



# **COMMUNITY DEVELOPMENT BLOCK GRANT PROCEDURES MANUAL**

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# ORGANIZATION AND PROGRAM FUNCTIONS

## PROCEDURES MANUAL

The primary purpose of this manual is to serve as the City of Boise's administrative policy and procedures (P&P) manual for its Community Development Block Grant (CDBG) program specifically, where "safe-harbor" and cross-cutting requirements apply for other programs. It serves as a source of information and guidance when conducting CDBG, HOME Investment Partnerships Program (HOME) General Administration and other U.S. Department of Housing and Urban Development (HUD) assisted activities.

This manual is not meant to be a substitute for CDBG regulations, but as a supplement to them. It is not exhaustive regarding all considerations affecting the use of CDBG funds. The City of Boise's HCD reserves the right to add, remove or change policies, procedures or forms in this manual. Each page carries a footer which identifies the date that the information contained on a given page was added to the manual. Notwithstanding any information contained herein, where a conflict of language or omission of requirements occurs, the requirements of Federal Notices and U.S. Department of Housing and Urban Development (HUD) Regulations on CDBG, may be amended from time to time, and therefore, shall prevail.

If a city department or subrecipient is unsure how to proceed after reading the manual, they are encouraged to call the Boise City Housing and Community Development Division at (208) 570-6830 for assistance. There are several on-line resources available both at the City of Boise and HUD website.

## CITIZEN PARTICIPATION

The City has completed a Citizen Participation Plan, which provides for and encourages citizen participation in the CDBG and HOME programs. The plan can be located at: <http://hcd.cityofboise.org/>. The plan is an essential element of the City's community development process and has been developed to comply with the regulations of the CDBG and HOME programs as administered by HUD.

Subrecipients should provide for adequate citizen information and involvement including, if appropriate, the establishment of advisory committees composed of affected citizens to oversee the planning and implementation of activities.

## COMMUNITY DEVELOPMENT PROGRAM

Authorized by Title I of the Housing and Community Development Act of 1974 (HCD Act) as amended, the Community Development Block Grant program provides annual grants on a formula basis to entitled cities and counties to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low and moderate income persons. Grants are awarded to entitlement communities to carry out a wide range of community development activities directed toward neighborhood revitalization, economic development, and the provision of improved community facilities and services.

The Housing and Community Development Division (HCD) resides in the Planning and Development Services Department and is responsible for the administration, management and monitoring of CDBG-assisted activities. The City's CDBG funding is provided in the form of annual allocations, which are appropriated by Congress in addition to program income generated by CDBG-assisted activities.

As a CDBG entitlement recipient, the Mayor and Boise City Council are ultimately responsible for ensuring that the activities of the CDBG Program are conducted in compliance with the HCD Act and federal implementing regulations. All policies relevant to program implementation, as well as final approval of the application for funds, must be approved by the Mayor and City Council.

## ADDITIONAL INFORMATION

Additional sources of information about the city's CDBG program include:

- Housing and Community Development's website: <http://hcd.cityofboise.org>;
- U.S. Department of Housing and Urban Development's CDBG website at: [https://www.hud.gov/program\\_offices/comm\\_planning/communitydevelopment/programs](https://www.hud.gov/program_offices/comm_planning/communitydevelopment/programs).
- Various federal circulars and regulations that are available at the Housing and Community Development Division; and
- A list of commonly used abbreviations and federal regulations applicable to the CDBG Program is provided in Appendix A, Appendix B and Appendix C.

# ENVIRONMENTAL REVIEW

## SYNOPSIS

Community Development Block Grant (CDBG) regulations require the preparation of a project Environmental Review Record (ERR) and environmental clearance before funds are expended or costs incurred. The ERR contains all the environmental review documents, public notices and written determinations or environment findings required by 24 CFR Part 58. The environmental review process covers all phases of a project, whether the project is funded in whole or in part with CDBG funds. For projects that are not administrative or under a Tier review, the ER will be completed in HEROs.

## GENERAL RESPONSIBILITIES

Federal regulations require that HCD determine if project activities will cause adverse impacts to the human environment. The human environment is defined as the natural and physical environment and the relationship of people with that environment. The overall governing legislation is the National Environmental Policy Act (NEPA).

HCD must also determine whether the project meets other applicable statutory and regulatory requirements such as those of the Advisory Council on Historic Preservation and the Environmental Protection Agency.

## SUBRECIPIENT REQUIREMENTS

No project or activity will be initiated until HCD completes an environmental review and all necessary approvals have been secured. Subrecipients who are receiving funds for development, must complete and return to HCD an Environmental Assessment Checklist for applicable projects. HCD will provide copies of the checklist to project sponsors, if applicable.

## CDBG REQUIREMENTS

HCD will review the checklist (if applicable) and use it as the basis for developing an ERR. The time required for completion of the ERR can vary from three weeks to three months. If the initial Environmental Assessment determines that an Environmental Impact Statement (EIS) is necessary, the subrecipient will be required to make appropriate budget modifications to assure the costs of the EIS is paid from project funds.

After completing the ERR, HCD will publish a notice (if required) of a Combined/Concurrent Notice of Finding of No Significant Environmental Impact (FONSI) and Notice of Intent to Release of Funds (NOI/RROF). After the release of the funds by HUD, HCD will provide the Subrecipient a written notice to proceed with the project. Subrecipients shall NOT implement any project activities or incur any project costs until receipt of the notice to proceed with the project.

## SUBRECIPIENT DOCUMENTATION

Subrecipients shall retain a copy of the Environmental Assessment Checklist (if applicable) and HCD's written notice to proceed.

# PROCUREMENT

## SYNOPSIS

The procurement of goods and services by government entities and CDBG subrecipients must follow the standards and procedures outlined in the following: 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (effective for grant funds awarded after December 26, 2014).

These standards are to ensure that purchases of materials and services are obtained efficiently, economically, and in compliance with the provisions of applicable federal law. In addition, all local procurement procedures must be followed. The City's Procurement policy and process can be found in Appendix F.

## GENERAL RESPONSIBILITY

Regulations governing the purchase and procurement of goods and services with CDBG funds must be followed to assure that:

- A. Procurement transactions are conducted in a manner that provides maximum free and open competition.
- B. National goals (equal employment opportunity, participation of Minority Business Enterprises (MBE's), Section 3 and Fair Labor Standards) are attained throughout the procurement process.
- C. Small, minority-owned businesses, women's business enterprises, Section 3 qualified and project area firms have an opportunity to bid on CDBG-assisted projects.
- D. Unnecessary or duplicate purchases are not made.

## SUBRECIPIENT REQUIREMENTS

As non-federal entities, subrecipients must comply with the provision of §200.318. In short, the subrecipient must comply with its own established policies and procedures. All monitoring and reporting performance for the non-federal entity (subrecipient) can be found at §200.328.

## CONTRACT LANGUAGE

Grantees and subrecipients shall comply with 2 CFR 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," except that:

(1) Section 200.305 "Payment" is modified for lump sum drawdown for financing of property rehabilitation activities, in accordance with § 570.513.

(2) Section 200.306 "Cost sharing or matching" does not apply.

(3) Section 200.307 "Program income" does not apply. Program income is governed by § 570.504.

(4) Section 200.308 "Revisions of budget and program plans" does not apply.

(5) Section 200.311 "Real property" does not apply, except as provided in § 570.200(j). Real property is governed by § 570.505.

(6) Section 200.313 "Equipment" applies, except that when the equipment is sold, the proceeds shall be program income. Equipment not needed by the subrecipient for CDBG activities shall be transferred to the recipient for the CDBG program or shall be retained after compensating the recipient.

