

Appendix A

Federal Funds Compliance

AVAILABLE FUNDS

Should projects access any type of *federal* funding including but not limited to Community Development Block (CDBG), HOME, Section 108 funds or Housing Choice Vouchers (Section 8), the following is a list of some of the important requirements that may apply. Development teams are expected to be familiar with the applicable law, rules and policies.

PLEASE NOTE: THIS IS NOT AN ALL-INCLUSIVE LIST, BUT RATHER A REFERENCE TOOL TO MAKE THE DEVELOPMENT TEAM AWARE OF COMPLIANCE ISSUES WHICH MAY AFFECT THE PROJECT.

UNIFORM RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITION POLICIES ACT of 1970 (URA)

Acquisition: The Uniform Act or URA protections and assistance apply to acquisitions of real property and displacements resulting from the acquisition, rehabilitation or demolition of real property for federal or federally assisted programs or projects and must comply with 49 CFR part 24. Real property acquisitions which are “voluntary” (conducted without the threat of eminent domain) must satisfy the applicable requirements in 49 CFR 24.101(b) (1) – (5).

Relocation: If the project involves an occupied building *you must, at the time of the submission of an application for this NOFA, provide the occupants with a General Information Notice (GIN) which has been hand delivered or sent certified mail return receipt requested.* This notice must meet HUD standards and be signed by tenant. *You will be required to provide PHB copies of the GIN notice you provided each resident.* If the building was recently vacated (within one (1) year of application) please be prepared to explain and provide proof of the circumstances surrounding the vacancies.

ENVIRONMENTAL ISSUES

Environmental Review *As of the time of submission of an application for this NOFA, the project/applicant is prohibited from taking choice-limiting actions* including entering into any contracts or acquiring, rehabilitating, converting, demolishing, leasing, repairing or constructing the property until all environmental requirements are met and a Release of Funds is received from HUD. In certain circumstances optional/conditional agreements may be entered into. Please discuss any such action with PHB prior to execution.

UNIFORM ACCESSIBILITY STANDARDS – SECTION 504

Accessibility Requirements: In accordance with PHB funding criteria and as required by HUD, each housing project funded with **CDBG** or **HOME** funds, must be in compliance with Section 504 UFAS (Uniform Federal Accessibility Standards) requirements. All housing projects with 5 or more units must meet criteria established in 24 CFR Part 8. If the units proposed are townhomes, then the requirements apply when there are 15 or more units. Five Percent (5%) of all units, but not less than 1 shall be made to meet these criteria. If the project is in an existing building (rehabilitation) Section 504 requirements may not apply depending on the scope of work to be performed.

AFFIRMATIVE MARKETING

In accordance with the regulations of the HOME Investment Partnerships Program (24 CFR 92.351), and in furtherance of PHB's commitment to nondiscrimination and equal opportunity in housing, PHB will ensure owners affirmatively market units in HOME-assisted projects of five or more units. These procedures are intended to further the objectives of Title VIII of the Civil Rights Act of 1968 and Executive Order 11063.

CONFLICT OF INTEREST

Applicability. In the procurement of property and services by participating jurisdictions, State recipients, and subrecipients, the conflict of interest provisions in 24 CFR 85.36 and 24 CFR 84.42, respectively, apply. In all cases not governed by 24 CFR 85.36 and 24 CFR 84.42, the provisions of this section apply.

Owners and Developers. (1) No owner, developer or sponsor of a project assisted with HOME funds (or officer, employee, agent, elected or appointed official or consultant of the owner, developer or sponsor) whether private, for-profit or non-profit (including a community housing development organization (CHDO) when acting as an owner, developer or sponsor) may occupy a HOME-assisted affordable housing unit in a project. This provision does not apply to an individual who receives HOME funds to acquire or rehabilitate his or her principal residence or to an employee or agent of the owner or developer of a rental housing project who occupies a housing unit as the project manager or maintenance worker.

DAVIS-BACON (FEDERAL PREVAILING WAGE REQUIREMENTS)

Every contract for the construction (rehabilitation or new construction) of housing that includes 12 or more units assisted with HOME funds must contain a provision requiring the payment of not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 USC 276a-276a-5) to all laborers and mechanics employed in the development of any part of housing. Such contracts must also be subject to the overtime provisions, as applicable, of the Contract Work Hours and Safety Standards Act (40 USC 327-332).

Every contract for the construction (rehabilitation or new construction) of housing that includes 8 or more units assisted with CDBG funds must contain a provision requiring the payment of not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 USC 276a-276a-5) to all laborers and mechanics employed in the development of any part of housing. Such contracts must also be subject to the overtime provisions, as applicable, of the Contract Work Hours and Safety Standards Act (40 USC 327-332).

DEBARMENTS

A debarment sanction means that an individual, organization and its affiliates are excluded from conducting business with any Federal Agency government-wide. Depending upon the outcome of an investigation or legal proceeding, a suspension may lead to debarment. Debarment is the most serious compliance sanction and is generally imposed for a three-year period. Recipients of federal funds must not make any award (subgrant or contract) to any organization which is debarred or suspended or is otherwise excluded from or ineligible for participation in federal assistance programs

FINANCIAL MANAGEMENT

CDBG, HOME and other federal funds recipients are held accountable for all funds, property and assets of the CDBG and HOME program. Recipients must maintain a financial accounting system for grants that meets the CDBG and HOME regulations in accordance with 2 CFR 200, "Uniform Administrative

Requirements, Cost Principals, and Audit Requirements for Federal Awards.” This includes requirements pertaining to financial management systems and records, allowable costs and audits. Recipients are required to ensure that HOME and CDBG funds are spent only on reasonable and necessary costs associated with approved grant activities and must have a procedure for determining their reasonableness, allowability and allocability of costs.

PROCUREMENT

Federal procurement requirements are at 2 CFR Part 200, Subpart D, Procurement Standards. Different methods of procurement may apply depending on the type/size of the purchase. For more information, refer to Chapter 3 of *Playing by the Rules: A Handbook for CDBG Subrecipients on Administrative Systems*, located at: <https://www.hudexchange.info/sites/onecpd/assets/File/Playing-by-the-Rules-Handbook-CDBG-Subrecipients-Administrative-Systems-Chapter-3.pdf>

PHB REHABILITATION STANDARDS

All projects funded by the PHB must meet all applicable local codes, PHB rehabilitation standards, and zoning ordinances at the time of project completion. Sponsors, sub-recipient cities and their designees proposing to undertake rehabilitation activities must ensure that upon completion, rehabilitated housing meets the program-wide objective of being decent, safe, and sanitary. Written agreements for HOME funded projects shall cite this requirement making it mandatory for any sub-grantee to specifically adhere to PHB’s rehabilitation standards in effect at that time.

HUD SECTION 3 PROGRAM

The Section 3 program requires that recipients of certain HUD financial assistance, to the greatest extent possible, provide training, employment, contracting and other economic opportunities to low- and very low-income persons, and to businesses that provide economic opportunities to low- and very low-income persons. See PHB’s *Equity in Contracting, Section 3, and Apprenticeship & Workforce Diversity Program Requirements* for additional information.