



COMMUNITY DEVELOPMENT BLOCK GRANT

Policy and Procedures Manual

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**Department of Development Services
Community Development and Planning
City of Bristol, Tennessee**

CITY OF BRISTOL, TENNESSEE

DEPARTMENT OF DEVELOPMENT SERVICES

COMMUNITY DEVELOPMENT AND PLANNING

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INTRODUCTION

The City of Bristol, Tennessee is a part of the Kingsport-Bristol-Bristol, Tennessee-Virginia Metropolitan Statistical Area and is a Department of Housing and Urban Development Community Development Block Grant Entitlement City. As such, the City of Bristol receives a formulated amount of funds annually. The CDBG program is authorized under Title 1 of the Housing and Community Development Act of 1974, Public Law 93-383, as amended; 42 U.S.C.-5301 et seq. The program seeks to provide decent housing, a suitable living environment, and expand economic opportunities for low-and moderate-income persons.

This manual is intended as guidance for the CDBG program and is not a substitute for federal regulations. The federal CDBG program regulations can be found in Title 24 of the Code of Federal Regulations (CFR) Part 570.

This manual was adopted by the Community Development Advisory Committee (“CDAC”) and can be revised to meet changes in federal regulations, City Council actions, or to meet administrative needs upon approval of the CDAC.

The *Basically CDBG for Entitlements* training on the HUD Exchange has the best resources and was developed to guide and assist Community Development Block Grant (CDBG) Entitlement grantees in the implementation of their programs. From national objectives and eligible activities to the details of administration, financial management, and other federal requirements, these resources are valuable for every CDBG program practitioner. Visit the resource link below for additional information not included in this manual -

<https://www.hudexchange.info/resource/19/basically-cdbg-training-guidebook-and-slides/>.

KEY DEFINITIONS

24 CFR Part 85 (the Common Rule): This rule provides that the grantee shall take affirmative steps to encourage contracting with small minority and woman-owned business enterprises when possible as sources of supplies, equipment, construction, and services.

Action Plan: An annual update to HUD regarding the Consolidated Plan.

Administrative Cap: A maximum of 20 percent of the sum of the entitlement grant plus program income that is received during the program year may be spent on planning and administration costs.

Affirmatively Furthering Fair Housing Plan (AFFH): An analysis of fair housing that will assist a community to take meaningful actions to combat discrimination, end segregation, and foster inclusive communities.

Code of Federal Regulations (CFR): The codification of the general and permanent rules and regulations (sometimes called administrative law) published in the Federal Register by the executive departments and agencies of the federal government of the United States. The CFR is divided into 50 titles that represent broad areas subject to federal regulation.

Community Planning and Development (CPD): The office within HUD that administers and provides federal oversight of the CDBG program, along with other federal programs that provide decent housing, a suitable living environment, and expand economic opportunities for low-and moderate-income persons.

Community Development Advisory Committee (CDAC): An advisory body to the Bristol Tennessee City Council which encourages a planned and orderly approach to the development of community services. The CDAC reviews, evaluates and makes recommendations to the City Council as needed/requested. CDAC members are appointed by the City Council.

Citizen Participation Plan: A plan prepared by the City of Bristol in accordance with 24 CFR 570.486 which describes how the City will include and encourage citizen participation, especially by low-and moderate-income citizens.

Conflict of Interest: When an individual or organization is involved in multiple interests, one of which could corrupt or be perceived as corrupting the fair and objective allocation of funds or procurement of goods and services.

Consolidated Annual Performance and Evaluation Report (CAPER): An annual report prepared by the City of Bristol and submitted to HUD in accordance with 24 CFR Part 91, on the objectives, activities, and budget set forth in the Annual Action Plan and the progress on the five-year consolidated plan.

Consolidated Plan: A document that is prepared by the City of Bristol in accordance with 24 CFR Part 91, and describes needs, resources, priorities, and proposed activities to be undertaken with respect to the CDBG program. An approved Consolidated Plan must be approved by HUD.

Contractors: An entity paid with CDBG funds in return for a specific service (e.g., construction). Contractors must be selected through a competitive procurement process based on the approved CDBG Housing Policy & Procedures and the City’s procurement standards.

Copeland Anti-Kickback Act: A law that prevents a person from inducing anyone employed in the construction, completion, or repair of any public building, public work, or building, or work financed in whole or in part by loans or grants from the United States, to give up any part of the compensation to which the employee is otherwise entitled. The Act also regulates payroll deductions, specifies methods of paying wages to covered employees, and requires the submission of weekly payrolls in conjunction with statements of compliance by all contractors in a format that meets the requirements of 29 CFR Section 5.5.

Davis-Bacon Act (DBA): A law that requires contractors and subcontractors working on federally funded construction projects over \$2,000 to pay their workers no less than the locally prevailing wages for similar work in the same area as set forth by the Department of Labor.

Draw Down: The process of requesting and receiving CDBG funds. Grantees draw down funds from a line of credit established by HUD, while subrecipients draw down funds from the grantee.

Entitlement Community: A city in a metropolitan area with a population of 50,000 or more, a principal city of a metropolitan area, or an urban county with a population of at least 200,000 (excluding the population of metropolitan cities located therein) that receives an annual allocation of CDBG funds directly from HUD under the CDBG Entitlement Program. Entitlement Communities that lose population may still be “grandfathered” into the program and continue to receive grant funding. An Entitlement Community is sometimes referred to by HUD as a grantee or recipient.

Entitlement Grant: Federal funds received by an entitlement community in a program year.

Environmental Review Record (ERR): An assessment report of the environmental impacts of a CDBG-funded project. This assessment must be completed in HEROS before any funds are expended on a project in accordance with the requirements of 24 CFR Parts 50 and 58.

Executive Order 11063: A directive from the president that states no person shall be discriminated against on the basis of race, color, religion, sex, or national origin in housing and related facilities provided with federal assistance and lending practices with respect to residential property when such practices are connected with loans insured or guaranteed by the federal government.

Executive Order 11246: A directive from the president that applies to all federally assisted construction contracts and subcontracts that states no person shall be discriminated against on the basis of race.

Executive Order 11259: A directive from the president that states the administration of all federal programs and activities relating to housing and urban development be carried out in a manner to further housing opportunities throughout the United States.

Funding Cycle: The time period associated with the allocation of projected CDBG funds for the upcoming program year(s). The CDBG funding cycle is an annual cycle that runs concurrently with the City of Bristol's fiscal year (July 1 to June 30).

Grantee: A qualifying entity that receives and administers HUD funding in accordance with HUD's program requirements.

HUD'S Environmental Review Online System (HEROS): An online system for developing, documenting, and managing environmental reviews. Access to this system is granted by the HUD Region IV Environmental Officer.

Household: All persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any groups of related or unrelated persons who share living arrangements under the same roof.

Housing and Community Development Act of 1974: This act makes funds available to qualified cities to develop viable urban communities, by providing decent housing and a suitable living environment, and expanding economic opportunities.

Housing Rehabilitation: Activities that assist homeowners with the repair, rehabilitation, or reconstruction of owner-occupied and rental units.

Department of Housing and Urban Development (HUD): CDBG funds are provided by HUD. HUD established the regulations and requirements for the program and has oversight responsibilities for the use of CDBG funds.

Integrated Disbursement and Information System (IDIS): An online nationwide database that provides HUD with current information regarding program activities and funding data. The City of Bristol uses IDIS to fund and report on its CDBG Program. User identifications and passwords are issued by HUD.

Income: Adjusted gross income as defined by the IRS Form 1040.

Limited Clientele: Persons (or groups of persons) who are presumed to be principally LMI, according to HUD. These include abused children, battered spouses, elderly persons (age 62 and over), adults meeting the Bureau of the Census' definition of severely disabled, homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers.

Low-and Moderate-Income (LMI): Classified by a Family or household annual income that is less than the Section 8 Low-Income Limit, generally 80% of the area median income, as established by HUD. A minimum of 70% of all households receiving services using CDBG funding must have a low- and moderate-income.

Low-Income Household/Family: A household/family having an income equal to or less than the Section 8 Very Low-Income Limit (50% of the area median income) as established by HUD.

Metropolitan Statistical Area (MSA): An area with at least one urbanized area of 50,000 or

more population, plus adjacent territory that has a high degree of social and economic integration with the core, as measured by commuting ties. The City of Bristol is part of the Kingsport-Bristol-Bristol, TN-VA MSA.

Minority Business Enterprise (MBE): A business concern that is at least 51% owned by one or more individuals who are African American, Hispanic American, Native American, Asian-Pacific American, or Asian-Indian American; and whose management and daily business operations are controlled by one or more of these owners.

Moderate-Income Household/Family: A household/family having an income equal to or less than the Section 8 Low-Income limit (80% of area median income) established by HUD, but greater than the Section 8 Very Low-Income Limit (50% of area median income) established by HUD.

Monitoring Visits: Visits to subrecipient and partner programs by the Community Development and Planning Department staff to evaluate the progress/performance of the program and/or to provide technical assistance.

PR Reports: Standard CDBG program reports generated in IDIS that provide financial and performance information.

Presumed Benefit: Benefits that impact a group of residents that is presumed to be principally low- to moderate-income. These groups include abused children, battered spouses, severely disabled adults, homeless persons, illiterate adults, persons with AIDS, migrant farm workers, and elderly persons over 62 years of age.

Program Income: The gross income received by the City of Bristol and its subrecipients that is directly generated from their use of CDBG funds.

Program Year: The City of Bristol's program year begins July 1 and concludes June 30 of the following year.

Public Service Activity: Eligible activities include, but are not limited to those concerning education, employment, crime prevention, childcare, healthcare, homelessness, drug abuse, fair housing counseling, senior services, and youth services. To be eligible for CDBG assistance, a public service must be either a new service or have a quantifiable increase in services.

Public Services Cap: A maximum of 15% of the sum of the entitlement grant plus program income that is received during the program year may be spent on public service activities.

Resident: Unless otherwise distinguished by HUD or applicable statute, resident and citizen are used interchangeably.

Restoration Act of 1987: This Act restores the broad scope of coverage and clarifies the application of the Civil Rights Act of 1964. It also specifies that an institution that receives Federal financial assistance is prohibited from discriminating on the basis of race, color, national origin, religion, sex, disability, or age in a program or activity which does not directly benefit from such assistance.

