.

The amount on the calculator tape will equal the amount on page 1 on the voucher for that line item.

If you have funds budgeted in the professional service line item or the construction line item, provide the professional invoices that detail the work completed and the amount requested.

If you are using CDBG to pay a portion of a bill, mark on the bill "\$XXX charged to CDBG and \$XXX charged to \_\_\_\_ (name other program). Or another way to indicate this would be to write on the invoice "Charge only \$XXX to CDBG." Then highlight that amount.

The important thing to remember is to prepare your voucher with a clear connection between your invoices and your total request for payment.

## PROGRAM ACCOMPLISHMENTS

**Public Facilities and Infrastructure projects are required to fill out sections 1 – 5 of page three (3). Some Public Facility projects, for example group home acquisitions, will be required to include Program Accomplishments on pages three (3) and four (4) on its final voucher request.**

- Item 1 = PERSONNEL — In this section, you should list the names of the agency personnel that are funded with this grant. If employees are funded in whole or in part with block grant dollars, their names should be listed here.
- Item 2 = TASK PERFORMED — In this section, you should put a short narrative describing the work accomplished with the funds for which you are requesting reimbursement.

If you are a public service or housing project, you may have on-going activities such as case management, provision of services like counseling, weatherization activities, after-school activities, etc. If you are a construction project, you may be in the design and engineering phase or you may be in the construction phase pouring concrete, laying pipe, installing equipment, etc. Describe what tasks were performed for which you are requesting reimbursement.

- Item 3 = UNITS OF SERVICE COMPLETED — In this section, you will be providing information on accomplishments. Before you can fill this out, you need to know what the contract states you will accomplish overall. Look at **Exhibit A** of the contract under “Number of Low and Moderate Income or Target Group Beneficiaries (public service projects) or Quantitative Projections” (construction projects). This will tell you what will be accomplished with this contract.

Description – describes the unit of service being provided (low/mod income people, lineal feet of pipe/sidewalk/pavement, # of manhole covers, houses to be repaired etc.)

Proposed total (#) to be provided – take this number from Exhibit A.

Actual total provided this request – how many NEW (**beneficiaries can only be counted once**) low and moderate income persons did you serve this reporting period (public service projects) or how many feet of pipe/sidewalk/pavement was laid, sq. ft. of foundation poured, # of houses repaired or weatherized. Sometimes this isn't cut and dry for construction projects so you have to do the best you can with what you know.

Provided Cumulative to Date – how many units of service (as described

above) you have completed in total.

- Item 4 = EXPLANATION — This section should indicate any unexpected and/or significant changes in project output. If you are halfway through a project, and you have served only 25% of the people to-date, you should let us know that. Indicate what the problem is and how you are handling it.
- Item 5 = PERFORMANCE MEASUREMENTS INDICATORS — Number of persons assisted (CHOOSE ONE INDICATOR ONLY).

**What is the difference between new or improved access?**

### **PUBLIC SERVICES**

Where a service or facility did not exist, the assistance provided results in "new" access to that service or facility. Where a service/facility was limited in size or capacity, and the assistance expanded the existing service or facility, the result would be "improved" access.

New access to a service is when a service is offered for the first time. This indicator would be used in the instance when a public service has not previously been available to these households. For instance, the sponsor might elect to fund a new job transportation service for working mothers. No such program currently exists in the area and so this is access to a new service for these households.

Improved access to a service is when a service was offered, but the public service activity allowed the sponsor to expand the service, in terms of size, capacity, or location. For instance, assume that an existing meals on wheels program only provided lunch and the expanded service provides lunch and dinner service. For these elderly households, this would constitute improved access. If a sponsor is re-funding an ongoing program, the improved access indicator is generally used.

### **PUBLIC FACILITIES/INFRASTRUCTURE IMPROVEMENTS**

New access to a public facility is when the facility did not previously exist and is provided for the first time. Examples are the construction of a new sewer line for a low-income neighborhood. Or rehabilitation of an abandoned building to be used as a center for training severely disabled persons to enable them to live independently provides new access to this type of facility for the targeted population.

Improved access to a public facility or infrastructure is when the facility or infrastructure is improved or expanded, enabling the grantee to expand the number of people or type of service the facility provides. For instance, the rehabilitation and expansion of a recreation center that enables the center to serve more people and provide a wider variety of recreational programs. Paving gravel streets and installing curbs, gutters, and sidewalks in a predominantly low-income neighborhood provides improved access to the intended beneficiaries.

### **QUALITY STANDARD/IMPROVED QUALITY**

Where the public facility was used to meet a quality standard or measurably improved quality, the

number of persons that no longer have access to only a substandard facility or infrastructure. For example, rehab of a dilapidated community center that had been closed improves the quality of the facility and the services provided.