(7) Section 200.333 "Retention requirements for records" applies except that:

(ii) For subrecipients:

(A) The retention period for individual CDBG activities shall be the longer of 3 years after the expiration or termination of the subrecipient agreement under § 570.503, or 3 years after the submission of the annual performance and evaluation report, as prescribed in § 91.520 of this title, in which the specific activity is reported on for the final time;

(B) Records for individual activities subject to the reversion of assets provisions at § 570.503(b)(7) or change of use provisions at § 570.505 must be maintained for as long as those provisions continue to apply to the activity; and

(C) Records for individual activities for which there are outstanding loan balances, other receivables, or contingent liabilities must be retained until such receivables or liabilities have been satisfied.

(8) Section 200.343 "Closeout" applies to closeout of subrecipients.

## REAL PROPERTY ACQUISITION/DISPLACEMENT/RELOCATION

### SYNOPSIS

The property acquisition requirements contained in the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and its amendments, apply to CDBG funded activities when a unit of local government purchases property which is not voluntarily offered for sale by an owner. The use of CDBG funds in a project involving the demolition or conversion of lower income dwellings may also further federal oversight under Section 104(d) of the Housing and Community Development Act of 1974. The relocation of any person (owner or renter) which results from a voluntary, as well as an involuntary, sale of property is also subject to relocation requirements.

Boise City has adopted a local displacement policy which provides certain relocation benefits to those displaced by nongovernmental, as well as governmental agencies. Specifically, according to the Boise City policy, any residential tenant who must relocate as a direct result of a CDBG funded activity that includes property acquisition or substantial rehabilitation, is entitled to the following: (a) timely information; (b) advisory services; (c) replacement housing assistance; (d) moving expenses; and (e) advance notice in order to secure a suitable replacement dwelling.

Because of the complexity and length of the applicable CDBG regulations regarding relocation and displacement, all subrecipients are required to coordinate the purchase of any real property with HCD. The City's Anti-displacement policies and procedures can be found in Appendix G.

## GENERAL RESPONSIBILITIES

Property to be acquired as a result of a voluntary offer, must be appraised to ascertain fair market value as of a specific date. The purpose of the appraisal is to ensure that the subrecipient does not pay an amount in excess of the fair market value of the property. The cost of the appraisal can be paid with CDBG/HOME funds.

Whenever the relocation and acquisition regulations apply, the subrecipient must keep all affected persons fully informed of anticipated actions. Tenants must be advised of the need to relocate and informed of their rights under the Relocation Act and under local policy. Subrecipients must also notify tenants of their rights to relocation assistance under the local displacement policy.

All subrecipients are required to enter into a Right of Entry agreement with the city for any facility constructed, acquired or rehabilitated with CDBG/HOME funds. The Right of Entry Agreement guarantees that the subrecipient will operate the facility for the original purpose for which it received funds (see No. 4., Right of Entry Agreements, this Section).

## RESPONSIBILITIES AND PROCEDURES

A. **Real Property Acquisition.** Property may be acquired by either voluntary or involuntary means. When acquisition of real property is the result of a voluntary proposal, which has been submitted by an owner in response to a public invitation or solicitation for offers, it is referred to as voluntary acquisition. In contrast, acquisition of property by the state or local government entity, which is not voluntarily offered for sale is referred to as involuntary acquisition. In both cases specific procedures, identified below, must be followed by the subrecipient.

1. Voluntary Acquisition:
  - a. Arrange for an independent appraisal of the property by a qualified appraiser.
  - b. Obtain a statement from the property owner indicating a willingness to voluntarily offer the property in question for sale.
2. Involuntary Acquisition:
  - a. Issue a preliminary acquisition notice to the owner, and provide a copy of the HUD brochure, "When a Public Agency Acquires Your Property."
  - b. Arrange for at least one independent appraisal of the property by a qualified appraiser.
  - c. Give the owner a written invitation to accompany each appraiser.
  - d. Arrange for a review appraisal to assure appraisal meets applicable standards.
  - e. Establish just compensation for the property by official resolution.
  - f. Promptly make a written purchase offer to the owner. The offer shall include a summary of the basis for the offer of just compensation.
  - g. After negotiations, make a final offer indicating that if the offer is not acceptable, the subgrantee will institute condemnation proceedings. THIS APPLIES TO PUBLIC ENTITIES ONLY.
  - h. Provide written notice to vacate the property to all owners and tenants at least 90 days in advance.



The "initiation of negotiations" for the purchase of real property has several different definitions; the subrecipient is urged to coordinate all aspects of the acquisition with HCD prior to providing an offer to purchase any property, in order to determine the necessary actions affecting tenant displacement.

- B. **Relocation Assistance.** Relocation is defined as the permanent movement of occupants/tenants, required as a result of CDBG assisted acquisition by a government agency. Limited technical assistance for relocation will be provided by HCD.

Federal regulations require that if any individuals, families, businesses or farms are displaced as a result of property acquisition, the subrecipient must:

1. Provide a general written description of the HCD relocation program to those affected.
2. Inform those affected that displacement may occur and describe the relocation payments for which those affected may be eligible, the basic conditions of eligibility, and procedures for obtaining payment.
3. Inform those affected that they will be given reasonable relocation advisory services, including referrals to replacement properties, and help in filing payment claims.
4. Provide those affected with a description of the person's right to appeal any determinations for assistance under the Uniform Relocation and Real Property Acquisition Act (49 CFR, Part 24).
5. Provide notice that those affected will not be required to move without ninety days advance written notice, and that those affected cannot be required to move permanently unless at least one comparable replacement dwelling has been made available.
6. Assure that persons relocated receive their full replacement housing payments and moving and related expenses.
7. Provide copy of appropriate HUD Brochure (available at HCD):
  - a. "Relocation Assistance to Displaced Homeowners" (HUD Brochure).
  - b. "Relocation Assistance to Tenants Displaced From Their Homes" (HUD Brochure).
  - c. "Relocation Assistance to Displaced Businesses, and Farms" (HUD Brochure).

- C. **Displacement Assistance.** Boise City displacement policies provide assistance to tenants who are involuntarily displaced as a result of property acquisition by governmental agencies or as a result of substantial property rehabilitation. The CDBG Program Policies should be consulted for a description of services and assistance to be provided.

## SUBRECIPIENT DOCUMENTATION

All correspondence should be sent by certified mail and/or hand delivery with signature so that receipts are available for documentation purposes. The following records should be maintained:

- A. Real Property Acquisition Records
1. Proof of official decision to pursue acquisition.

2. Proof prior to the initiation of negotiations that the subrecipient established the amount of just compensation for the property. The amount shall not be less than the approved appraisal of the fair market value of the property.
3. Date of initiation of negotiation, preliminary acquisition notice, date of transmittal to owner, and evidence that owner has received notification.
4. Written invitation to owner to accompany appraiser.
5. Copy of each appraisal report.
6. Copy of resolution or other document showing the determination of just compensation.
7. Written purchase offer of just compensation, including all basic terms and conditions, and date of delivery to owner.
8. Statement showing the basis for just compensation and an indication that it was delivered to the owner with the written purchase offer.
9. Purchase agreement, deed, declaration of taking and other documents used in conveying the property.
10. Copy of the settlement cost reporting statement.
11. Evidence that owner received the purchase payment.
12. Copy of the notice giving ninety days to surrender possession of the premises.

B. Displacement/Relocation Records

1. Name, address, ethnicity, date of initial occupancy, and relocation needs of each person or business to be displaced.
2. Description of the services and assistance provided, including referrals to alternate housing or business locations, a description of that property, and its price or rent
3. Copy of the payment voucher or statement of relocation payments.
4. Address, inspection sheet and date for each housing referral, including amount of rent and utilities.
5. Claim forms and supporting documentation signed by person displaced.
6. Documents used to determine eligibility for relocation payments and amount of payments.
7. Copy of any grievance or appeal filed and description of actions taken to resolve it.
8. A description and location identification of the real property and the interest in the real property to be acquired.
9. An identification of the buildings, structures, and other improvements (including removable building equipment and trade fixtures) which are considered to be part of the real property. Any separately held ownership interest in the property shall be identified, e.g., a tenant owned improvement, and indicate that such improvement or interest is not covered by the offer.