Section 109 of Title 1 of the Housing and Community Development Act of 1974: This section of Title 1 states that no person shall be excluded from participation (including employment), denied program benefits, or subject to discrimination on the basis of race, color, national origin, or sex under any program or activity funded in whole or in part under Title I of the Act.

Section 3 of the Housing and Urban Development Act of 1968, as amended: Requires the provision of opportunities for training and employment that arise through HUD-financed projects to lower-income residents of the project area, to the greatest extent feasible and consistent with Federal, State, and local laws and regulations. Also required is that contracts be awarded to businesses that provide economic opportunities for low- and very low-income persons residing in the area. Amendments to Section 3 in 1992 include requirements for providing these opportunities in contracts for housing rehabilitation, including lead-based paint abatement, and other construction contracts.

Section 109 of Title I of the Housing and Community Development Act of 1974: Requires that no person shall be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded with CDBG funds on the basis of race, color, religion, national origin, or sex.

Section 504 of the Rehabilitation Act of 1973: This act prohibits discrimination based on disability in federally assisted programs. This section states that no otherwise qualified individual shall, solely by reason of his or her disability, be excluded from participation (including employment), denied program benefits, or subjected to discrimination under any program or activity receiving Federal funding assistance. Section 504 also contains design and construction accessibility provisions for multi-family dwellings developed or substantially rehabilitated for the first occupancy on or after March 13, 1991.

Subrecipient: An entity that assists the grantee to implement and administer its program. Subrecipients are generally nonprofit organizations that assist the recipient to undertake one or more activities on behalf of the grantee, such as home rehabilitation. Subrecipients are also referred to as subgrantees.

Subrecipient Agreement: A written agreement between the City of Bristol (grantee) and the subrecipient that is required before CDBG funds are disbursed.

Target Areas: A geographic area within the City limits of Bristol, Tennessee that has a minimum of 51% low-moderate income population. The City Council must take formal action to concentrate CDBG funds and programs in the target area(s).

Technical Assistance: Assistance to an entity by another entity with more knowledge in the applicable subject field, resulting in increased capacity or knowledge of the assisted entity.

Timeliness: Carrying out CDBG-funded activities in a timely manner.

Timeliness Spending Test: A test conducted sixty (60) days prior to the end of the current program year, to ensure that the amount of entitlement grant funds available to the City of Bristol under grant agreements, but undisbursed by the U.S. Treasury, is not more than 1.5 times the

entitlement grant amount for the current program year. Progress can be monitored in IDIS, through the PR 56 report.

The Age Discrimination Act of 1975: This Act states that no person shall be excluded from participation, denied program benefits, or subject to discrimination on the basis of age under any program or activity receiving federal funding assistance. Effective January 1987, the age cap of 70 was deleted from the laws. Federal law preempts any state law currently in effect on the same topic.

The Americans with Disabilities Act of 1990 (ADA): This Act modifies and expands the 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.

The Equal Employment Opportunity Act: This Act empowers the Equal Employment Opportunity Commission (EEOC) to bring a civil action in Federal court against private sector employers after the EEOC has investigated the charge, found “probable cause” of discrimination, and failed to obtain a conciliation agreement acceptable to the EEOC. It also brings federal, state, and local governments under the Civil Rights Act of 1964.

The Fair Housing Amendment Act of 1988: This act amended the original Fair Housing Act to provide for the protection of families with children and people with disabilities, strengthen punishment for acts of housing discrimination, expand the Justice Department’s jurisdiction to bring suit on behalf of victims in federal district courts, and create an exemption to the provisions barring discrimination on the basis of familial status for those housing developments that qualify as housing for persons age 55 or older.

The Housing for Older Persons Act of 1995 (HOPA): This act requires at least one person who is 55 years of age or older to live in at least 80 percent of its occupied units. The Act also retained the requirement that housing facilities publish and follow policies and procedures that demonstrate intent to be housing dedicated for persons 55 and older.

The Immigration Reform and Control Act of 1986 (IRCA): Under IRCA, employers may hire only persons who may legally work in the US, (i.e. citizens and nationals of the U.S. and aliens authorized to work in the US). The employer must verify the identity and employment eligibility of anyone to be hired, which includes completing the Employment Eligibility Verification Form (I-9).

The Uniform Guidelines on Employee Selection Procedures: This manual was adopted by the Equal Employment Opportunity Commission in 1978 and applies to employee selection procedures in the areas of hiring, retention, promotion, transfer, demotion, dismissal, and referral. It is designed to assist employers, labor organizations, employment agencies, licensing, and certification boards in complying with the requirements of Federal laws prohibiting discriminatory employment.

The Vietnam Era Veterans' Readjustment Act of 1974 (revised Jobs for Veterans Act of 2002): This Act was passed to ensure equal employment opportunities for qualified disabled veterans and veterans of the Vietnam War. Affirmative action is required in the hiring and promotion of veterans.

Title VI of the Civil Rights Act of 1964: This Act provides that no person shall be excluded from participation, denied program benefits, or subject to discrimination based on race, color, and/or national origin under any program or activity receiving federal financial assistance.

Title VIII of the Civil Rights Act of 1968 (The Fair Housing Act): This Act prohibits discrimination in housing on the basis of race, color, religion, sex, and/or national origin. This law also requires actions that affirmatively promotes fair housing.

Urgent Need: Activities designed to alleviate existing conditions of recent origin (18 months) that pose serious threats to the health and welfare of the community. This objective may only be used if the community cannot finance necessary activities with other sources.

Women's Business Enterprise (WBE): A business entity that is at least 51% owned by one or more women and whose management and daily business operations are controlled by one or more of those owners.

CDBG PROGRAM OVERVIEW

The City of Bristol, Tennessee receives a yearly Community Development Block Grant (CDBG) entitlement funding from the U.S. Department of Housing and Urban Development (HUD). To continue participation in this program, the City contractually agrees to implement HUD's Housing and Community Development Act of 1974 and related CDBG program regulations in 24 CFR 570. All CDBG allocations are subject to the regulations detailed in 2 CFR Part 200 (formerly, OMB Circulars A-110 (2 CFR Part 225), OMB Circulars A-110, and A-122 (2 CFR Part 230)).

NATIONAL OBJECTIVES

- At least 70% of the program participants must have low- or moderate-income as defined by HUD.
- Must eliminate slums and blight as defined by HUD.
- Meet an urgent need designated as an emergency by the City of Bristol.

ELIGIBLE ACTIVITIES

- Acquisition of real property for any public purposes other than the general conduct of government.
- Disposition of property acquired with CDBG funds.
- Acquisition, construction, rehabilitation, or installation of public facilities and improvements carried out by the City of Bristol or other public or private non-profit entities. (Generally, this does not apply to new construction.)
- Services (limited to a maximum of 15% of the City of Bristol's total CDBG entitlement) which are directed toward improving the community's public services and facilities, including, but not limited to, those concerned with employment, education, health care, substance abuse, and senior or youth services.
- Removal of architectural barriers, which restrict the mobility of elderly and/or persons with disabilities. All publicly and privately owned buildings and facilities are eligible for funding.
- Rehabilitation and preservation for:
 - Low- and moderate-income owner-occupied houses.
 - Low- and moderate-income public housing.
 - Publicly owned non-residential buildings and improvements otherwise eligible for assistance.
 - Publicly or privately owned historic buildings.
 - Commercial or industrial facilities for job creation or retention.
 - Public facilities.
 - Affordable housing or mixed-income housing.
 - Low- and moderate-income senior housing.
 - Businesses that agree to hire, retain, and/or serve low- and moderate-income persons.

Section 105(a) of the Community Development Act and HUD regulations specified the activities that are eligible for CDBG assistance. A general listing of eligible activities is below, and a detailed description is provided in section 105(a) of the Act and 24 CFR 570.482.

- 911 Emergency Systems
- Administration
- Airports
- Architectural Barrier Removal
- Asbestos Inspection
- Asbestos Removal
- Bridges
- Centers for the Handicapped
- Code Enforcement
- Commercial or Industrial Facilities
- Community Facilities
- Electrical Distribution Lines
- Energy Use Strategy
- Engineering/Construction Inspection
- Engineering/Design
- Facility Construction Renovation
- Fire Protection/Facility Equipment
- Flood and Drainage Facilities
- Historic Properties
- Homeowners Assistance- to purchase an existing home
- Home-Ownership Counseling
- Housing Rehab/Demo Inspection
- Interim Assistance
- Job Training
- Homeownership Assistance
- Lead Reduction NOT incidental to Rehab
- Lead-Based Paint Risk Assessment
- Legal
- Lighting
- Machinery/Equipment
- Natural Gas Lines
- Non-Federal Share Payment
- Other Professional Services
- Other Utilities
- Parking Facilities
- Parks and Recreation Facilities
- Payments for Loss of Rental Income
- Pedestrian Malls
- Planning
- Property Acquisition
- Property Clearance/Demolition
- Property Disposition
- Public Service/Supportive Services
- Purchase Land/Building
- Rail Spurs
- Recycling or Conversion Facilities
- Rehabilitation of Private Residential Properties
- Rehabilitation of Public Residential Properties
- Relocation
- Sanitary Sewer Collection
- Security Fencing
- Senior Center
- Sewage Treatment
- Sidewalks
- Site Preparation
- Solid Waste Disposal Facilities
- Storm Sewers
- Street Accessories
- Streets (or Roads)
- Substantial Reconstruction of Private Residential Properties on Same Lot- Up to \$15,000
- Water Distribution
- Water Treatment/Storage
- Working Capital

51% LOW- AND MODERATE-INCOME

At least 51% or more of the persons and families benefiting must be low- and moderate-income (“LMI”) for public projects and public facilities and 100% LMI for housing activities. LMI can be determined by HUD census data or by conducting a survey. LMI is generally calculated on an area basis, such as census tracts.

- A map must accompany the survey area, showing the project area and beneficiaries. If a survey is used to prove LMI, then the survey area and houses surveyed should be clearly marked on the map.
- Limited Clientele persons (or groups of persons) are presumed to be principally LMI, according to HUD. These include abused children, battered spouses, elderly persons (age 62 and over), adults meeting the Bureau of the Census’ definition of severely disabled, homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers.
- If a project’s activities are limited exclusively to LMI persons (such as a food pantry with income restrictions either equal to or more restrictive than the LMI income limits for that area), the project may meet the LMI national objective through limited clientele.
- Limited Clientele projects are those that exclusively serve a group defined as limited clientele. If this criterion is met, then no further LMI documentation, either by census or survey is necessary. If the project is not exclusive or designed for only that specified group or groups, then LMI eligibility must be proven by another method.