Item 6 = **INCOME PROFILE OF PERSONS SERVED (PUBLIC SERVICE PROJECTS ONLY)**

Public Service projects must complete this section to receive payment. This section takes the number of people served and breaks it down by income.

There is a row for “current request” numbers and a row for “cumulative to-date” numbers.

In the row for “current request,” your total # of households/persons served should equal the number in Item 3 “Provided this Request.” Of that number, how many are in the moderate-low- income bracket, how many are in the low-income bracket, and how many are in the extremely low-income bracket? The three income categories should equal the total amount served (current request).

In addition, if your accomplishments are in housing units or households, you will need to collect this data if you are collecting by persons.

Item 7 = **RACIAL/ETHNIC PROFILE OF PERSONS SERVED**

HUD regulations have changed regarding how racial data is collected. There was a shift towards collecting race and ethnicity data similar to how the 2000 Census collected the data. HUD expanded the racial categories to include dual races. Under the new requirements, Hispanic is no longer a racial category. It is an ethnic category, which can overlay race. Ethnicity can be based on language, cultural affiliation, country or origin, customs, ancestry, etc. Clients need to identify their race and whether or not they are Hispanic/Latino. Your income and race totals (item 6 & 7) for both current request and cumulative-to-date should agree.

To obtain your cumulative-to date total, you will need to add the current request figure to the cumulative figure from the previous voucher.

Item 8 = **NUMBER OF DISABLED PERSONS SERVED**

HUD regulations require that CDBG entitlements must collect disability information on applicants receiving program benefits.

Item 9 = **NARRATIVE FOR OTHER MULTI-RACIAL**

Give brief narrative for racial profile (if applicable).

## **Section IX: Monitoring**



## **COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) MONITORING PROCEDURE**

Through onsite and desk monitoring, the OCD staff can determine whether the project sponsor's performance meets CDBG program requirements and improve project performance by providing technical assistance and making recommendations. The specific purposes of monitoring are to:

- Validate the accuracy of information presented project sponsors;
- Follow-up on problems identified during the monitoring visit;
- Determine compliance for those activities where there is sufficient information to make eligibility and/or national objective determinations;
- Evaluate the reasonableness of judgments made for those activities that necessarily involve high levels of program participant judgment;
- Ascertain the Sponsor's ability to ensure that activities carried out meet compliance requirements;
- Verify the accuracy of the project sponsor's records; and,
- Identify apparent causes of any problem(s) and offer recommendations for corrective actions.

### **Eligibility and National Objective Compliance Criteria**

The specific categories of eligible activities under which an activity may be carried out by a project sponsor using CDBG funds are found at [24 CFR 570.201](#) through [24 CFR 570.206](#). The criteria for determining whether an activity addresses one or more of the three national objectives are found at [24 CFR 570.208](#).

### **Documentation**

As described in the CDBG regulations at [24 CFR 570.200\(a\)](#), each Sponsor is required to maintain records that fully describe the assisted activity, including related financial and eligibility information, typically to show that the project funded with CDBG funding is benefitting low and moderate income individuals. The required documentation that must be maintained by the program participant is described at [24 CFR 570.506\(a\)](#) and [\(c\)](#) for eligibility and at [24 CFR 570.506\(b\)](#) for national objectives.

### **Approach to Monitoring**

OCD staff views monitoring not as a once a year or periodic exercise, but as an ongoing process involving continuous communication, analysis of reports and audits, technical assistance, and periodic meetings as needed. It is the responsibility of OCD staff to keep fully informed concerning Sponsor's compliance with program requirements and the extent to which technical assistance is needed.

The overriding goal of monitoring is to ensure that CDBG funds are supporting critical services and projects that benefit low- and moderate-income households and communities. This is done by supporting project sponsors in compliance, prevent/identify deficiencies, and design corrective actions to improve or reinforce Sponsor performance as needed. Any identified deficiencies in need of corrective action will be handled through discussion, negotiation, or technical assistance in a manner

that maximizes collaboration and maintains a positive relationship between project sponsors and OCD staff. Monitoring also provides opportunities to identify project accomplishment as well as successful management, implementation, and evaluation techniques that might be replicated by other project sponsors.

OCD will conduct monitoring throughout the year. OCD staff will revise the Monitoring Checklist annually to determine which are to be monitored. The Program Manager will be provided the monitoring schedule. Past practice has been to monitor all Sponsors who have spent funds since last year, but in years where there may be too many projects to monitor, staff will use their discretion to implement a method to calculate those projects that may be more vulnerable and require monitoring more than others.

