

**City of Tulsa**  
**Finance Department**  
**Grants Administration**  
**Policies and Procedures Index**

**Chapter 1 – General Information**

- 1.1 Grant Funding
- 1.2 Grant Program Overviews
  - 1.2.1 Community Development Block Grant (CDBG) Program
  - 1.2.2 HOME Investment Partnerships (HOME) Program
  - 1.2.3 Emergency Solutions Grant (ESG) Program
  - 1.2.4 Housing Opportunities for Persons With AIDS (HOPWA) Program
- 1.3 HUD Citizen Participation Plan
- 1.4 HUD Consolidated Plan
  - 1.4.1 Annual Action Plan
  - 1.4.2 Plan Amendments
- 1.5 HUD Consolidated Annual Performance Evaluation Report (CAPER)

**Chapter 2 – Release of Information and Open Records**

- 2.1 Release of Information to the Public
- 2.2 Open Records
- 2.3 Confidential Records

**Chapter 3 – Planning and Administration**

- 3.1 Planning
- 3.2 Administration
- 3.3 Administration Funding Sources
- 3.4 Program Income
  - 3.4.1 General Program Income
  - 3.4.2 Revolving Loan Program Income
  - 3.4.3 Recaptured Funds
- 3.5 Budget Process
  - 3.5.1 Budget Ordinance
  - 3.5.2 Budget Amendment
  - 3.5.3 Budgetary Transfer
- 3.6 Timely Expenditure of Funds
  - 3.6.1 Timely Expenditure of Community Development Block Grant (CDBG) Funds
  - 3.6.2 Timely Expenditure of Emergency Solutions (ESG) Funds
  - 3.6.3 Timely Expenditure of HOME Investment Partnership (HOME) Funds
- 3.7 Reprogramming Available Funds
- 3.8 Project Budget and Expenditure Monitoring
- 3.9 Expenditure Reclassification

- 3.10 Standards on Supporting Documentation
  - 3.10.1 Documentation for Administrative Expenditures
  - 3.10.2 Documentation for Subrecipient Expenditures
- 3.11 Disallowed Costs
- 3.12 Grant Reconciliation
- 3.13 Record Retention
- 3.14 DGA Organizational Chart

#### **Chapter 4 - Grant Processes**

- 4.1 Grant Applications/Request for Proposals
  - 4.1.1 Timeline for HUD Grant Applications
  - 4.1.2 Request for Proposals Development
  - 4.1.3 Mandatory RFP Workshops
  - 4.1.4 RFP Submissions
  - 4.1.5 RFP Evaluations
  - 4.1.6 Funding Recommendations and Funding Award
  - 4.1.7 Applicant Notifications
- 4.2 Written Agreements
  - 4.2.1 Approval of Written Agreements
  - 4.2.2 Written Agreement Review Meetings
  - 4.2.3 Agreement Dates
- 4.3 Reporting
  - 4.3.2 City of Tulsa Finance Department
  - 4.3.3 Integrated Disbursement and Information System (IDIS)
  - 4.3.4 Program/Project Specific Reporting
  - 4.3.5 Consolidated Annual Performance and Evaluation Report (CAPER)

#### **Chapter 5 – Community Development Block Grant (CDBG)**

- 5.1 Purpose
- 5.2 National Objectives
  - 5.2.1 Criteria for National Objectives
  - 5.2.2 Income Eligibility
- 5.3 Eligible Activities
  - 5.3.1 Housing Activities
  - 5.3.2 Public Facilities and Improvements
  - 5.3.3 Economic Development
  - 5.3.4 Public Services
- 5.4 Eligible Applicants
- 5.5 Ineligible Activities
- 5.6 Program Types
  - 5.6.1 Public Service Activities
  - 5.6.2 Economic Development
  - 5.6.3 Physical
  - 5.6.4 Housing Services
- 5.7 Timeliness

- 5.8 Reporting
- 5.8.1 General Program Reporting
- 5.8.2 Economic Development Program Reporting
- 5.8.3 Physical Project Reporting

## **Chapter 6 – Emergency Solutions Grant (ESG)**

- 6.1 Purpose
- 6.2 Eligible Activities
  
- 6.3 Ineligible Activities
  - 6.3.1 Mortgage Costs Ineligible
  - 6.3.2 Other Ineligible Activities
  
- 6.4 Eligible Applicants
  
- 6.5 Program Participant Eligibility
  - 6.5.1 Intake systems
  - 6.5.2 Initial Consultation
  - 6.5.3 Verification of Eligibility
  - 6.5.4 Ineligibility
  - 6.5.5 Income Verification
  - 6.5.6 Terminating Assistance
  
- 6.6 Program Requirements
  - 6.6.1 Match
  - 6.6.2 Area-wide Systems Coordination
  - 6.6.3 Faith-based Activities
  - 6.6.4 Homeless Participation
  - 6.6.5 Shelter and Housing Standards
  