ELIMINATION OF SLUMS & BLIGHT

To prove this national HUD objective, a project must propose one of the two different methods:

- Structural Blight - Occurs when a structure exhibits objectively determinable signs of deterioration sufficient to constitute a threat to health, safety, and public welfare.

To participate in this activity, the City of Bristol, at a minimum, must determine blighted structures by applying existing dangerous building ordinances, building code level of violation, or applicable occupancy or habitability designation or code violation in a manner consistent with their ordinance. The ordinance, code violation, or designation must be applied to the specific structure, not to the area as a whole. The predominance of blight in an area does not allow blight to be assumed for each structure inside the area.
- Area Blight - Occurs when a resolution passed by the governing legislative body declares the area blighted in accordance with 24 CFR 570. As stated, the definition of the national objective *elimination of slum and blight* reads as follows -
 - At least 25% of the properties throughout the area experience one or more of the following conditions:
 - Physical deterioration of buildings or improvements;
 - Abandonment of properties;
 - Chronic high occupancy turnover rates or chronic high vacancy rates in commercial or industrial buildings;
 - Significant declines in property values or abnormally low property values relative to other areas in the community; or
 - Known or suspected environmental contamination.
 - The public improvements throughout the area are in a general state of deterioration.

URGENT THREAT TO HEALTH & SAFETY

The use of the urgent need national objective is rare and generally used for activities that alleviate emergency conditions. According to the *Basically CDBG* Course Training Manual, examples include:

- Acquisition of property located in a flood plain that was severely damaged by a recent flood;
- Public facility improvements like the reconstruction of a publicly-owned hospital that was severely damaged by a tornado; or
- Demolition of structures that are severely damaged by a major earthquake;

Urgent need qualified activities must meet the following criteria:

- The existing conditions must pose a serious and immediate threat to the health or welfare of the community;
- The existing conditions are of recent origin or recently became urgent (generally, within the past 18 months);
- The grantee is unable to finance the activity on its own; and
- Other sources of funding are not available.

INELIGIBLE ACTIVITIES

- Maintenance or operation costs - any cost that recurs regularly (typically less than five years) is considered a maintenance or operation cost, therefore ineligible for CDBG assistance.
- General government expenses.
- Political activities.
- Improvements to city halls and courthouses, except those required to meet the Americans with Disabilities Act. Note: CDBG funds used for ADA projects may only convert existing facilities to accessibility. CDBG funds may not be used to add new facilities.
- Purchase of equipment, except for fire protection, public services, landfills, or recreation.
- Income payments, except for the loss of rental income due to displacement.
- Application preparation costs or a bonus award for writing a successful application.
- Religious purposes.

SPENDING RESTRICTIONS

PUBLIC SERVICE CAP*

No more than 15% of the sum of the annual entitlement grant plus any grant program income received in the previous grant year may be spent on public service programs. The public service cap is calculated by:

Current Year Entitlement Amount:	<u>\$227,500</u>
+	
Previous Year Program Income Received:	<u>\$20,000</u>
=	
Amount to Calculate Public Service Cap:	<u>\$247,500</u>
x	<u>15%</u>
Total Maximum Amount for Public Service Programs:	<u>\$37,125</u>

PLANNING & ADMINISTRATION CAP*

No more than 20% of the sum of the annual entitlement grant plus any grant program income received during the grant year may be spent on planning studies or administration. The planning and administration cap is calculated by:

Total grant amount	<u>\$227,500</u>
+	
Program income and reallocated funds	<u>\$2,500</u>
Total: the basis for calculating the cap	<u>\$230,000</u>
x	<u>20%</u>
Maximum dollar level that may be charged:	<u>\$46,000</u>

LOW AND MODERATE BENEFIT INCOME REQUIREMENT*

At least 70% of the City of Bristol's non-administration CDBG spending is required to benefit low- and moderate-income people. The 70% threshold should be exceeded each year to maintain compliance; however, HUD rules allow grantees to use spending during a fixed three-year period to calculate. The benefit should be either 51% of client participants, 51% of household participants, 51% of housing units assisted, 51% of an area's residents, or 51% of employees in jobs created or retained. The low-and moderate-income benefit requirement is calculated by:

Entitlement Amount in Year 1, Year 2 and Year 3:	$\$227,500 + \$227,500 + \$227,500 =$	<u>\$682,500</u>
-		
Administration Budget Allocation in Year 1, Year 2 and Year 3:	$-\$46,000 - \$46,000 - \$46,000$	<u>(\$138,000)</u>
Amount to Calculate Minimum Low-Mod Benefit Spending:		<u>\$544,500</u>
		x 70%

Total Minimum Required Amount for Low/Mod Benefit Spending:	<u>\$381,150</u>
3-Year Total Amount Spent on Low/Mod Area Benefit Programs:	<u>\$50,000</u>
+	
3-Year Total Amount Spent on Low/Mod Limited Client Benefit Programs:	<u>\$75,000</u>
+	
3-Year Total Amount Spent on Low/Mod Jobs Benefit Programs:	<u>\$50,000</u>
+	
3-Year Total Amount Spent on Low/Mod Housing Benefit Programs:	<u>\$300,000</u>
=	
3-Year Amount to be Applied to Low/Mod Benefit Calculation:	<u>\$475,000</u>

**Numbers are estimates and will fluctuate depending on each grant award.*

SPENDING TIMELINESS

HUD requires the City of Bristol to use the CDBG funds it receives in a timely manner. HUD determines if Bristol, Tennessee is spending its CDBG entitlement in a timely manner by verifying the fund's balance on March 2 of each year. HUD requires the amount of unspent funds to be no more than 150% of the entitlement amount for the current year. The best method to review the City of Bristol's timeliness is to refer to the Integrated Disbursement and Information System (IDIS) program report number 56 (PR56).

TIMELY DISTRIBUTION OF FUNDS

CDBG funds are to be distributed in a timely fashion. Timeliness refers to how quickly funds can be committed and expended. Every effort must be made to quickly expend and use funds.

Obligation is defined as the date which the grantee officially announces the selection of its awards to the subgrantee(s). Obligation could mean the following:

- Contract;
- Letter;
- Press release;
- News announcement; or
- Public notice.

Currently, there are no timely regulatory requirements in either the statute or regulations. HUD tracks expenditures through the Line of Credit Control System (LOCCS). Through this system several reports can be created by HUD staff such as the Ratio of Unexpended Funds to Grant, Ratio of Funds Expended in the Last 12 Months to Grant, Expenditure Report, and National Chart.

INCOME RESTRICTIONS

At least 51% of the program's participants must be low-and moderate-income as determined by HUD income limits for the Kingsport-Bristol-Bristol, TN-VA Metropolitan Statistical Area (MSA). To determine if a client qualifies as low or moderate income, the household size must be determined first, followed by the total income of the household. If the total household income falls below 80% of the median income, the client can be counted towards the 51% required

participation of low-and moderate-income residents. Clients above this threshold may participate in a CDBG-funded activity if these participants comprise no more than 49% of the total participants. However, programs should be designed to ensure maximum participation by low-and moderate-income persons.

The CDBG Program recognizes three methods to determine a household’s income:

- Annual income as defined by 24 CFR Part 5 (Part 5 Annual Income also formerly known as the “Section 8” Income);
- Annual income as reported under the census long form for the most recent decennial census; and
- Adjusted gross income as defined for purposes of reporting under Internal Revenue Service (IRS) Form 1040 series for individual federal annual income tax purposes.

Any of the three methods can be used for CDBG-funded programs and activities, provided that only one (1) method is used exclusively for that program or activity. The preferred method of determining income eligibility for the City of Bristol is the “Part 5 Annual Income.”

2022 INCOME LIMITS
Kingsport-Bristol-Bristol, TN-VA MSA
Issued by HUD, effective on June 15, 2022

FY 2022 Income	Median Family Income	FY 2022 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
Kingsport-Bristol-Bristol TN-VA MSA	\$69,700	Extremely Low Income Limits (\$)*	\$14,000	\$18,310	\$23,030	\$27,750	\$32,470	\$37,190	\$41,300*	\$44,000*
		Very Low (50%) Income Limits (\$)	\$23,350	\$26,650	\$30,000	\$33,300	\$36,000	\$38,650	\$41,300	\$44,000
		Low (80%) Income Limits (\$)	\$37,350	\$42,650	\$48,000	\$53,300	\$57,600	\$61,850	\$66,100	\$70,400

NOTE: Sullivan County is part of the **Kingsport-Bristol-Bristol, TN-VA MSA**, so all information presented here applies to all of the **Kingsport-Bristol-Bristol, TN-VA MSA**.

The **Kingsport-Bristol-Bristol, TN-VA MSA** contains the following areas: Hawkins County, TN; Sullivan County, TN; Scott County, VA; Washington County, VA; and Bristol city, VA.

PRESUMED BENEFIT

Some activities do not require the collection of an individual client or household income data. The following should be used as the presumed benefit categories.

<u>Presumed Benefit Category</u>	<u>Income Category</u>
Abused Children	Extremely Low-Income
Battered Spouses	Low-Income
Severely Disabled Adults	Low-Income
Homeless Persons	Extremely Low-Income
Illiterate Adults	Low-Income
Persons with AIDS	Low-Income
Migrant Farm Workers	Low-Income
Senior Citizens and Elderly (over age 62)	Low-Income

AFFIRMATIVELY FURTHERING FAIR HOUSING PLAN

As part of HUD's certification, the City of Bristol is required to complete an Analysis of Impediments to Fair Housing Choice (AI). Although not part of the consolidated plan, the City of Bristol must certify that it completed the analysis, is taking appropriate actions to overcome the effects of any impediments identified, and maintains records reflecting the analysis and related actions.

See the most recent AI to view the impediments that were identified for the City of Bristol.

Actions (fair housing activities) in addressing the above-identified impediments should be implemented through the Consolidated Plan and/or Action Plan.