HUD brochures which should be provided to the owner and/or displaced during the acquisition and relocation process (available at HCD):

- When a Public Agency Acquires Your Property;
- Relocation Assistance to Tenants Displaced from Their Homes;
- Relocation Assistance to Displaced Homeowners; and
- Relocation Assistance to Displaced Businesses, Nonprofit Organizations and Farms.

# FINANCE/ACCOUNTING

## SYNOPSIS

This section addresses the financial and accounting aspects of the CDBG Program. The following procedures are guidelines that should be adhered to in financial transactions in order to meet federal requirements.

## GENERAL RESPONSIBILITIES

All subrecipients must meet the audit requirements as specified in 2 CFR §200.501. Additionally, all financial transactions with CDBG monies are subject to federal audit. Subrecipients 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:

- A. Funds are properly budgeted and approved.
- B. Budget revisions have been documented and approved.
- C. Personnel charges are properly allocated to the block grant and based on payroll documents such as time and attendance records.
- D. All expenditures can be traced to source documents (i.e., purchase orders, invoices, canceled checks).
- E. Drawdowns have been timely.
- F. Only allowable activities have been claimed as costs toward the project.
- G. The subrecipient's accounting system reflects all assets, liabilities, etc.
- H. Property has been managed and inventoried properly.
- I. In kind costs and costs billed to other funds are clearly documented.
- J. If there are billings for indirect costs, an indirect cost allocation plan has been approved by the U.S. Department of Health and Human Services.

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

## FINANCIAL PROCEDURES

To assist subrecipients in meeting the financial guidelines, HCD has developed standard procedures under the following:

- A. **Authorization.** The Authorization Signature Card authorizes specific individuals to submit budget revisions and reimbursement requests. The Authorization Signature Card is signed by the subrecipient's highest executive officer (i.e. Board President or Executive Director).

The Authorization Signature Card is provided to subrecipients as part of contract documents in ZoomGrants. If authorized signers change for any reason, completion of a new Authorization Signature Card is required.

- B. **CDBG Budget Summary.** The CDBG Budget Summary form, which is part of a subrecipients' CDBG agreement, is used in conjunction with a subrecipient's request for reimbursement. It

is designed to enable subrecipients, HCD, City finance and federal auditors to identify and track expenditure of CDBG funds.

The CDBG Budget Summary must be completed by the subrecipient prior to executing a standard contract with the City. Upon receipt of the Budget Summary, HCD will prepare the standard project contract that incorporates the project description, scope of activities and budget into the contract.

The CDBG Budget Summary form is provided to subrecipients as part of contract documents in ZoomGrants. In addition, a revised budget summary must be submitted to HCD before a subrecipient:

1. Exceeds the budgeted amount in a cost category and proposes to use excess funds from another category to cover a shortfall.
2. Authorizes costs for any budgeted category or the unobligated balance of CDBG project funds to be reduced to a level that is inadequate to meet obligations.

**C. Accounting and Reimbursement for CDBG Projects.** When subrecipients receive billings or incur costs for projects, the amount due is to be paid in full and then the subrecipient may request reimbursement from the City.

Incurred costs must be included in the approved CDBG Budget Summary and must be allowable under 2 CFR 200 subpart E.

To request payment for projects the Request for Reimbursement Payment and Cost Control Statement must be completed and accompanied with appropriate backup documentation.

The Request for Reimbursement Payment and Cost Control Statement form is available through ZoomGrants. The reimbursement request must include amounts requested by cost category according to the approved CDBG Budget Summary for projects. The Monthly Reporting module in ZoomGrants provides for the monthly reporting on CDBG performance measures and beneficiary data collected by subrecipients, which must be completed and submitted with the reimbursement request for projects.

Limited technical assistance in establishing proper internal controls and record keeping is available through HCD. However, subrecipients are ultimately responsible for management of their project and budget.

## PROGRAM INCOME

Program income is defined as any funds accruing to a subrecipient 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.

Subrecipients are required to keep records of the sources of program income in addition to 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-assisted activity, however, this must be preapproved through HCD. Program income not used to continue or benefit the original CDBG activity shall be returned to the program.

## AUDITS

Subrecipients must provide HCD with a copy of their most recent independent financial audit including responses to findings or have one prepared that meets general accepted auditing standards (American Institute of Certified Public Accountant) and 2 CFR 200.501.

## SUBRECIPIENT DOCUMENTATION

Subrecipients managing more than one CDBG project shall maintain separate files for each project.

## OTHER FEDERAL REQUIREMENTS FAIR HOUSING, SECTION 504/ADA, LEAD-BASED PAINT, EQUAL EMPLOYMENT OPPORTUNITY, LIMITED ENGLISH PROFICIENCY, AFFIRMATIVE MARKETING

## SYNOPSIS

The CDBG Program triggers several additional cross-cutting federal requirements that affect CDBG projects. To assure compliance with these requirements, CDBG subrecipient agreements identify several duties and obligations of the project owner with respect to federal regulations.

## GENERAL RESPONSIBILITIES

- A. **Fair Housing Activities.** Subrecipients of CDBG-assisted projects are responsible for taking necessary and appropriate actions to prevent discrimination in federally assisted housing and lending practices related to loans insured or guaranteed by the Federal Government. Further, subrecipients should strive to promote a strategy for increasing the choice of housing opportunities for low- and moderate-income persons including minorities and female-heads of households. See <http://pds.cityofboise.org/planning/pz/fairhousing/>.
- B. **Section 504/Accessibility**
  1. American with Disabilities Act: The Americans with Disabilities Act provides comprehensive civil rights to individuals with disabilities in the areas of employment, public accommodations, state and local government services and telecommunications. The Act, referred to as the ADA, states that discrimination includes the failure to design and construct (built for first occupancy after January 26, 1993) that are accessible to and usable by persons with disabilities. The ADA requires the removal of architectural and communications barriers that are structural in nature in existing facilities. Removal must be readily achievable, easily accomplished and able to be carried out without much difficulty or expense. <http://hcd.cityofboise.org/grants/cdbg/cdbg-grantee-toolbox/>
  2. Section 504 Accessibility Policy: Section 504 was enacted as part of the Rehabilitation Act of 1973. It prohibits discrimination based on disability in all programs and activities receiving federal assistance and, in 1978, it was amended to apply to all programs conducted by the Federal Government. This regulation provides that no qualified individual with a disability shall, because a recipient's facilities are inaccessible to or unusable by individuals with disabilities, be denied

the benefits of, be excluded from participation in, or otherwise be subjected to discrimination under any program or activity that receives federal financial assistance.

Structures built or rehabilitated must be made accessible to persons with a disability. Structures designed, built, or altered (rehabilitated) with CDBG funds shall conform to the Uniform Federal Accessibility Standards (UFAS), which was published in the Federal Register on August 7, 1984 (49 CFR 13518). The UFAS technical requirements meet or exceed comparable provisions of ANSI 117.1-1980 Specifications for Making Buildings and Facilities Accessible to and Useable by Physically Disabled People.

All recipients of the City's CDBG funds are required to conduct a Section 504 Assessment and develop a Transition Plan as applicable. Technical assistance is available through staff of the City's Housing and Community Development Division. Additionally, agencies with 15 or more employees are required to designate a Section 504 Coordinator.

- C. **Equal Employment Opportunity.** Nondiscrimination is a requirement of employment and employment practices. Employment opportunities may not be denied on the basis of race, color, national origin, gender, gender orientation/sexual identify, age, religion, familial status, or disability. Affirmative action and equal employment opportunity policies are fundamental aspects of CDBG funded activities.