- 6.7 Reporting
  
- 6.8 Recordkeeping
  - 6.8.1 Program Participant Records
  - 6.8.2 Rental Assistance
  - 6.8.3 HMIS
  - 6.8.4 Confidentiality
  - 6.8.5 Record Retention
  
- 6.9 Short- and Medium-term Rental Assistance
  - 6.9.1 Use With Other Subsidies
  - 6.9.2 Rent Reasonableness
  - 6.9.3 Rent Restrictions
  - 6.9.4 Rental Assistance Agreements
  - 6.9.5 Late Payments
  - 6.9.6 Tenant-based Rental Assistance
  - 6.9.7 Termination
  - 6.9.8 Project-based Rental Assistance
  - 6.9.9 Changes in Household Composition
  
- 6.10 Housing Relocation and Stabilization Services
  - 6.10.1 Use With Other Subsidies

6.10.2 Financial Assistance Costs

6.10.3 Services Costs

6.11 Emergency Shelter

6.11.1 Prohibition Against Involuntary Family Separation

6.11.2 Admission

6.11.3 Diversion

6.11.4 Referral

6.11.5 Discharge

6.12 Definitions

6.12.1 Homeless

6.12.2 At Risk of Homelessness

6.12.3 Income

6.13 Written Standards

## **Chapter 7 – HOME**

7.1 Purpose

7.2 Eligible Activities

7.3 Ineligible Activities

7.4 Timing Requirements

7.5 Eligible Applicants

7.5.1 Program Participant Eligibility

7.5.2 Income Eligibility and Income Limits

7.6 Match Requirements

7.7 Subsidy Limits

7.7.1 Minimum HOME Investment

7.7.2 Maximum HOME Investment

7.7.3 Cost Allocation

7.8 Affordable Housing Qualifications

7.8.1 Affordability Periods

7.9 Contract Requirements

7.10 Affirmative Marketing

7.10.1 Fair Housing

7.10.2 Affirmative Fair Housing Marketing Policy

7.10.3 Affirmative Fair Housing Marketing Plan

7.11 Low Income Housing Tax Credits (LIHTC)

7.12 Underwriting and Subsidy Layering Guidelines

7.12.1 Project Evaluation

7.12.2 Market Assessment/Current Market Demand Guidelines

7.12.3 Sources and Uses of Funds

7.12.4 Key Evaluation Points

7.13 Housing Inspections

- 7.14 Recapture Guidelines
- 7.15 Tenant Selection Policy
- 7.16 Locational Policy
  
- 7.17 Monitoring
  - 7.17.1 Desk Monitoring
  - 7.17.2 Onsite Monitoring
  - 7.17.3 Long Term Affordability Monitoring of Rental Property
  
- 7.18 Specific Program Policies
  - 7.18.1 Homeowner Rehabilitation Loan Program
  - 7.18.2 First-Time Homebuyer Program
  
- 7.19 HOME Reporting
  
- 7.20 Community Housing Development Organizations (CHDO)
  - 7.20.1 Certification
  - 7.20.2 Application Process
  
- 7.21 Set Aside Funds
  - 7.21.1 Eligible CHDO Activities with Set-Aside Funds
  - 7.21.2 CHDOs Acting as Subrecipients
  
- 7.22 CHDO Operating Expenses
  
- 7.23 CHDO Proceeds
  - 7.23.1 Calculating CHDO Proceeds for Homebuyer Development Projects
  - 7.23.2 Returning CHDO Proceeds

## **Chapter 8 – Housing Opportunities for Persons with AIDS (HOPWA)**

- 8.1 Purpose
  
- 8.2 Eligible Activities
  - 8.2.1 HOPWA Activities
  - 8.2.2 Faith-based Activities
  
- 8.3 Ineligible Activities
- 8.4 Eligible Applicants
  
- 8.5 Program Participant Eligibility
  - 8.5.1 Verification of Eligibility
  - 8.5.2 Ineligibility
  - 8.5.3 Terminating Assistance
  
- 8.6 Confidentiality
- 8.7 Housing Quality Standards
  
- 8.8 Rental Assistance Standards
  - 8.8.1 Maximum Subsidy
  - 8.8.2 Comparable Rents
  - 8.8.3 Time Limits
  