The City of Bristol prepares an Analysis of Impediments to Fair Housing (AI) every 5-years. The report will be submitted to HUD for review as required. The last AI was prepared in 2017.

FUNDING REQUESTS FROM FAITH-BASED ORGANIZATIONS

In 2004, HUD issued guidelines for ensuring equal treatment of faith-based organizations. Faith-based organizations are encouraged to apply for CDBG funds provided that the activities funded with CDBG comply with the guidance outlined in HUD CPD Notice 04-10 of September 29, 2004. The notice provides the following guidelines:

- Organizations may not use direct HUD funds to support inherently religious activities such as worship, religious instruction, or proselytization. Faith-based organizations may use HUD funds to support non-religious social services that are separate in time or location from their inherently religious activities.
- Faith-based organizations, like all organizations implementing HUD-funded programs, must serve all eligible beneficiaries without regard to religion. Faith-based organizations may not require participants to attend or take part in any religious activities that take place at a different time or location, but these participants must be reassured that their decision to participate or not will not affect their ability to receive HUD funds.
- Faith-based materials, supplies, or literature may not be acquired or distributed with HUD funds.
- Faith-based organizations may use HUD funds to pay a salary to staff or members of a faith-based organization, provided that the staff or members do not engage in religious activities while being paid with public dollars.

ADMINISTRATION & PLANNING

CDBG funds can be used for administrative and planning activities. Funds under these categories are subject to the 20% statutory limitation. The following are eligible administrative activities:

- General management, oversight, and coordination, such as
 - Providing local officials and citizens with information about the CDBG program;
 - Preparing budgets and schedules;
 - Preparing reports;
 - Monitoring program activities;
- Fair Housing Activities;
- Indirect costs; and
- Submission of applications for Federal programs.

Eligible planning activities include:

- Comprehensive plans;
- Community development plans (i.e. Consolidated Plan);
- Functional plans (i.e. land use, economic development, floodplain management transportation, historic preservation, etc.); and
- Other plans and studies (i.e. neighborhood plans, capital improvements, individual plans, historic preservation studies, etc.).

Under this category, CDBG funds may not be used for the following activities, BUT they may be eligible as part of an eligible project:

- Engineering, architectural, and design costs related to a specific project; and
- Other costs of implementing plans.

Additional costs associated with the housing substantial/reconstruction program such as larger environmental reviews/assessments, and additional time preparing documents (prep and closeout) can be paid from the housing rehabilitation program and not CDBG administration.

CDBG PROGRAM ORGANIZATIONAL STRUCTURE

The City of Bristol's CDBG Program is primarily staffed by the Community Development Specialist, who reports directly to the Director of Community Development and Planning and the Community Development Advisory Committee ("CDAC"). The Community Development Specialist is primarily responsible for the administration and operation of the program. Other city departments coordinate efforts to comply with various federal and state regulations, including, but not limited to 24 CFR 570, 24 CFR 85, 24 CFR 91, and 2 CFR Part 200.

The following is a summary of the grantee's positions and responsibilities and can be seen on the organizational chart.

City Council

- Approves Consolidated Plan/Annual Action Plan/CAPER
- Updates to Citizen Participation Plan

City Manager

- Certifies Environmental Review Record
- Certifies Consolidated Plan and Annual Action Plan

City Finance Department

- General finance and budget
- Purchasing
- Tyler/Munis Accounting Management System
- Audit
- Reviews CDBG Quarterly Cash on Hand Reports
- Reviews drawdowns
- Process payroll
- Receives CDBG payments/program income

City Codes Department

- Inspects pre- and post-general rehab and demolition projects
- Code enforcement

Public Works Department

- Provides guidance on infrastructure needs in the community
- Bids for CDBG-funded infrastructure projects
- Project construction monitoring and inspection for CDBG-funded infrastructure projects

Community Development & Planning Department

- Prepares budgets
- Tyler/Munis Accounting Management System
- Works in IDIS, HEROS, and other HUD grant management systems
- Writes and submits the Consolidated Plan (and amendments), Annual Action Plan (and amendments), and Consolidated Annual Performance and Evaluation Report

- Hosts public hearings and public engagements
- Completes environmental review records
- Requests purchase orders
- Reviews housing rehabilitation applications and eligibility criteria
- Oversees the housing rehabilitation projects and programs (see Housing Rehabilitation Policy and Procedures)
- Oversees contracts, deeds of trust and promissory notes, release deeds for housing rehab, public services, contractor outsourcing, and demolition projects
- Provides technical assistance to subrecipient agencies
- Compliance monitoring of subrecipient agencies
- Reviews social service requests
- Presents to the Community Development Advisory Committee and/or City Council
- Submits various HUD and CDBG reports such as Cash on Hand, Women and Minority Business, Davis-Bacon, and Section 3 and Equal Opportunity (as required)
- Research and apply for non-HUD grant funding as needed
- Participate in community engagement with area social agencies and services
- Communicates with the Community Development Advisory Committee (“CDAC”)
- Promotes fair housing practices
- Contractor engagement
- Works with other departments within the city as needed

The City Outsources

- Licensed third-party housing rehabilitation inspectors and/or project managers (non-emergent)
- Lead-based paint testing, and abatement and clearance inspections

CITIZEN PARTICIPATION PLAN

The City of Bristol is a participating entitlement jurisdiction with HUD in receiving CDBG funding. The City shall follow its Citizen Participation Plan. Any changes to this plan shall be approved by the City Council. The City shall hold public hearings at least two times per year and encourage public participation during the preparation of the Affirmatively Furthering Fair Housing, five (5) year Consolidated Plan, Annual Action Plan, and the Consolidated Annual Performance Evaluation Report (CAPER). The Citizen Participation Plan shall comply with Section 91.105 of the Department of Housing and Urban Development Final Rule and 24 CFR Part 5.

As such, citizens, public agencies, and other interested parties are guaranteed a role in the development and review of plans and performance reports and further, shall have access to certain records and technical assistance. The Citizen Participation Plan (CPP) sets forth those procedures. The CPP will be updated as needed.

ENCOURAGEMENT OF CITIZEN PARTICIPATION

The CPP encourages:

- Citizens, public agencies, and other interested parties to participate in the development and review of the Consolidated Plan (its amendments), Annual Action Plan (its amendments), Environmental Review Record, and Consolidated Annual Performance and Evaluation Report.
- Participation by low-and moderate-income persons living in slum and blighted areas and in areas where CDBG funds are proposed to be used, as well as residents of predominately low-and moderate-income neighborhoods.
- Participation of all citizens of the City of Bristol, including minorities and non-English speaking persons, as well as persons with disabilities.

COMMUNITY DEVELOPMENT ADVISORY COMMITTEE (CDAC)

The CDAC Committee acts in an advisory capacity to assist in the planning and implementation of projects as part of the city's Community Development Block Grant (CDBG), as well as the Northeast Tennessee/Virginia HOME Consortium entitlement activities. The committee reviews projects and services and acts as a community liaison. Recommendations on projects and problems are forwarded to City Council in the annual Action Plan through the Community Development and Planning Department. Community Development and Planning Department staff assist this committee in its deliberations and are charged with carrying out approved activities each year.

STRUCTURE OF THE CDAC

- The community-wide CDAC is appointed by the City Council.
- The membership shall consist of nine (9) citizens living within the City limits of Bristol, Tennessee.
- CDAC membership should represent multiple groups such as lower income, minority, elderly, disabled, or staff representing community or needs-based agencies.
- CDAC members' terms shall be three (3) years, subject to additional reappointment(s) by the City Council.
- Section 2-121 of the City's Code of Ordinances provides an appointed member of the various boards and commissions of the city who is absent from three (3) consecutive meetings, without providing good cause therefor, may, upon the recommendation of the board or commission, be deemed by the City Council to have resigned from such board or commission, and the City

Council may proceed to appoint their successor.

- Voluntary resignations shall be handled in a similar manner as referenced above.
- All members are required to be city residents at the time of appointment and maintain city residency during their entire term of office.

ORGANIZATION OF CDAC

- The Committee shall select a Chairperson and a Vice-Chairperson each September.
- The Committee will have regular meetings in January, February, March, April, September, October, and November each year. Additional meetings may be conducted as needed.
- The Community Development and Planning Department shall be the staff for the CDAC.
- A primary role of the CDAC is to encourage citizen participation from all citizens, public agencies, and other interested parties including minorities, low/moderate income persons, and non-English speaking persons.

ROLE OF CDAC

- The CDAC shall be responsible for citizen participation before making recommendations to the City Council on the following items, including but not limited to:
 - The Five-Year Consolidated Plan, including the identification of community development and housing needs, and determining priorities.
 - Annual Action Plan of projects that are consistent with the Consolidated Plan.
 - Subsequent minor and/or substantial amendments to approved programs in the Consolidated Plan and Annual Action Plan.
 - The annual CDBG Program and CDBG budget.
 - The Consolidated Annual Performance and Evaluation Report (CAPER) to review progress.
- The CDAC shall be responsible for making recommendations to the Bristol Tennessee City Council.
- The CDAC shall be responsible for reviewing the effectiveness of various CDBG projects.
- All CDAC meetings shall be conducted openly, with freedom of access to all interested persons. Dates, times, and locations of all meetings shall be available on the City of Bristol's website at bristoltn.org.

RESPONDING TO CITIZEN COMMENTS, VIEWS, AND COMPLAINTS

Program Recommendations, Requests, and Objections

- Recommendations, requests, and/or objections may be submitted to the CDAC for consideration from interested citizens, agencies, and/or organizations at any time during the program year.
- Written responses shall be made to these written recommendations, requests, and/or objections within fifteen (15) working days after a determination by the CDAC at its general meeting.
- Written comments, requests, and/or inquiries that require a response to general information and/or clarification of the CDBG program can be handled by staff in the Community Development and Planning Department. The response time shall be not more than fifteen (15) working days from the receipt of the written comment, request, and/or inquiry, where practicable.
- All written responses to written recommendations, requests, and/or objections shall state reasons for the action(s) taken or, in the case of staff response, shall make specific reference to pertinent sections of CDBG rules, regulations, or legislation.

- Whenever practical, responses should be made prior to the end of the comment period as stated in the advertisements and announcements on the development of the Consolidated Plan, Annual Action Plan, Environmental Review Record, and/or the Consolidated Annual Performance and Evaluation Report for which the written recommendation, request and/or objection was offered.
- Written recommendations, requests, and/or objections not offered at officially called meetings of the CDAC, shall be addressed to the Community Development Specialist, 104 8th Street, Bristol, TN, 37620.