The Americans with Disabilities Act modifies and expands the Section 504 Rehabilitation Act of 1973 to prohibit discrimination against "a qualified individual with a disability" in employment and public accommodations. The ADA requires that an individual with a physical or mental impairment who is otherwise qualified to perform the essential functions of a job, with or without reasonable accommodation, be afforded equal employment opportunity in all phases of employment.

- D. **Lead-based Paint** (applies to residential housing projects/programs). CDBG recipients must certify that no lead-based paint will be used in residential units assisted with CDBG funds and must document that all occupants of structures built before 1978 have been notified of the hazard of lead-based paint.

The federal requirements pertaining to lead-based paint are contained in 24 CFR Part 35. A fact sheet containing information about current efforts to protect children from lead-based paint poisoning prepared by the Environmental Protection Agency can be obtained from HCD.

1. Notification Requirements: Landlords renting units in structures built before 1978 must utilize the pamphlet entitled Protect Your Family from Lead in Your HOME to notify their tenants of the potential hazards of lead-based paint (copies of the pamphlet are available from HCD). The pamphlet must also be used to notify buyers of homes built prior to 1978 of the hazards of lead-based paint. The landlord/seller must document that the tenant/buyer was provided the pamphlet.
2. Identification of Defective Paint Surfaces: Subrecipients must complete visual inspections for defective surfaces in all properties constructed prior to 1978. All interior and exterior surfaces, including those in common areas must be examined.

Surfaces identified as being defective shall require further analysis and shall require interim controls (a set of measures designed to temporarily reduce human exposure to lead-based paint hazards). The presence of lead-based paint may ultimately require lead-based paint abatement.

3. **Lead Hazard Evaluations:** Federal regulations required that Lead Hazard Evaluation be performed by EPA-certified inspectors on all pre-1978 homes receiving over \$5,000 in federal funds. The chewable surfaces of any home occupied by a child under seven years old who has an identified blood lead level must be tested for lead content using an approved lead detection method. Lead-based paint remediation efforts must be taken if chewable surfaces test positive for lead.

E. **Limited English Proficiency.** CDBG recipients through the City of Boise must develop a Language Assistance Plan (LAP) in accordance with guidelines provided by the City of Boise, the U.S. Department of Justice and the U.S. Department of Housing and Urban Development. Please see <http://fairhousingforum.org/lep-limited-english-proficiency-resources/> for additional information and guides to assist in developing and maintaining a LAP.

F. **Affirmative Marketing Plan.** All agencies receiving funds through the City of Boise's CDBG and/or HOME Programs are required to develop and maintain an Affirmative Marketing Plan specific to the project or activity being funded. Below is a guide for developing an affirmative marketing plan. Projects with 5 or more HOME-assisted rental housing units require a more extensive plan. Please consult with City staff regarding this requirement.

Each recipient of CDBG funding and recipients of CDBG and/or HOME funding is required to carry out an affirmative program to attract all segments of the eligible population (especially those groups designated as least likely to apply) and all minority and non-minority groups regardless of their race, color, religion, sex, national origin, disability, or familial status. Racial groups include White, Black or African American, American Indian or Alaska Native, Asian, Native Hawaiian or Other Pacific Islander. Other groups who may be subject to discrimination include, but are not limited to, Hispanic or Latino persons, persons with disabilities, and families with children. HOME and CDBG recipients shall describe in the Affirmative Marketing Plan the proposed activities to be carried out during the advance marketing and application period. The affirmative marketing program must ensure that any group(s) of persons ordinarily not likely to apply without special outreach know about the housing, program or service, and feel welcome to apply. This may include members of any of the groups listed above and those with limited English proficiency.

Below is a suggested format and guidance for preparing a narrative Affirmative Marketing Plan:

1. Identify your organization's name, its address and phone number.
2. Indicate the name of the housing, program, or service and include a brief description. If the activity is housing, indicate if it is transitional housing, residential care, tenant-based rental assistance, rental housing, or for-sale housing, whether it is elderly or non-elderly housing, and the number of units and bedrooms, etc.
3. List the address(es) of the housing or where the housing, program or service will be implemented.
4. Identify whether the housing, program or services is CDBG or HOME-funded (or both) in addition to other sources of funding.



5. Indicate the service area or the market area (neighborhood, census tract(s), etc.) served by the housing, program or service.
6. Indicate which group(s) in the market area are least likely to apply for the housing, program, or service because of its location and other factors without special outreach (i.e. Hispanic or Latino, White, Black or African American, American Indian or Alaska Native, Asian, Hawaiian or Other Pacific Islander, Persons with Disabilities, Families with Children, and those with Limited English Proficiency).
7. Indicate how your housing, program, or service will be marketed using commercial media (i.e. newspapers/publications or a general or targeted circulation, radio, TV, billboards, etc.), which group (see #6) is targeted through each media, and when or during what time period you will use this media.
8. Indicate how you will market the housing, program, or service using brochures, signs, etc. Describe which group (see #6) is targeted through each media, and when or during what time period you will use this media. Brochures describing services may be displayed in the City of Boise's Division of Housing and Community Development, the office of the Boise City-Ada County Housing Authority, and at other agencies serving low- and moderate income persons.
9. Indicate other ways you will appropriately market the housing, program, or service. This may include, but not be limited to: websites, links from and to other websites, e-mails, 2-1-1 Care Line, newsletters, school newsletters, mailings to a targeted mailing list (attach it), publications and messages in languages other than English, information booths, presentations or information displayed in business, civic, government agencies, service organizations, immigrant assistance organizations, shelters, affordable housing providers, neighborhood associations, employers, labor organizations, employment centers, schools, minority and women's organizations, disability advocates, faith-based and other groups serving or advocating for populations that may be least likely to apply. Describe which group (see #6) is targeted through each media, and when or during what time period you will use this media. (Be specific, e.g., which newspaper? How often?...quarterly/monthly?), etc.
10. Indicate the date of the last Section 504 Self-Assessment or when it will be prepared or scheduled for an update. Indicate if a Section 504 "transition plan" has been adopted and the date it was adopted. If you have 15 or more employees, indicate the name of the Section 504 Coordinator and attach a job description. Indicate Section 504 training requirements for staff and the physical and program accessibility aspects of the housing, program, or service. Indicate Section 504 information sources available to staff. Indicate if Section/504 poster/notice is in an accessible location.
11. Indicate if you list your TTY number or the number for the Idaho Relay Service (7-1-1 or 800-377-3529) on printed materials, letterhead, etc. (or when you will) for people with hearing impairments. There is also an internet relay at: [www.hamiltonrelay.com](http://www.hamiltonrelay.com).
12. If you are a housing provider and five (5) or more units of housing are involved, indicate if you use the equal housing logo and caption on printed materials, letterhead, website, etc. (or when you will begin using the logo).
13. If this is a housing program and five (5) or more units are involved, indicate if you have posted the HUD Fair Housing Poster in English and Spanish in an accessible location (or when you will).



14. Indicate the date of the four-part language needs self-assessment or when it will be prepared or is scheduled for an update. Indicate if a Language Assistance Plan has been adopted and this date. Indicate Language Assistance Plan training requirements and information sources available to staff.
15. If this a housing activity (regardless of the number of units), indicate the instruction and training provided or to be provided to staff on the federal and state fair housing laws, accessibility requirements, reasonable accommodation requests, etc.
16. Indicate how the success of your affirmative marketing plan will be evaluated including the schedule or for what reasons it will be updated and modified. [Compare racial/ethnic/disability data on applicants with Boise demographics, review the percentage of applicants that converted to beneficiaries in each racial, ethnic or disability category, look at patterns of complaints and review actions taken on requests for reasonable accommodation to participate in marketing activities, take surveys and review other feedback information from applicants and clients, etc. What is this information revealing? What changes or improvements in affirmative marketing are planned?]
17. The Affirmative Marketing Plan should be signed and dated by your executive director. Background documentation should include an approval action by the Board of Directors.