### **Monitoring Standards**

Because it is not always possible that OCD staff will be able to monitor all of a project sponsor's activities, projects and/or functions, or even review activities in a specific area spanning a sponsor's entire program year, OCD staff generally review a random sample based on a risk calculation of project files or units to monitor performance. Non-random sampling will be used for projects or programs that have only a few files or units to review, for any projects with unresolved problems remaining from previous monitoring visits, for any new types of projects being undertaken, and/or projects considered high risk. Note that any sample review of project sponsor records that raises questions concerning the accuracy of the data indicates the need for further follow-up.

All new competitively funded CDBG projects contracted in a given fiscal year will be monitored at least once.

Public Facility and infrastructure projects will be monitored towards/at completion of the project – one time only. Site visits will be performed periodically during project construction as funds are drawn down.

### **On-Site Monitoring Procedure**

OCD staff will email to set up an agreed upon time with project sponsor and follow-up with a letter and the monitoring checklist that OCD staff will complete at the monitoring visit. In preparation, the project sponsor should review the monitoring checklist and ensure records are ready for OCD staff's review.

Prior to the monitoring visit, the project sponsor should send a letter certifying that federal funding did or did not trigger the federal single audit requirements. A sample letter template is at the end of this section. This letter should be signed by the Chief Financial Officer or Executive Director and returned to OCD staff before the monitoring visit. Staff will also request a copy of the most recent financial audit, if applicable.

OCD staff will review the project sponsor audit for any findings and record it in a federal tracking database. When possible, OCD will coordinate with the Cities of Beaverton and Hillsboro to monitor projects that receive CDBG funds from multiple jurisdictions jointly.

### **Single Audit Responsibilities**

All sponsors that expend \$1,000,000 or more in federal funds in a year (\$750,000 if be audited for time period prior to October 1, 2024) must meet the audit requirements as specified in [2 CFR 200](#). Additionally, all financial transactions with CDBG monies are subject to federal audit. Each sponsor is required to permit independent auditors access to the records and financial statements at least once a year, or not less frequently than every two years. Sponsors must be prepared to explain how transactions were made, why, and be able to account for any funds expended.

During an audit, the auditor will examine records to ascertain if:

- 1) Funds are properly budgeted and approved;
- 2) Budget revisions have been documented and approved;
- 3) Personnel charges are properly allocated to the block grant and based on payroll documents such as time and attendance records;
- 4) All expenditures can be traced to source documents (i.e., purchase orders, invoices, canceled checks);
- 5) Drawdowns have been timely;
- 6) Only allowable activities have been claimed as costs toward the project;
- 7) The sponsor's accounting system reflects all assets, liabilities, etc.;
- 8) Property has been managed and inventoried properly;
- 9) In-kind costs and costs billed to other funds are clearly documented; and,
- 10) If there are billings for indirect costs, a federally approved indirect rate and allocation plan have been approved by HUD through OCD prior to the expenditure of any CDBG funds.

In addition, the auditor will ascertain if the sponsor's program has been accomplished in the manner set out in the application and/or the contract with the County.

In order for the Washington County CDBG Program to comply with federal regulations, OCD works with grant recipients to expend CDBG funds in the timely manner.

SAMPLE ONLY

**[Insert Agency Name or print on letterhead]**

### Notification of Single Annual Audit

[Insert Date]

As a recipient of a federal loan or grant from Washington County’s Office of Community Development, this letter is intended to fulfill the requirement to provide assurance that as a sub-recipient of federal funds that our organization is in compliance with [2 CFR Part 200](#): Audits of States, Local Governments and Non-profit Organizations). The certification below indicates the amount of federal expenditures from all sources for the fiscal year ended \_\_\_\_\_, 20\_\_.

Please check one of the boxes below:

- Single audit NOT required (Total Federal Expenditures within the fiscal year identified above is less than \$1,000,000)
- Single Audit Required (Total Federal Expenditures within the fiscal year identified above is \$1,000,000 or more). A copy will be provided to Washington County Office of Community Development at its soonest availability.

The contact person responsible for the audit arrangement is [Contact person’s name] and can be reached at [Contact person’s phone #].

**Certification by Chief Financial Officer or Executive Director:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

\_\_\_\_\_  
Address

*Note: If a single audit is required, the subrecipient must have it conducted in accordance with [2 CFR Part 200](#) for the fiscal year noted above. The Single Audit must be submitted by agency to the Federal Audit Clearinghouse (<http://harvester.census.gov/sac/>) within the earlier of 30 days after the receipt of the auditor’s report, or nine months after the end of the audit period.*



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For accommodations, translations, complaints, and additional information, contact 503-846-8814, or for voice to TTY relay dial 711 or 1-800-735-1232.

Para traducción en español marque 1-800-735-3896.