AVAILABILITY OF RECORDS

- The City of Bristol will make the Five-Year Consolidated Plan, Annual Action Plan, Substantial Amendments, and Consolidated Performance and Evaluation Report available to the public. These materials shall be made available in a form accessible to persons with disabilities, or non-English speaking residents, upon request where practical.
- The City of Bristol shall maintain records pertaining to the CDBG Program in the Municipal Annex Building for a period of six (6) years.
- All records shall be available for inspection between the hours of 8:00 a.m. and 5:00 p.m. during designated working days.
- Requests for copies of any available records shall be made, in writing, pursuant to the established City of Bristol, Tennessee policy, through the City's Legal Department. The current fee schedule for copying records shall be applicable. The City's policy under the Tennessee Public Records Act is available on the City's website at www.bristoltn.org.

CONSOLIDATED PLAN/AAP/CAPER ADOPTION

The process of completing the Consolidated Plan (and Annual Action Plan) helps the City to determine what activities to fund in the coming year. The Consolidated Plan is a plan of five years in length, which describes the community needs, resources, priorities, and proposed activities to be undertaken under the CDBG program.

Each year, the City must submit an update to HUD, referred to as an Action Plan. The Action Plan describes the specific planned uses for CDBG.

The Consolidated Plan includes the following:

- A description of the entity responsible for overseeing the development of the Consolidated Plan and a description of the process undertaken to develop the plan;
- A housing and homeless needs assessment;
- A housing market analysis;
- A strategic plan; and
- A one-year Action Plan.

Prior to the adoption of a Five-Year Consolidated Plan, the City of Bristol will make available to interested citizens, agencies, groups, and other parties the following:

- Information that includes the amount of grant funds and program income it expects to receive;
- The range of activities that may be undertaken;
- The estimated amount that will benefit persons of low-and moderate-income;
- Plans to minimize displacement of persons and to assist any person displaced, specifying the types and levels of assistance that will be made to persons displaced and from whom the assistance will come;
- Publication of the proposed Consolidated Plan in a manner that affords all citizens a reasonable opportunity to examine its contents and submit comments.
- Publish the proposed Consolidated Plan Summary in the newspaper of general circulation. The Summary will describe the contents and purpose of the proposed Consolidated Plan and include a list of locations where copies of the entire proposed Consolidated Plan may be examined.
- Provide free copies of the proposed Consolidated Plan to citizens and groups that request it
- Make copies of the proposed Consolidated Plan and Summary available at the Bristol, Tennessee Community Development and Planning Office (104 8th Street, Bristol, TN), at the circulation desk of the Bristol Public Library (701 Goode Street, Bristol, VA), at the Bristol Housing office (204 Bluff City Highway, Bristol, TN), and the Slater Community Center (325 McDowell Street, Bristol, TN)
- Provide a thirty (30) day period of review and receive comments from interested citizens, agencies, and/or groups on the proposed Consolidated Plan.
- Consider any comments or views of interested citizens, agencies, and/or groups received in writing and/or orally at the public hearing, in preparation for the final Consolidated Plan. A summary of comments and views received and a summary of comments and views not accepted and the reasons, therefore, shall be attached to the final Consolidated Plan
- Hold public hearings during the September Community Development Advisory Committee Meeting at the Municipal Annex Building and the May Bristol Tennessee City Council Meeting

- at the Slater Community Center. Both locations are handicapped accessible.
- Upon request, non-English speaking residents will be met in the case of a public hearing where a significant number of non-English speaking residents can be reasonably expected to participate, where practical.
- Provide a copy of the proposed then approved Consolidated Plan and Summary on the Community Development Department's page on the City of Bristol website.

The CDAC shall conduct public meetings with interested citizens, agencies, and/or groups, and hold at least two public hearings prior to the development of the Five-Year Consolidated Plan. Meetings will be held to encourage the submission of views and recommendations prior to the formulation of the Consolidated Plan. There shall be a thirty (30) day review period from the date of notice in the newspaper for interested citizens, agencies, and/or groups to submit their comments.

Following the public hearing on the development of the Consolidated Plan, the City of Bristol must certify that the following assurances have been met:

- The City of Bristol prepared and followed a written Citizen Participation Plan that meets the requirements of the federal regulations.
- The City of Bristol provided adequate notices of public hearings as required by the Citizen Participation Plan (CPP).
- The City of Bristol held a hearing on the proposed Consolidated Plan before the adoption of a resolution by the City Council for submission to HUD.

The City of Bristol must submit the Consolidated Plan to the HUD Knoxville Field Office of Community Planning and Development for review and approval at least forty-five (45) days before the start of the new program year, which is July 1 (unless otherwise changed by HUD). The City of Bristol's program year is July 1 to June 30.

Since FY 2015, HUD issued CPD Notices, concerning grantees' submission of Action Plans for funding under the CDBG, HOME, ESG, and HOPWA programs. These notices instruct grantees not to submit their Action Plans or new 3-5 year Consolidated Plans until an appropriations bill has been enacted and HUD has notified grantees of their actual allocation amounts under the four formula programs. HUD field offices are instructed to disapprove as substantially incomplete any Action Plan that contains estimated grant amounts.

ANNUAL ACTION PLAN (AAP)

- The CDAC shall solicit views of all citizens, agencies, and other interested parties; particularly low-and moderate-income persons, to enable them to be meaningfully involved in important discussions at various stages of the Consolidated Plan and Annual Action Plan process.
- The CDAC shall determine, based on the Consolidated Plan and public comments, what portion of the CDBG funding will be:
 - Discretionary CDBG funding – upon CDBG fund disbursement notification from HUD, the CDAC will schedule a public hearing to review high-priority goals identified in the Consolidated Plan and determine how CDBG funding will be used to accomplish them.
 - Administrative – the maximum of 20% of the CDBG grant will be used for administrative purposes.
 - Public Service Funding – the maximum 15% of the CDBG funds will be used to provide social services to low-and moderate-income residents. The City of Bristol, Tennessee

does not have a formal application process for this type of funding. Agencies may request funding through a request to the City Manager or directly appeal to the CDAC for funding. The CDAC will discuss community needs and make a recommendation to City Council based on their discussions.

- Carry-Over Funding – these funds will be held from previous program years to complete projects that have been approved and/or not yet completed.

The Annual Plan is due to HUD no less than forty-five (45) days before the start of the City's program year, which is July 1. An advertisement shall be published in the Bristol Herald Courier, no less than fifteen (15) days before the CDAC makes its final CDBG funding recommendation to the City Council. This will provide a thirty (30) day period for review and to receive comments from interested citizens, groups, and/or agencies on the proposed Annual Plan. The City shall consider any comments or views of citizens, agencies, and/or groups received in writing and/or orally at the public hearing(s), in preparation for the final Annual Plan. A summary of comments/views received, as well as a summary of comments/views not accepted and the reasons, therefore, shall be attached to the final Annual Plan. Public hearings will be held in venues accessible for those with disabilities.

PROGRAM AMENDMENTS

Prior to making any additions, deletions, or changes to the CDBG Program Consolidated Plan, the Community Development & Planning staff will determine whether the amendment is minor or substantial.

- A minor amendment is defined as an amendment to the program that costs less than 20% of the total current year grant and only affects an activity previously described in the Consolidated Plan and Annual Plan.
- The proposed change is a substantial amendment when:
 - The amendment makes changes in its allocation priorities or a change in the method of distribution of funds (i.e. the elimination of a category of activity not included in the Consolidated Plan or the elimination or addition of a targeted area of service, a change in the category of beneficiary or eligibility criteria, a substantial change in the method of distribution of funds (a transfer exceeding 20% of the annual grant) as described in the Consolidated Plan or a change in the allocation of priorities established by the Plan);
 - The amendment carries out an activity, using funds from any program covered by the Consolidated Plan (including program income), not previously described in the action plan; or
 - The amendment changes the purpose, scope, location, or beneficiaries of an activity.

Once a determination has been made, based on the above criteria, one of the two following procedures will be undertaken:

- Minor Amendment – The Community Development and Planning Department staff will seek approval from the CDAC to move forward with the minor amendment.
- Substantial Amendment – The Community Development and Planning Department staff will, pursuant to the CDBG Regulations (24 CFR 570), undertake the following amendment process for any proposed substantial amendment to the Consolidated Plan:
 - Provide a reasonable notice of the public hearing on the proposed amendment to the Consolidated Plan by publishing a notice in the Bristol Herald Courier.

- The notice shall describe the amendment.
- The notice shall be published at least fifteen (15) days prior to the public hearing.
- A thirty (30) day public comment period will be implemented.
- Allow citizens, agencies, and/or groups the opportunity to comment on the proposed amendment in writing and/or verbally at a public hearing which will be held by the CDAC. Public hearings will be held in venues accessible for those with disabilities.
- Consider interested citizens, agencies, and/or group's comments when finalizing the proposed amendment.
- Seek approval from the CDAC on the proposed activity(ies) which comprise the proposed amendment, and seek subsequent approval from the City Council.
- Forward a descriptive amendment to the Consolidated Plan on the adopted amendment with a transmittal letter signed by the City Manager to HUD.
- All amendments require the approval of the Bristol Tennessee City Council. The CDAC only has the authority to provide recommendations

CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT (CAPER)

The Consolidated Annual Performance and Evaluation Report (CAPER), which is a requirement of HUD pursuant to 24 CFR Part 91, is due for submission to HUD within ninety (90) days of the close of the City's program year (September 30). The purpose of the CAPER is to provide HUD with the necessary information to assess the City's ability to carry out its programs in compliance with applicable regulations and requirements, provide information necessary for HUD to report to Congress, and provide the City of Bristol with an opportunity to describe its program achievements to interested citizens, agencies and/or groups.

A display advertisement shall be published in the Bristol Herald Courier fifteen (15) days before the public hearing, stating that a draft of the CAPER is available for review. This will provide a fifteen (15) day period for review and to receive comments from interested citizens, agencies, and/or groups on the proposed CAPER. A summary of comments/views received, as well as a summary of comments/views not accepted and the reasons therefor, shall also be attached to the final CAPER.