The City of Boise will monitor affirmative marketing activities and may request modifications in the format, content, or implementation of the affirmative marketing plan (see Affirmative Marketing Monitoring Guide) based on that monitoring. HUD representatives may also perform monitoring and reviews at a time and place of its choosing.

# DOCUMENTATION, RECORDS AND MONITORING

## SYNOPSIS

HCD is responsible for collecting pertinent qualifying and performance data from subrecipients for the Consolidated Annual Performance and Evaluation Report and for project monitoring. Subrecipients must keep accurate records, which conform to the reporting requirements as outlined below.

This section will explain record keeping and reporting requirements for program benefit information, fair housing actions, project activity summary, displacement, and minority business enterprise participation. Documentation and record keeping of other program components are covered in other sections of this manual on financial documentation, labor standards compliance, citizen participation, and property acquisition/relocation.

## FILING SYSTEM

Files will be maintained electronically unless noted by HUD for original ink signature.

- A. **Project Files.** Subrecipients must be able to fully document their CDBG projects, so that compliance with all applicable regulations can be demonstrated. The filing system established must provide a historic account of each project. The files will be maintained electronically on the City's common drive for HCD.

The following is a suggested outline for file categories and contents of files for each project.

1. General Project File:
  - a. Agency Documents (Application, Cross Cutting Federal Regulations, Budget, etc.)
  - b. Annual Report
  - c. Communication
  - d. Contract
  - e. Eligibility Analysis
  - f. Environmental Review
  - g. Miscellaneous
  - h. Monitoring
  - i. Monthly Report (Beneficiary Data)
  - j. Reimbursement Requests
2. Financial Records:
  - a. Notice of Grant Award
  - b. Authorizations, Motions, or Resolutions
  - c. Project Agreement with HCD
  - d. Contracts (Note: All third-party contracts must be approved by HCD)
  - e. Budget Revisions
  - f. Bills for payment
  - g. Copies of Reimbursement Requests
  - h. Copies of approved vouchers and warrants
  - i. Payroll Time Sheets
  - j. Records of technical assistance monitoring visits
  - k. Latest subrecipient audit and audit records

- l. Approved indirect cost allocation plan, if applicable
  - m. Project income records
  - n. Records documenting source and amount of supplemental (matching) resources
3. Procurement:
- a. Bid Advertisements
  - b. Affidavit of Publications
  - c. RFP's
  - d. Bids/Proposals
  - e. Price or Cost Analysis
  - f. All Contracts
  - g. Change Orders
  - h. Pay Estimates
  - i. Site Inspection Reports
  - j. Section 3 Documentation
  - k. Preconstruction Conference Notes
  - l. Correspondence

B. **Records Retention.** All records pertaining to CDBG awards must be retained for no less than four years after expiration of the contract and any amendments, completion and resolution of the audit and/or any litigation, whichever is later. If there is any litigation, claim or audit findings that extend beyond this four-year period, subrecipients must retain the records until all litigation, claims or audit findings involving the records are resolved. Records for property acquired with CDBG funds must be retained for four years after final disposition. Records for any displaced persons must be retained for four years after persons have received final relocation benefits.

## RECORDS/DOCUMENTATION

Section 200.333 identifies that the record retention for recipients (the City of Boise) shall be a period of four (4) years from the date of execution of the closeout agreement for a grant. Records for individual activities subject to the reversion of assets provisions as 570.503(b)(7) or the change of use provisions at 570.505 must be maintained for three (3) years after those provisions no longer apply to the activity; and records for individual activities for which there are outstanding loan balances, other receivables, or contingent liabilities must be retained for three (3) years after the receivables or liabilities have been satisfied.

### Documentation of Program Benefits

- 1. Limited Clientele and Direct Benefit Projects: The benefits of CDBG funded projects must be available to anyone regardless of ethnicity, sex, age, national origin or physical or mental handicap. Minorities and low- and moderate-income persons in particular are expected to benefit from CDBG Programs. Project subrecipients must document the number of minorities and low- and moderate-income persons served within the City's municipal boundaries. In addition, outreach efforts must be documented for projects that provide direct services to clients. Action must also be taken to correct conditions that have had limited minority participation in the past.

2. Area-wide and Direct Benefit Projects: Data sources such as surveys and census data, which qualified a project on an area-wide basis must be retained in subrecipient files.

B. Project Activity Summary – Project subrecipients must retain information regarding the status of the project and accomplishments through the project as well as at completion of the project.

1. Record Keeping Responsibilities: The following examples of measures of project progress and accomplishment must be documented and made available for review:
  - a. Total number of square feet, linear feet, wheelchair ramps, etc., constructed or installed
  - b. Number of houses rehabilitated
  - c. Number of youth jobs filled, training classes held, clients treated
  - d. Description of equipment or training supplies purchased
  - e. Job advertisements

## CONSOLIDATE PLANS AND AMENDMENTS

For Annual Action Plans, Five-Year Consolidated Plans, and Consolidated Annual Performance Evaluation Reports (CAPER), the City will submit Amendments at the end of the program year but prior to the start of the CAPER.

## EMERGENCY FUNDING PURSUANT TO THE DISASTER RELIEF ACT

Due to an emergency declared pursuant to the Disaster Relief Act, the City will prioritize activities according to these three tiers:

Tier I - Agencies with high regulatory compliance

Tier II - New Services (if funding is available)

Tier III - Agencies with increased risk for non-compliance

If the regulatory caps are lifted for activities (such as Public Services), the City will make available the maximum amount allowed for non-profit providers of direct services for households earning less than 80% of Area Median Income.

### **Duplication of Benefits**

For non-profits who receive emergency funds, as the result of an emergency declared pursuant to the Disaster Relief Act; the City will request information to ensure that agencies are not over-supplemented with federal resources. This information will include:

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## APPENDIX A: COMMONLY USED ABBREVIATIONS

ANSI	American National Standards Institute
A/E	Architect and/or Engineer
CAPER	Consolidated Annual Performance and Evaluation Report
CDBG	Community Development Block Grant
CFR	Code of Federal Regulations
DOL	Department of Labor
EO	Executive Order
EIS	Environmental Impact Statement
FMR	Fair Market Rent
FONSI	Finding of No Significant Environmental Impact
HCD	Housing and Community Development
HUD	Department of Housing and Urban Development
LAP	Limited English Plan
LEP	Limited English Proficiency
MBE	Minority Business Enterprises
NEPA	National Environmental Policy Act
OMB	Office of Management and Budget
RFB	Request for Bids
RFP	Request for Proposal
RLI	Request for Letter of Interest
USC	United States Code
WBE	Women Business Enterprises

## APPENDIX B: REGULATORY REFERENCES

### Community Development Block Grant Program Regulations

- 24 CFR Part 570

### Citizen Participation

- CDBG Regulations (24 CFR 570.303)
- Consolidated Plan (24 CFR Part 92)