The City of Bristol shall consider any comments or views of citizens, agencies, and/or groups received in writing, and/or orally at the public hearing conducted by the CDAC, in preparation for the CAPER. The public hearing time and location will be included in the advertisement mentioned in the previous paragraph. A summary of comments/views received, as well as a summary of comments/views not accepted, and the reasons therefor, shall be attached to the final CAPER.

PUBLIC SERVICE ACTIVITIES

Unless changed by the Bristol Tennessee City Council, there is NOT an official application process for the City's CDBG funding. The CDAC will meet at 5:30 p.m. on the second Tuesday of January, February, March, April, September, October, and November. The CDAC will have a speaker at each meeting that has a program or service in the community working with LMI families. In September the CDAC will host a public hearing opening up the floor to area agencies who are interested in funding for the following year. The CDAC will discuss CDBG funding recommendation(s) in the March/April meetings to present to the City Council for consideration. The City Council will hold a public hearing in April/May to hear CADAC's recommendations. At that time, City Council will approve/deny the Consolidated Plan/Annual Action Plan submittal or request changes to a certain section including public services.

SUBRECIPIENT AGREEMENTS & REPORTING PROCESS

- Environmental reviews for each program will be completed before July 1st.
- Subrecipient agreements will be drafted in June/July.
- Draft agreements will be submitted to the city attorney for review and approval in June/July.
- Obtain City Manager's signature on the approved agreements as needed.
- Signed copies of the agreement will be forwarded to the public service agency subrecipient for review and signature by the Community Development Specialist.
- Subrecipients will sign, date, and return the agreement in a timely manner.
- The finance department will then create a finance code for the enacted and returned agreements.
- Subrecipients are required to submit periodic progress reports. The frequency of report submissions will be specified in the subrecipient agreement.
- Subrecipient agencies must be current with their periodic progress reports in order to receive reimbursement of expenses.
- An on-site monitoring visit will be completed after the first periodic report is submitted. All major violations must be corrected before the reimbursement is made. The monitoring visit is based on HUD's Monitoring Workbook.

ENVIRONMENTAL REVIEW RECORD (ERR)

The City of Bristol must prepare and maintain a written record of the environmental review undertaken for each project. This written record or file is called the Environmental Review Record (ERR), and it must be available for public review upon request.

The ERR shall contain all of the environmental review documents, public notices (and proof of their publication, if necessary), and written determinations or environmental findings required by 24 CFR Part 58 as evidence of review, decision-making, and actions pertaining to a particular project. The document shall:

- Describe the project and each of the activities comprising the project, regardless of individual activity funding source;
- Evaluate the effects of the project or the activities on the human environment;
- Document compliance with applicable statutes and authorities; and
- Record the written determinations and other review findings required by 24 CFR Part 58.

The ERR will vary in length and content depending upon the classification level of review required for the classification of activities. The four environmental classification levels are:

- Exempt Activities;
- Categorically Excluded Activities;
- Activities Requiring an Environmental Assessment; and
- Activities Requiring an Environmental Impact Statement.

All ERR activities must be completed before projects can be funded in IDIS.

- For public service grant activities, the environmental review record must be completed and placed in the file before a grant agreement may be signed.
- For projects that require the solicitation of bids, the environmental review record must be completed and placed in the file before the bid document(s) are released.

ERRs are created through HUD's Environmental Review Online System (HEROS), which is a part of HUD's Integrated Disbursement and Information System (IDIS). All users of HEROS users must obtain a user identification and initial password from HUD's Region IV Environmental Officer. The current environmental officer is Chuck Melton. He may be contacted at (678) 732-2133 or via e-mail at Chuck.A.Melton@hud.gov.

PROCUREMENT POLICIES

The procurement of goods and services by government entities at a minimum must follow the standards and procedures set forth in 2 CFR 200, Subpart D: Procurement Standards. The following regulations must also be followed:

- **24 CFR Part 85:** Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Federally Recognized Indian Tribal Governments
- **24 CFR Part 84:** Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations
- Procurement Policies for the City of Bristol, Tennessee.

These standards ensure that purchases of materials and services are obtained efficiently, economically, and in compliance with the provisions of applicable federal law. The procurement of contractors for the Substantial and/or Reconstruction Housing Rehabilitation Program shall be completed by the Community Development and Planning staff, through a competitive procurement process. The procurement of demolition contractors for the Demolition Program shall be completed by the Community Development and Planning staff with the assistance of the City of Bristol Codes Department through a competitive procurement process. The procurement of goods and services, other than office supplies will be completed by the Community Development and Planning staff in partnership with the city's Finance Department.

Non-competitive proposals may be used only when the award of a contract is infeasible under small purchase procedures, sealed bids, or competitive proposals, and one of the following circumstances applies:

- The item is available only from a single source;
- A public emergency or urgent situation is such that the urgency will not permit a delay beyond the time needed to employ one or the other procurement methods; or
- After solicitation of several sources, competition is determined inadequate.

Common Rules Regarding Contracting

- All services, professional or construction, paid in whole or in part with CDBG funds, require the execution of a formal contract.
- The use of CDBG dollars, regardless of the amount, for payment of any service under contract in a grant, initiates the contracting requirements described. The total amount of the contract will often indicate the proper documentation to be included in the contract.
- All contracts should contain a clear, concise, and detailed description of the:
 - scope of work;
 - Total cost (as applicable);
 - Duration or life of the contract;
 - Compliance requirements;
 - Reporting responsibilities; and
 - Contract content paragraphs listed above.
- If proposals involving architectural/engineering professional services are evaluated with respect to factors other than price, the program participant must be able to document the basis for negotiation of fair and reasonable compensation.

DEBARRED/LICENSED CONTRACTOR SEARCH

The Tennessee Department of Commerce and Insurance provides a list of active, fully licensed contractors for the Substantial/Reconstruction Housing Rehabilitation Program at <https://verify.tn.gov/>.

Each bidder should be searched and reviewed prior to bid opening. If a bidder is not in an active, fully licensed status, the City of Bristol will not open the bid, do business with that person or company, or reimburse the bidder for any expenses incurred.

The City Codes Department will assist in confirming the proposed contractor has a Tennessee contractor's license, updated insurance information and Liability and Workers Compensation, and a copy of a local business license. The aforementioned items must be filed with the City of Bristol before a permit will be issued for CDBG housing rehab projects.

EQUAL EMPLOYMENT OPPORTUNITIES – SECTION 3

Congress established Section 3 to ensure that the employment and other economic opportunities generated by federal financial assistance for housing and community development programs shall, to the greatest extent feasible, be directed toward low- and very low-income persons, particularly those who are recipients of government assistance for housing.

Section 3 applies to training, employment, contracting, and other economic opportunities that are in connection with the CDBG funds. Contractors and subcontractors providing a service on projects for which the total amount of federal assistance exceeds \$200,000 and the amount of the contract or subcontract exceeds \$100,000 are required to comply with Section 3.

MINORITY AND WOMEN-OWNED BUSINESSES

It is a national policy to award a fair share of contracts to small, minority/women-owned businesses. Affirmative steps must be taken to assure that small and minority/women-owned businesses are utilized when possible as sources of supplies, equipment, construction, and services. Affirmative steps shall include the following:

- Include qualified small and minority/women-owned businesses on solicitation lists
- Assure that small and minority/women-owned businesses are solicited whenever they are potential sources
- When economically feasible, dividing total requirements into smaller tasks or quantities to permit maximum small and minority/women-owned business participation

DAVIS-BACON WAGE RATES

The Davis-Bacon Act requires the payment of prevailing wage rates, which are determined by the U.S. Department of Labor, to all laborers and mechanics on federal government construction projects over \$2,000. Construction includes alterations and/or repair, including painting and decorating of public buildings or public works. Davis-Bacon does not apply to the rehabilitation of residential structures containing less than eight units or force account labor.

Steps for Davis-Bacon Wage Rates include:

- Community Development and Planning staff will work with the City's Purchasing Agent and the Public Works Department on projects where the Davis-Bacon Act applies.

- Staff will obtain a wage decision and place it in bid documents.
- If a work classification is needed and is not on the wage decision, it must be requested from HUD and/or the US Department of Labor.
- Staff will forward any updates to wage decisions to potential bidders.
- Bid will be awarded.
- Wage decision on the date of the contract signing is the final wage rate the contractor must pay.
- Contractor must post a copy of wage decision and other Davis-Bacon-related notices at the job site.
- Contractor must submit weekly certified payrolls to the Community Development and Planning Staff on Department of Labor form WH-347 or equivalent form.
- Throughout the construction, Community Development and Planning Department will conduct on-site interviews with employees. “No Work” payrolls may be submitted whenever there is a temporary break in the work. If work will not be taking place for an extended period, then a short letter must be sent to the Community Development and Planning Department stating when work will cease and resume. The prime/general contractor is responsible for subcontractors on the contract and will be held responsible for any wage restitution that may be found due.

All payroll reports and any basic records such as, but not limited to time cards, tax records, and fringe benefit payments, must be retained for at least five (5) years after the project is completed. These records must be made available for review to any authorized representative of HUD or the Department of Labor. All Davis-Bacon Act requirements must be met before a project can be classified as “completed” and final payments made to the contractor.

CONFLICT OF INTEREST

The Community Development and Planning staff, in conjunction with the city attorney, will ensure that a conflict of interest does not exist. A conflict could arise when any of the following has a financial or other interest in a firm selected for a contract:

- An employee, agent, or officer of the City of Bristol;
- Any member of the immediate family of an employee, agent, or officer;
- Any partner of an employee, agent, or officer; or
- An organization that employs or is about to employ an employee, agent, or officer of the City of Bristol.

HOUSING REHABILITATION PROJECTS

The City of Bristol, Tennessee adopted a Rehab/Reconstruction Policy and Procedures Manual specific to the CDBG Housing Rehab/Reconstruction program. See the Bristol Tennessee Housing Policy and Procedures.

DEMOLITION PROJECTS

The City of Bristol has a city-wide demolition program pursuant to 24 CFR 570.201 (d) available on an as-needed basis. The purpose of this program is to eliminate structures posing an imminent threat to the health and safety of neighborhoods.

The program addresses any dwelling, building, structure, or property that (1) is unfit for human habitation or for commercial, industrial, or business use and not in compliance with applicable codes, (2) has been vacant for one year or more, and/or (3) constitutes an endangerment to the

public health or safety as a result of unsanitary or unsafe conditions.