### Environmental Review

- CDBG Regulations (24 CFR 570.604)
- National Environmental Policy Act of 1969, regulations at 40 CFR Parts 1500 1508
- HUD Environmental Review Regulations (24 CFR Part 58)
- National Historic Preservation Act (36 CFR Part 800, 1294)
- E.O. 11988, Floodplain Management (24 CFR Part 55)
- E.O. 11990, Protection of Wetlands (24 FR Part 55)
- E.O. 12372, Intergovernmental Review of Federal Programs (24 CFT 570.612)
- Noise Control Act (24 CFR Part 51 (B))
- Clean Air Act 42 U.S.C. 7400 et seq., Section 117 and 176
- HUD Notice 79-33, 24 CFR Part 51 (C, D)
- Clean Water Act (33 CFR Part 230, 320 325)
- Safe Drinking Water Act, 42 U.S.C. 300
- Resources Conservation and Recovery Act, 42 U.S.C. 6901 6987
- Coastal Zone Management Act (15 CFR Part 930)
- Coastal Barrier Resource Act 1982
- Endangered Species Act (50 CFR Part 402)
- Environmental Justice in Minority Populations and Low-Income Populations (24 CFR Part 58.5)
- Farmlands Protection Policy Act of 1981 (7 CFR Part 658)
- Wild and Scenic Rivers Act (CBQ Memorandum 8 10 80)
- Energy Policy and Conservation Act (Pub.L. 94 163)

### Procurement

- CDBG Regulations (24 CFR Part 135, 570, Ch. X, (B))
- Davis Bacon Act (40 U.S.C. 276A), and supplemented by 29 CFR, Part 5 and 41 CFR, Part 60
- Copeland Anti Kickback Act (18 USC 874)
- Contract Work Hours and Safety Standards Act (40 U.S.C. 327 330)
- Civil Rights Act of 1964, Title VI
- Civil Rights Act of 1968, Title VIII
- E.O. 11246, as amended
- DOL Regulations (41 CFR Part 60 1, 60 4, 60 250, 60 741)
- Fire Administration Authorization Act of 1992 (Pub. L. 102-522)
- Flood Disaster Protection Act of 1973 (Pg. 93 234)
- Architectural Barriers Act of 1968 (42 U.S.C. 4151)

### Acquisition/Displacement/Relocation

- CDBG Regulations (24 CFR 570.606)

- Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (40 U.S.C. 4601)
- Uniform Relocation Act Amendment of 1987 (P.L. 100 17)

### **Finance**

- CDBG Regulations (24 CFR Part 570)
- OMB Circular A 87, Cost Principles and Standards for Determining Costs Applicable to Grants, Contracts, and other agreements with state and local governments. [Enables grant recipients to determine which costs items are "allowable".]
- OMB Circular A 122, Cost Principles for Non Profit Organizations. [Enables nonprofit organizations to determine "allowable" costs.]
- OMB Circular A 110, Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations
- 24 CFR, Part 85, Uniform Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments.
- OMB Circular A 128, Audits of State and Local Governments.
- OMB Circular A 133 Audits of Institutions of Higher Education & Other Nonprofit Institutions

### **Records and Documentation**

- CDBG Regulations (24 CFR Part 570.506)
- Civil Rights Act of 1964, Title VI
- Civil Rights Act of 1968, Title VIII
- E.O. 11063
- 24 CFR, Part 8, Nondiscrimination Based on Handicap in Federally Assisted Programs and Activities
- Section 504 of the Rehabilitation Act (1973), as amended
- 24 CFR 570.605 National Flood Insurance Program

Helpful links, frequently asked questions, documents, technical assistance, regulatory references, etc. can be accessed from the Housing and Community Development website: <http://hcd.cityofboise.org>.

# APPENDIX C: CITY OF BOISE POLICIES AND PROCEDURES FOR CONDUCTING REAL PROPERTY ACQUISITION, REHABILITATION AND DEMOLITION

## GENERAL INFORMATION

The use of Federal funds administered by the City of Boise's Housing and Community Development Division (Community Development Block Grant (CDBG) funds, Rental Rehabilitation Program (RRP) funds, HOME Investment Partnerships (HOME) Program funds, etc.) to assist in whole or in part, real property acquisition, rehabilitation or demolition activities, subjects these activities to the requirements of the **Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) of 1970, as amended.**

CDBG-assisted activities involving real property acquisition, rehabilitation, conversion from lower income housing and/or demolition, are subject to the URA and the **additional requirements of section 104(d) of the Housing and Community Development Act (Section 104(d), as amended.** These requirements (URA and/or Section 104(d)) apply regardless of whether these activities are conducted by the city of Boise or another public or private agency.

This document is not intended to set forth the full requirements of the URA or section 104(d), but instead is intended to create an awareness by the agency or city department conducting the acquisition, rehabilitation, conversion from lower income housing and/or demolition activity(s) of 1) the existence of these requirements and; 2) the city's policies relative to these requirements and; 3) the importance of following the procedures in Part II in order to ensure compliance.

Those agencies or city departments conducting activities subject to the requirements of URA and/or Section 104 (d) must familiarize themselves with the requirements at 49 CFR Part 24 as well as U.S. Department of Housing and Urban Development (HUD) Handbook 1378 "Tenant Assistance, Relocation and Real Property Acquisition".

The **involuntary displacement** of any tenant-occupant as a result of acquisition, rehabilitation, conversion from lower income housing and/or demolition activity(s), subjects the activity(s) to the **relocation requirements of the URA.** If CDBG assistance is/will be provided for the activity, the additional requirements of Section 104 (d) will apply.

The city of Boise has adopted a Residential Anti-displacement and Relocation Assistance (RARA) Plan which provides certain relocation benefits to those displaced by activities utilizing Federal financial assistance. In the event that these activities cause the involuntary placement of any individual, assistance is required to be provided at the levels and manner described within Boise's RARA Plan.

Tenant-occupant(s) who relocate as a direct result of a Federally funded activity that involves real property acquisition, rehabilitation, conversion from lower income housing or demolition, are entitled to 1) timely information; 2) advisory services; 3) replacement housing assistance; 4) moving expenses; and 5) advance notice in order to secure suitable replacement dwelling.

## **PART I: ACQUISITION POLICIES UNDER THE URA**



When acquisition of real property is the result of a voluntary proposal submitted by an owner in response to a public invitation or solicitation for offers, or property is voluntarily offered for sale, it is referred to as voluntary acquisition.

Acquisition of real property, by an agency having the power of eminent domain, which is not voluntarily offered for sale is referred to as involuntarily acquisition. This document does not address the use of Federal financial assistance to assist with involuntary acquisition of real property. In those instances where the agency conducting the acquisition can appropriately justify the involuntary acquisition and approval is granted by the mayor and city council, the agency or city department conducting the acquisition will be required to directly coordinate the acquisition through the Boise City attorney's office.

## **BUYERS RESPONSIBILITIES TO SELLER**

In order to avoid triggering the acquisition requirements set forth at 49 CFR 24, Subpart B, the acquisition must be a voluntary transaction. Any agency with the power of eminent domain (city agency, redevelopment agency, state agency etc.) must meet each of the following requirements when attempting to acquire real property:

- A. Determine and inform the owner in writing that it will not use its power of eminent domain to acquire the property if negotiations fail to result in an amicable agreement (The agency must not have designated a specific site to be acquired. The property to be acquired cannot be part of an intended, planned or designated project area where all or substantially all of property within the area is to be acquired within specific time limits); and
- B. Determine and inform the owner in writing of the agency's estimate of the fair market value of the property before entering into a contract for sale with the owner.

An agency that does not have authority to acquire property by eminent domain must inform the seller, before the seller enters into a contract for sale:

- A. That the agency does not have the power of eminent domain and therefore will not acquire the property if negotiations fail to result in an amicable agreement; and
- B. Of the estimate fair market value of the property. An appraisal is not required; however, the agency must document and make available for the city's review prior to entering into the contract for sale, the basis of the estimate.

Whenever feasible, this information is to be provided before making the purchase offer. In those instances where this is not feasible, the seller must be provided an opportunity to withdraw from the agreement, without penalty or further obligation, upon receipt of the results of the real property appraisal.

The failure or inability of any agency or city department to fully comply with the provisions outlined above, will trigger applicability of the full scope of real property acquisition requirements set forth at 49 CFR Part 24, Subpart B and further described in Chapter 5, Sections 5-2 through Section 5-9 of HUD Handbook 1378.