The City Codes Department will work with the Community Development Specialist after an official Order to Demolish is issued by the Bristol Tennessee Better Property Board.

Future use of the proposed property to be demolished must be considered. The property may be commercial or residential, however, the proposed use of the property must also be considered in determining the terms of the loan, CDBG national objective requirements, and level of environmental review. Generally, where the future use of the property is unknown, the spot slum and blight national objective will be used. Where a property is to be redeveloped after the demolition, the final use of the property must be consistent with the City's Consolidated Plan and/or Neighborhood Plans.

Where the final use of the property is for the redevelopment of a building that is non-residential, or residential and includes the construction of eight or more housing units, the Department of Labor determined prevailing wage rates apply to the project.

- The City is responsible for conducting a complete Environmental Review. The ER can take up to thirty (30) days depending on other Agencies' response times to the request.
- The City will create a work write-up or scope of services for the demolition.
- The Community Development and Planning Department will publish a request for demolition bid in the Bristol Herald Courier and/or online. Demolition bids are sealed competitive bids.
- Community Development and Planning staff will prepare the agreement containing the terms and conditions of the funding assistance. This agreement shall be between the City and the demolition contractor and must include a timeline for completion.
- Once the demolition is complete, city staff will inspect the completed work. The demolition contractor will provide support documentation to city staff for the draw of funds including, but not limited to, invoices, lien waivers, and disposal tickets.
- A deed of trust is recorded in the land records for the property for the amount of assistance, if applicable.

CONTRACTING AND PURCHASE ORDER PROCESS

The steps below detail the process that non-housing rehabilitation contracts go through before a project may be started or funds requested:

- After an organization is awarded CDBG funds (via CDAC recommendation, City Council approval of the Action Plan, and HUD's approval of the Action Plan), the Community Development Specialist begins to customize a contract to which the program must adhere.
- The city attorney will review the draft contract.
- The recipient of the funds must provide the City of Bristol with a certificate of insurance. The City of Bristol must be listed as an additional insured.
- Two original copies of the agreement must be signed by the City of Bristol and the recipient of the funds.
- One original signed contract is sent to the city's finance department and the other is provided to the recipient.
- The signed contract is required to reserve the CDBG funding in IDIS.

INSURANCE REQUIREMENTS

At no additional cost to the City, the subrecipient must procure and maintain for the duration of the agreement insurance of the types and in the amounts described below against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the agreement.

COMMERCIAL GENERAL LIABILITY INSURANCE

The subrecipient must maintain occurrence version commercial general liability insurance or the equivalent with a limit of not less than the minimum coverages required by the City's Purchasing Policies. If such insurance contains a general aggregate limit, it will apply separately to this Agreement, or be no less than two (2) times the occurrence limit.

Such insurance must:

- Contain or be endorsed to contain a provision that includes the City, its officials, officers, employees, and volunteers as insureds with respect to liability arising out activities performed by, or on behalf of the subrecipient including materials, parts, or equipment furnished in connection with such activities. The coverage must contain no special limitations on the scope of protection afforded to the above-listed insureds. Liability coverage can be provided in the form of an endorsement to the subrecipient's insurance or as a separate owner's policy.
- Be primary insurance as related to the City, its officials, officers, employees, and volunteers. Any insurance or self-insurance programs covering the City, its officials, officers, employees, and volunteers will be in excess of the subrecipient's insurance and will not contribute to it.

BUSINESS AUTOMOBILE LIABILITY INSURANCE

The subrecipient must maintain business automobile liability insurance or the equivalent form with a limit of not less than the minimum amount required by Tennessee Code Annotated, 29-20-403. Such insurance must include coverage for "any auto." Such insurance must contain or be

endorsed to contain a provision that includes the City, its officials, officers, employees, and volunteers as insureds with respect to liability arising out of automobiles owned, leased, hired, or borrowed by or on behalf of the subrecipient, using funds provided under this agreement.

WORKERS' COMPENSATION INSURANCE

The subrecipient must maintain workers' compensation insurance with statutory limits as required by the State of Tennessee, or if applicable, the U.S. Longshoremen's and Harbor Workers' Compensation Acts, or other laws as required by labor union agreements; and employer's liability insurance with limits of not less than one hundred thousand dollars (\$100,000.00). The subrecipient must require each of its subcontractors to provide workers' compensation for all of the latter's employees to be engaged in such work unless such employees are covered by the subrecipient's workers' compensation insurance coverage.

OTHER INSURANCE REQUIREMENTS

The subrecipient must:

- Prior to the commencement of services, furnish the City with original certificates of insurance and any amendatory endorsements affecting coverage required by this article, and ensure that such insurance may not be canceled, allowed to expire, or be materially reduced in coverage except on thirty (30) days prior written notice to the Community Development Specialist of Bristol, Tennessee.
- Provide certified copies of endorsements and policies in lieu of or in addition to certificates of insurance, if requested by the City.
- Replace certificates, policies, and endorsements for any such insurance expiring prior to completion of services.
- Maintain such insurance from the time services commence until services are satisfactorily completed, and note that failure to maintain or renew coverage or to provide evidence of renewed coverage or to provide evidence of renewal may be treated by the City as a material breach of contract.
- Place such insurance in a self-insurance pool or with an insurer that is licensed to do business in Tennessee and has an A.M. Best Company rating of no less than A.
- Require all subcontractors to maintain during the term of this agreement, Commercial General Liability insurance, Business Automobile Liability insurance, and Workers' Compensation/Employers' Liability insurance (unless subcontractor's employees are covered by the subrecipient's insurance) in the same manner as specified for the subrecipient, and furnish subcontractors' certificates of insurance to City immediately upon request.

Furthermore, any deductibles or self-insured retentions must be declared to and approved by the City. In the event that the subrecipient's declared deductibles or self-insured retentions are not acceptable to the City, the subrecipient must either negotiate terms with its insurer that meet the City's requirements, or provide a financial guarantee satisfactory to the City, which will guarantee payment of losses and related investigation, claims administration and defense expenses.

CONTRACT EXTENSIONS

The City of Bristol will consider extending and/or making amendments to contracts on a case-by-case basis. The City will not consider amendments that significantly alter the scope of the project. The City will only consider extensions prior to the expiration of the contract. The City will not allow grant extensions to public service subrecipient agreements unless extraordinary circumstances exist.

Steps needed to extend or amend housing rehabilitation contracts:

- Decision to extend/amend a housing rehabilitation contract is made by the Project Manager/Housing Rehabilitation Specialist and the Community Development Specialist together. In an emergency rehabilitation project, the Community Development Specialist will work with the City's Codes Inspectors to make a decision.
- A written or verbal request to extend/amend a contract must be discussed with the Project Manager/Housing Rehabilitation Specialist and the Community Development Specialist prior to the expiration of the contract.
- The Project Manager/Housing Rehabilitation Specialist and/or the Community Development Specialist may request additional information to make the decision.
- The Project Manager/Housing Rehabilitation Specialist and the Community Development Specialist will notify the contractor in writing if the contract is not extended or amended.
- The Housing Rehabilitation Specialist will document the extension/amendment agreement in the file and will include the reason the extension/amendment is needed, the proposed changes, and the timeframe needed to complete the project (if any), provided the contract is extended or amended.
- The extension/amendment must be discussed with the property owner and contractor.
- The contractor pay request will include the change order and updated total project cost. The contractor, property owner, Project Manager/Housing Specialist (if applicable), and the Community Development Specialist must sign the updated pay request.

CHECK REQUEST AND DRAWDOWN PROCEDURES

- The Community Development Specialist will review all invoices and add the appropriate project code for payment. They will then work with the office manager/secretary to input the approved invoice into the Tyler/Munis Accounting System.
- Within the Tyler/Munis Accounting System, the invoice must be approved for payment by the Director of Community Development and Planning and the City Purchasing Administrator.
- The original invoice must be sent to the City's finance department for payment.
- The City's finance department will review the invoice for accuracy and, once approved, a check will be cut and mailed directly to the subrecipient or appropriate organization.
- The City of Bristol will cut and mail checks on Friday unless an emergent situation arises. Should a situation arise, the Community Development Specialist will contact the finance department and discuss possible options.
- Quarterly, or as necessary, the Community Development Specialist will use the reports generated by Tyler/Munis for drawdowns/reimbursement to the City for the expenses incurred through approved projects.
- Drawdowns must be completed in HUD's Integrated Disbursement and Information System (IDIS) and include project code numbers.
- The Community Development Specialist will prepare the drawdown and submit it to the City's finance department and the Director of Community Development and Planning for final drawdown approval.
- The Community Development and Planning Director approves the drawdown in IDIS, and signs approval on the drawdown spreadsheet provided.
- A voucher in IDIS will be created and the Community Development and Planning Director should print the approved voucher and add it to the drawdown packet.
- The Community Development Specialist will scan all information and send the drawdown packet to the finance department and the Community Development and Planning Director for their records.
- The finance department will notify the Community Development Specialist when the drawdown is completed and the City is reimbursed for the approved expenses.
- When all expected funding is received for an approved project, the Community Development Specialist will report accomplishments and close out the project in IDIS.

REPORTING ACCOMPLISHMENTS

At least 70% of the CDBG funds spent must benefit low- and moderate-income persons and families. The City of Bristol and any agency receiving CDBG funds through a subrecipient agreement are required to maintain a system that accurately accounts for and/or fully documents all program activities undertaken with CDBG funds.

Agencies receiving CDBG funds shall submit the reports to the City of Bristol, Community Development Specialist by the required deadlines, and in the format set forth by the Community Development Department. Deviations from this requirement must be approved by the Director of Community Development and Planning. At a minimum, all reporting should be completed quarterly. Data and information from the periodic reporting shall be entered into IDIS as it is received.

Agencies that provide direct individual client services must keep records of each client served by the project under the agreement. The design of the project record tracking system is at the discretion of the agency. However, the project data system must include the following, at a minimum, and be reported to the City of Bristol as described in the agreement.