## **BUYERS RESPONSIBILITIES TO TENANT-OCCUPANT(S)**

All tenant-occupants of any property to be acquired with Federal financial assistance must be provided with timely notice of the planned activity. The format of the notice will vary depending upon whether or not the tenant occupant will be displaced as a result of the acquisition.

**Specific examples of the notices to be provided are included within the Appendices of HUD Handbook 1378.**

Those agencies conducting acquisitions involving tenant-occupants must fully comply with the requirements at 49 CFR 24.203 and Chapter 2 of HUD Handbook 1378. The displacement and/or relocation must also comply with the city of Boise's residential Anti-displacement and Relocation Assistance (RARA) Plan.

Relocation is defined as a permanent movement of tenant-occupants as a result of an activity assisted with Federal financial assistance. Federal regulations require that if any individual, family, business or farm is displaced as a result of property acquisition, the acquiring agency must:

- A. Provide assistance ( at least two referrals) in finding alternate housing which is decent, safe and sanitary and affordable.
- B. Assure that persons relocated receive their full replacement housing payments and moving and related expenses.
- C. Provide copy of appropriate HUD Brochure (available at Boise City):
  - 1. "Relocation Assistance to Displace Homeowners" (HUD Brochure HUD-1044-CPD).
  - 2. "Relocation Assistance to Tenants Displaced from Their Homes" (HUD Brochure HUD-1041-CPD).
  - 3. "Relocation Assistance to Displaced Businesses and Farms (HUD Brochure HUD-1043-CPD).

**REHABILITATION/ACQUISITION WITH REHABILITATION**

Any agency applying for Federal financial assistance for rehabilitation of real property must provide the Housing and Community Development division with information on all individuals living on the property. General information notices will be provided by the Housing and Community Development division to all tenant occupants of the property informing them of the application, the assistance available and their rights under the URA.

Site occupant records will be completed by Housing and Community Development staff on each tenant/occupant residing at the property at the time of application. Through assessment of this record and a personal interview with the tenant/owner, the Housing and Community Development division will determine the type of assistance needed and the relocation preferences should displacement or relocation become necessary.

At the time the commitment for assistance is made to the agency, a notice will be mailed to all tenant-occupants detailing the city of Boise's nondisplacement policy, an explanation of any assistance provided and an explanation of temporary relocation policies. During the course of rehabilitation, inspections will be made to insure that residences remain decent, safe and sanitary and that the rehabilitation has not resulted in an increase in out of pocket expenses for the tenant-occupant.

IF displacement is necessary, notice will be given explaining the relocation assistance available including cost and location of comparable replacement dwellings and an explanation of relocation payments, services, eligibility conditions, filing procedures and the basis for determining maximum replacement housing payments.

A minimum of ninety (90) days' notice will be given in the event of displacement. Referrals will be given to the tenant-occupant for inspection of replacement units. All referrals will have been inspected to insure decent, safe and sanitary conditions.

In all instances, assistance will be given in preparation of claims and all payments will be issued promptly.

In those instances where relocation assistance will be required, estimates will be made of the probable costs and the agency may be required to place that amount in an escrow account for payment to the tenant-occupant before proceeding with the activity.

### **BUYERS RESPONSIBILITY TO OBTAIN AN APPRAISAL**

Real property may only be acquired after an independent fee appraisal has been performed and an original copy of the appraisal is submitted and reviewed by the Housing and Community Development Division.

The purpose of the appraisal is to establish the fair market value of the property. The appraisal must be conducted by an appraiser appropriately licensed by the State of Idaho, Board of Occupational Licenses.

If the cost of the independent fee appraisal is determined to be an allowed use of Federal financial assistance and is intended to be paid in whole or in part with Federal funds, the procurement of these professional services by a governmental agency (city, redevelopment agency, state agency) must comply with the requirements at 24CFR Part 85 "Administrative Requirements For Grants and Cooperative Agreements to State Local and Federally recognized Indian Tribal Governments". The procurement of professional services by a non-governmental agency must comply with office of Management and Budget Circular A-110 "Uniform Administrative requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and other Nonprofit Organizations". In addition, the procurement of any professional service must also comply with city's procurement policy (if conducted by the city) or the agency's procurement policy for an independent agency.

### **BUYERS RESPONSIBILITY TO REQUEST AN ENVIRONMENTAL REVIEW**

An environmental review is required for any property that is intended to be acquired or rehabilitated with Federal financial assistance. The review is to be completed by staff of the Housing and Community Development Division. **No real property will be acquired or rehabilitated until the environmental review is completed.**

Those agencies contemplating activities involving acquisition or rehabilitation must coordinate these activities with the Housing and Community Development division **prior to entering into an earnest money or option agreement with the seller.** This is necessary in order to avoid the selection of site(s) that will not meet the environmental review requirements.

### **DEMOLITION OR CONVERSION OF LOW/MODERATE INCOME DWELLINGS**

All low/moderate income dwelling units demolished or converted to a use other than low/moderate income housing must be replaced with comparable unit(s) on a one-to-one

basis within three years unless the housing is determined to be in substandard condition not suitable for rehabilitation. Substandard housing is defined as not meeting Boise City Housing Code and/or meeting HUD'S Section 8 Housing Quality Standards (HQS). Not suitable for rehabilitation is defined as a housing unit that does not meet applicable local or state building code and/or HUD'S Section 8 Housing Quality Standards (HQS) and could not be brought up to code and/or HQS for more than 75% of the unit's replacement cost. Low/moderate income dwelling units are those housing units with rents that do not exceed the current Fair Market Rents including utilities for the particular area.

To determine if a vacant or owner occupied housing unit meets the criteria for a low/moderate income dwelling unit, calculate the principal and interest payment based on the market value established by the appraisal (apply the current Federal Housing Administration (FHA) 30 year mortgage rate). Then, add property taxes, homeowners insurance, and the appropriate Section 8 utility allowance.

In addition to complying with the acquisition and relocation assistance requirements of the URA, demolition and/or conversion activities require the provision of public notice of the intent to assist the demolition/conversion activity and specific authorization form HUD.

Prior to obligating or expending Federal financial assistance for any activity that will directly result in the demolition of any low/moderate income dwelling unit(s) or the conversion of low/moderate income dwelling units to another use, the agency or city department conducting the activity must submit the following information to the Housing and Community Development division:

- A. a description of the proposed activity;
- B. the general location on a map and approximate number of dwelling units by size (number of bedrooms) that will be demolished or converted to a use other than for low/moderate income dwelling units as a direct result of the assisted activity;
- C. a time schedule for the commencement and completion of the demolition or conversion;
- D. the general location on a map and approximate number of dwelling units by size , number of bedrooms that will be provided as replacement dwelling units;
- E. the source of funding and a time schedule for the provision of replacement dwelling units;
- F. the basis for concluding that each replacement dwelling unit will remain a low/moderate income dwelling unit for at least ten (10) years from the date of initial occupancy.

Upon receipt of this information, the Housing and Community Development division will make the proposed activity public and submit this information to appropriate staff of the HUD Field office for review and authorization to proceed.

## **LEASEHOLD AGREEMENTS**

All agencies are required to enter into a standard leasehold agreement with the City of Boise for any facility constructed, acquired or rehabilitated in whole or in part with Federal financial assistance which is to be operated by that agency. The leasehold establishes a landlord/tenant relationship between the agency and the City. It guarantees that the agency will operate the facility for the original purpose for which it received federal financial assistance during the useful life of the facility. Leasehold agreements will impose conditions which the city determines are necessary to protect the investment of Federal financial assistance.

When a leasehold agreement is necessary, the following requirements apply:

- Leasehold agreements shall be executed within thirty (30) days of acquisition or substantial completion of any construction activity;
- The term of the agreement for new construction shall be twenty (20) years; and
- The term of the agreement for renovating existing structures or facilities shall be ten (10) years.