Records shall be maintained by the agency to record services provided directly to, or on behalf of, the project client. Primary records are typically client case files. All client case files maintained by the project shall be clearly identified and must not be reported to any other funding source with regard to the services listed in the City's agreement. All projects providing direct services shall have primary records containing the following information on all clients receiving services:

- Client's name and assigned project identification number
- Referring agency (when applicable)
- Client's family size
- Client's head of household status
- Client's gender
- Client's race and ethnic origin
- Client's parent's name (when applicable)
- Client's address
- Client's phone number and message number (if available)
- Client's age and date of birth
- Client's annual or monthly income, or that of the family if the client is a dependent
- Proposed description of services to be provided
- Proposed frequency and length of services to be rendered (if applicable)
- Description of actual services rendered
- Agency shall be required to maintain personal information confidentially as required by federal law and regulations

DOCUMENTING INCOME

HUD requires documentation to verify the income of households served. Various activities and status of income have different documentation standards. "Section 8," also known as the "Part 5" income verification method will be used to determine income for the housing rehabilitation programs. Public service programs are allowed to have their clients self-certify their income or use the "Section 8" method of verifying income.

DEMOLITION AND AREA BENEFITS

Demolition projects are reported on a “spot basis” and not an area basis.

MONITORING

As a recipient of federal CDBG funds, the City of Bristol is responsible for managing the day-to-day operations of all CDBG-funded activities and ensuring that CDBG funds are used within all applicable requirements. Monitoring is the primary tool to ensure that this happens. The three primary goals of monitoring are:

- To ensure production and accountability
- To ensure compliance with CDBG and other federal requirements
- To evaluate organizational and project performance

Any outside agency that receives funds through a subrecipient agreement will be subject to periodic monitoring. Each social service agency must submit periodic progress reports along with their reimbursement request. The Community Development and Planning Department staff will conduct an on-site monitoring visit to social service agencies receiving CDBG funding. This monitoring normally occurs in the spring each year but may fluctuate depending on the project.

Monitoring forms are available from the HUD Community Planning and Development Monitoring Handbook-

<https://www.hudexchange.info/resource/290/hud-community-planning-and-developmentmonitoring-handbook-65092-rev6/>

REMEDIES FOR NONCOMPLIANCE WITH AGREEMENT

When minor compliance issues exist, an informal approach via telephone calls and e-mail may occur first and funds may be held until compliance is met. If compliance with the minor issue is not achieved within ten (10) business days, or if another compliance issue exists, a certified letter requiring a Corrective Action Plan will be sent to the Executive Director and/or other contact person shown in the contract. Depending upon the severity of the compliance problem, city staff shall have no less than two (2) and no more than ten (10) business days to propose a Corrective Action Plan to the subrecipient. If the agency does not implement the Corrective Action Plan according to the approved schedule, it will be grounds for termination.

In accordance with 2 CFR 200, the City may suspend or terminate an agreement with a Subrecipient if the Subrecipient materially fails to comply with any terms of their agreement. Material noncompliance includes, but is not limited to, 1) failure to comply with any of the rules, regulations, or provisions incorporated into the agreement, or such statutes, regulations, executive orders, and HUD guidelines, policies, or directives that become applicable to the subrecipient; 2) failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under the Agreement; 3) ineffective or improper use of funds provided to the subrecipient; or 4) submission by the Subrecipient to the Grantee of reports that are incorrect or incomplete in any material respect. In accordance with 2 CFR 200, agreements should provide that they may also be terminated for convenience by either the City or the subrecipient, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the City determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the City may terminate the award in its entirety.

If a subrecipient fails to fulfill its obligations, the City Manager may terminate the contract, in whole or part, by providing written notice of the termination and specifying the effective date, at least five days before the effective date of such termination. If funds were used in a non-eligible manner, the staff liaison will include written documentation of the determination and the sum due for repayment or deduction from undisbursed funds as appropriate.

The subrecipient may terminate the contract for any reason upon giving at least a thirty (30) day written notice to the City. In the case of partial termination, the portion to be terminated must be specified in the notice.

OTHER POLICIES & INFORMATION

PROGRAM INCOME

The City of Bristol can use its CDBG entitlement to fund programs that generate income. Typically, program income is generated from issuing loans, but the sale of real property and rental income are also considered program income.

When income is generated from activities that are only partially funded with CDBG funds, the income must be pro-rated to reflect the percentage of CDBG funds used.

Any activity that will generate program income must stipulate in a written agreement how the program income will be returned to the City of Bristol or a designated representative.

Any income received will be placed back into the City's appropriate CDBG account. The Community Development and Planning Department will enter and account for the program income in IDIS.

Program income on hand must be used for any authorized activity before drawing down additional grant funds.

DISPLACEMENT/RELOCATION

Due to the potential liability for long-term assistance and burdens placed on affected tenants, the City of Bristol will avoid funding CDBG projects that involve permanent residential displacement or business relocation unless displacement/relocation proves to be the only means available to correct a public health/safety hazard or other critical condition.

RETENTION OF RECORDS

As a general rule, records are to be retained for at least five (5) years after the last expenditure report is submitted (i.e., five (5) years after the submission of the CAPER in which activity is reported as complete). This applies to administrative records, financial records, and project records. Records must also be accurate, complete, and orderly.

BI-WEEKLY PAYROLLS

The City of Bristol is required to document time spent on the administration of the CDBG program and of CDBG-funded projects. The purpose of this policy is to set procedures for submitting bi-weekly payroll forms and ensuring accurate reporting of time worked.

- Timesheets are provided by the Community Development Specialist or other Community Development staff to the department's office manager/secretary. The timesheet is a Word or Excel document and can be saved to the employee's computer.
- On the Monday following the final day of the pay period, a timesheet must be completed by the employee with hours worked, as well as sick, vacation, and other leave hours documented.
- The employee approves the completed timesheet by signing it.
- The department's office manager/secretary will receive the timesheet before 10:00 a.m. for entry into the city's accounting system. The Director of Community Development and Planning then reviews/approves submitted timesheets.

CASH ON HAND REPORT

With the Integrated Disbursement and Information System (IDIS) release 11.18, a new screen was developed that requires Community Development Block Grant (CDBG) Program grantees to enter cash on hand items that were previously collected through Federal Financial Report (FFR)/Standard Form 425 (SF-425). Previously, Entitlement Communities, Insular Areas, and non-Entitlement Counties under the CDBG Program were required to submit an SF-425 report to HUD each quarter. The new IDIS Cash on Hand Quarterly Report will replace the SF-425 report, and the submission of the SF-425 report will be eliminated.

Starting in the federal fiscal year 2020 (FY 2020), the Entitlement Communities, Insular Areas, and non-Entitlement Counties are required to complete the Cash on Hand Quarterly Report and submit it to the grantee's HUD local field office through IDIS. The field offices will review the report for completeness and accuracy. The reporting frequency is quarterly. The Cash on Hand Quarterly report must be submitted to the respective field office within 30 days after the end of the reporting period. The following Federal fiscal year quarterly reporting periods will be used for all reports.

Reporting Period Due Dates:

Quarter 1: 10/1 – 12/31 1/30

Quarter 2: 1/1 – 3/31 4/30

Quarter 3: 4/1 – 6/30 7/30

Quarter 4: 7/1 – 9/30 10/30

Visit the HUD Exchange for guidance for the IDIS Cash on Hand Quarterly Report - <https://www.hudexchange.info/resource/5947/instructions-for-idis-cash-on-hand-quarterly-report/>.

IDIS DRAWS

IDIS drawdowns will be completed quarterly (at a minimum) for the expenditure of funds completed during the prior months. The following sequence is completed for the preparation of a draw from HUD's IDIS system:

- The Community Development Specialist prepares supporting documentation for the CDBG drawdown using the Munis/Tyler System.
- The drawdown and supporting documentation are sent to the finance department for review and approval.
- The finance department and the Director of Community Development and Planning Services reviews and approves the drawdown package.
- The Director of Community Development and Planning approves the voucher in IDIS.
- The approved/signed drawdown is returned to the finance department.
- The finance department notifies the Community Development Specialist (via email) when the IDIS draw funds have been received.
- The Community Development Specialist will then close out projects in IDIS (as applicable).

CDBG CORONAVIRUS CARES FUNDING (CDBG-CV)

CDBG-CV OVERVIEW

Congress provided \$5 billion in the Coronavirus Aid, Relief, and Economic Security (CARES) Act for the CDBG program to states, metropolitan cities, urban counties, and insular areas to prevent, prepare for, and respond to Coronavirus.

At least 70% of every grant must be expended for activities that benefit low- and moderate-income persons by providing housing, a permanent job, a public service, or access to new or significantly improved infrastructure. The remaining 30% may be used to eliminate slum or blighted conditions or to address an urgent need for which the grantee certifies it has no other funding.

Activities must benefit residents within the jurisdiction of the grantee or as permitted by the CARES Act. Eligible activities include:

- Public service activities
- Housing-related activities
- Public improvements and facilities
- Activities to acquire real property
- Economic development activities
- General administrative and planning activities

HUD offers a CDBG-CV Toolkit for the CDBG-CV program. The toolkit categorizes and organizes CDBG-CV specific and relevant tools and training resources. You can utilize the toolkit at <https://www.hudexchange.info/programs/cdbg-cv/>.

The Bristol Tennessee CDBG-CV program will utilize funding primarily for public services. CDBG-CV funds will be handled like regular CDBG funding for subrecipients and activities.

DUPLICATION OF BENEFITS (DOB)

As part of the CARES Act and described in FR-6218-N-01, the CDBG-CV Federal Register Notice, HUD must ensure that there are adequate procedures in place to prevent any DOB as required by Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act), as amended by section 1210 of the Disaster Recovery Reform Act (DRRA) of 2018. To ensure HUD complies with this requirement, this responsibility is passed on to all CDBG-CV grantees. The Community Development Specialist will work closely with public service agencies to prevent duplication of benefits.

CDBG-CV CASH ON HAND QUARTERLY REPORT

The CARES Act requires that a Community Development Block Grant (CDBG) grantee submit the Federal Financial Report (FFR)/Standard Form 425 (SF-425) quarterly for its CDBG-CV funds. With the Integrated Disbursement and Information System (IDIS) Release 11.24, a new screen was created to require CDBG-CV grantees to enter cash-on-hand information for the SF-425. Entitlement Communities, Insular Areas, and non-Entitlement Counties under the CDBG-CV Program are required to submit an IDIS CDBG-CV Cash on Hand report to HUD each quarter.