## **REQUIRED DOCUMENTATION**

Agencies or city departments conducting activities subject to the requirements of the URA or Section 104 (d) must keep records in sufficient detail to demonstrate compliance with these requirements. These records must be retained until at least three (3) years after the latest of:

- A. The date by which all persons displaced from the property and all persons whose property is acquired for the project have received the final payment for which they are entitled;
- B. The date the project has been completed; or
- C. The date required by the application program regulations.

Records will be submitted to the Housing and Community Development division for retention. The records maintained by the city and/or the agency to demonstrate compliance with the requirements of the URA and/or Section 104 (d) are confidential and will not be made available as public information without written authorization from the Boise City attorney's office.

All required correspondence should be sent by certified mail or hand delivered in order to obtain evidence of receipt. At a minimum, the following records must be maintained:

### A. Real Property Acquisition records

1. Evidence of official decision to pursue acquisition;
2. Preliminary acquisition notice, date of transmittal to owner, and evidence that owner has received it;
3. Written invitation to owner to accompany appraiser;
4. Original copy of each appraisal report;
5. Copy of resolution or other document showing the determination of just compensation;
6. Written purchase offer of just compensation, including all basis terms and conditions, and date of delivery to owner;
7. Statement showing the basis for just compensation and an indication that it was delivered to the owner with the written purchase offer;
8. Purchase agreement, deed and other documents used in conveying the property;
9. Copy of the settlement cost reporting statement;
10. Evidence that owner received the purchase payment; and,
11. Copy of the notice giving 90 days to surrender possession of the premises.

### B. Displacement/Relocation Records

1. Name, address and relocation needs of each person or business to be displaced;
2. Description of the services and assistance provided, including referrals to alternate housing or business locations, a description of that property and its price or rent;
3. Copy of the payment voucher or statement of relocation payments;
4. Address, inspection sheet and date for each housing referral, including amount of rent and utilities;

5. Claim forms and supporting documentation signed by person displaced;
6. Documents used to determine eligibility for relocation payments and amount of payments; and,
7. Copy of any grievance filed and description of actions taken to resolve it.

HUD brochures which should be provided to the owner and/or displace during the acquisition and relocation process (available through the Housing and Community Development division):

- "When a Public Agency Acquires Your Property" (HUD Brochure HUD -1041-CPD);
- "Relocation Assistance to Tenants Displaced from Their Homes" (HUD Brochure HUD-1042-CPD);
- "Relocation Assistance to Displaced Homeowners" (HUD brochure HUD-1044-CPD); and,
- "Relocation Assistance to Displaced Businesses; Nonprofit Organization and Farms ( HUD Brochure HUD-1043-CPD).

## **MONITORING FOR COMPLIANCE WITH THE REQUIREMENTS OF THE URA**

The Housing and Community Development division is responsible for monitoring federally assisted activities that are subject to the requirements of the URA to assure compliance. Because of the substantial monetary liabilities which can be imposed in the event of non-compliance with these requirements, those agencies or city departments conducting acquisition, rehabilitation and/or demolition activities are encouraged to closely coordinate these activities with the staff of the city's Housing and Community Development Division.

Original copies of the required documentation must be submitted to and retained by the Housing and Community Development division. If subsequent audits or monitoring results in the disallowance of certain costs and/or the determination that additional payment(s) are required, the agency or city department conducting the activity will be held responsible for the payment and/or reimbursement.

All sub recipient agreements and departmental work orders authorizing activities subject to the URA and/or Section 104 (d) requirements include language establishing these responsibilities in addition to language which authorizes the Housing and Community Development division of the City of Boise, HUD or the General Accounting Office (GAO) to review the records of the agency and to contact all parties to the transaction including the seller(s) and current and former tenant-occupants.

## **PART II: PROCEDURES FOR THE ACQUISITION OF REAL PROPERTY**

### **STEP 1: PLAN THE PROJECT**

- A. Is acquisition an allowable use of funds under the intended funding source?
- B. Is the acquisition necessary for the activity or are there other alternatives such as rental or leasing?
- C. What is the total estimated cost of the acquisition?
- D. Is there adequate funding available?
- E. Are the staff knowledgeable of the requirements of the URA and Section 104 (d)? If not, can training be obtained within a reasonable period of time?

- F. Are the record keeping systems in place that meet the requirements of the URA and Section 104 (d)?
- G. Submit request for preliminary approval from city's Housing and Community Development division.

**STEP 2: SELECT GENERAL AREA OR NEIGHBORHOOD AND POTENTIAL SITES SUITABLE FOR PROJECT**

- A. Is the planned use of the property permitted by local zoning ordinances? Will a conditional use permit or a variance be required?
- B. Does the site lend itself to the intended use?
- C. Is the property subject to any obvious environmental problems (flooding, wetland, historic property contamination from storage of hazardous chemicals, etc.)?
- D. What are the current or prior uses of the intended site?
- E. Submit request to Housing and Community Development division for environmental review.
- F. Will CDBG funding to be used in this project? If so, will Section 104 (d) be triggered by demolition, rehabilitation or conversion? How will the one-for-one replacement requirements be met?

**STEP 3: DETERMINE IF THE TENANT-OCCUPANTS ARE LOCATED ON THE PROPERTY**

If so, consider the following;

- A. Have the required steps been taken to plan for relocation?
- B. How much will the relocation cost?
- C. Does the cost of the relocation make the project prohibitive?
- D. How will the relocation costs be paid?

**STEP 4: INFORM OWNER OF AGENCY'S INTEREST IN ACQUIRING THE PROPERTY**

- A. Provide owner with written notification that agency is only interested in acquiring property as a voluntary transaction and will not use (or does not have) the power of eminent domain.
- B. Provide owner with agency's estimate of the fair market value of property prior to executing a contract for purchase. If this is not feasible, the owner must be provided with an opportunity to withdraw from the contract after the results of appraisal have been obtained.

**STEP 5: SUBMIT REQUEST FOR WRITTEN AUTHORIZATION TO PROCEED FROM HOUSING AND COMMUNITY DEVELOPMENT DIVISION**

- A. Provide Housing and Community Development staff with current tenant list.
- B. Housing and Community Development staff will conduct tenant interviews, provide general information notices and notices of nondisplacement (if applicable) to all tenant-occupants at the initiation of negotiations.

**STEP 6: DETERMINE LEGAL INSTRUMENT TO BE USED FOR PURCHASE OFFER**

- A. Earnest Money Agreement
- B. Option to Purchase Agreement
- C. Lease with Option to Purchase
- D. Other

**STEP 7: SECURE AN INDEPENDENT FEE APPRAISAL**

- A. Invite owner to be present during appraiser's inspection of property.

- B. Submit original copy of appraisal report to Housing and Community Development division for review.
- C. Provide owner with results of appraisal if applicable, re-negotiate agency's offer of just compensation and/or provide owner an opportunity to withdraw from the contract for sale.

**STEP 8: SECURE EVIDENCE OF MARKETABLE AND INSURABLE TITLE TO PROPERTY**

- A. Request that owner(s) provide agency with preliminary commitment for title insurance.
- B. Submit preliminary commitment for title insurance to Housing and Community Development staff for review.

**STEP 9: PREPARE TO TAKE POSSESSION OF PROPERTY**

- A. Schedule closing date.
- B. Obtain insurance binder.
- C. Request funds for closing. If funds are being requested from the city, submit the preliminary estimate of closing costs prepared by the closing agent.

**STEP 10: SUBMIT ORIGINAL COPIES OF REQUIRED DOCUMENTATION TO CITY FOR RETENTION**

- A. Real property acquisition records.
- B. Displacement/Relocation records
- C. Other necessary information as requested by Housing and Development Staff.