- 8.9 Reporting Requirements

8.10 Administrative Costs

**Chapter 9 – Compliance Standards**

9.1 Request for Proposals

9.1.2 Grant Applications

9.2 Environmental Reviews

9.3 General Compliance

9.3.1 Insurance and Worker’s Compensation

9.3.2 HUD Recognition

9.3.3 Religious Activities

9.3.4 Conflict of Interest

9.4 Financial Management

9.4.1 Budgets

9.4.2 Equipment, Materials and Supplies, and Computing Devices

9.4.3 Modified total Direct Costs (MTDC)

9.4.4 Direct Costs

9.4.5 Indirect Costs

9.4.6 Program Income

9.4.7 Payments

9.4.8 Questioned Costs

9.4.9 Budget Revisions

9.4.10 Audits

9.5 Procurement

9.6 Subcontracting

9.6.1 Debarment

9.6.2 Conflict of Interest

9.7 Cross-Cutting Requirements

9.7.1 Civil Rights

9.7.2 Affirmative Action

9.7.3 Employment Restrictions

9.7.4 Lobbying

9.8 Physical Project Requirements

9.8.1 Housing Quality Standards

9.8.2 Davis Bacon and Labor Standards

9.8.3 Section 3

9.9 Environmental Conditions

9.9.1 Air and Water

9.9.2 Energy

9.9.3 Lead Based Pain (LBP)

9.9.4 Historic Preservation

9.10 Land and Assets

9.10.1 Assets

9.10.2 Real Property Acquisition

9.10.3 Uniform Relocation Assistance (URA)

9.10.4 Section 104(d) Relocation

9.10.5 City of Tulsa Residential Antidisplacement and Relocation Assistance Plan (RARAP)

9.11 Documentation and Record Keeping

9.11.1 Period of Retention

9.11.2 Access to Records

## **Chapter 10 – Monitoring**

10.1 Purpose

10.2 Monitoring Plan/Schedule

10.3 Desk Monitoring Process

10.3.1 File Review and Documentation

10.4 On-Site Monitoring

10.4.1 Grant Recipient Notification

10.4.2 On-site Process

10.4.3 Post-Monitoring Activities

10.5 Monitoring Correspondence

10.6 Follow-up Activities

10.7 Repayment of Funds

## **Chapter 11 – Grievances and Appeals**

11.1 Grievances

11.2 Appeals

## **Chapter 12 – Integrated Disbursement and Information System (IDIS)**

12.1 General Information

12.2 Procedures and Training

12.3 Project Set Up

12.4 Activity Set Up and Funding

12.5 Reporting Accomplishments

12.6 Program Income

12.7 Drawdown of Funds

12.8 Activity Completion

12.9 Reports

12.10 IDIS Exceptions – Flags

12.10.1 CDBG Flags

12.10.2 HOME Flags

# City of Tulsa Grants Administration (GA) Policies

## Chapter 1 - General Information

### 1.1 Grant Funding

Grants Administration (GA) provides oversight, develops administration processes, and secures grant programs designed to leverage resources for the overall benefit of the City of Tulsa. The majority of these grant funds come from the U.S. Department of Housing and Urban Development (HUD) and are provided through annual entitlement grants. Grants Administration may also administer other competitive grants awarded to the City.

Grant programs require adherence to strict guidelines whether they be from HUD or other federal or state departments. HUD funds are primarily used to fund housing activities, community and economic development projects, and public improvements for the benefit of low and moderate-income individuals, families and communities.

#### U.S. Department of Housing and Urban Development (HUD)

<b>CDBG</b>	Community Development Block Grant Program
<b>ESG</b>	Emergency Solutions Grant Program
<b>HOME</b>	HOME Investment Partnerships Program
<b>HOPWA</b>	Housing Opportunities for Persons with Aids

### 1.2 Grant Program Overviews

**1.2.1 Community Development Block Grant (CDBG) Program** – This program was authorized by the Housing and Community Development Act of 1974. The program consolidated several grants (urban renewal, neighborhood development and model cities) into a single “block” grant program. Funds must be used to address one of three national objectives and can be used only for designated eligible activities.

**1.2.2 HOME Investment Partnerships (HOME) Program** - The program was established by Congress under Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990, as amended. This federal program is designed to strengthen public-private partnerships and to expand the supply of decent, safe, sanitary, and affordable housing for low and very low-income families by providing grants to states and local governments.

**1.2.3 Emergency Solutions Grants (ESG)** – The Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act) enacted into law on May 20, 2009, consolidates three separate homeless assistance programs administered by HUD under the McKinney-Vento Homeless Assistance Act into a single grant program. The Emergency Solutions Grants (ESG), formally Emergency Shelter Grant, program is designed to assist States, metropolitan cities, or urban counties in identifying sheltered and unsheltered homeless persons, as well as those at risk of homelessness, and provide the services necessary to help those persons quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness.

**1.2.4 Housing Opportunities for Persons With AIDS (HOPWA) Program** – This program was established by the AIDS Housing Opportunity Act in 1990 to provide resources and incentives to recipient communities to develop long-term comprehensive plans for addressing the local housing needs of low-income persons living with HIV/AIDS and their families. HUD distributes HOPWA program funds using a statutory formula that relies on AIDS statistics (cumulative AIDS cases and area incidence)



# City of Tulsa

## Grants Administration (GA) Policies

from the Centers for Disease Control and Prevention (CDC). The HOPWA Program addresses the specific needs of persons living with HIV/AIDS and their families. The focus is on providing housing assistance and related support services for HOPWA-eligible clients.

### **1.3 HUD Citizen Participation Plan**

The approved *Citizen Participation Plan* provides clear guidelines citizens may follow in order to play a role in the community development planning process, as required in the Consolidated Plan and related HUD regulations (24 CFR 91.105). In addition, this plan provides a means of fulfilling the Mayor's commitment to further citizen involvement, with neighborhoods as the focal point of that involvement. The Citizen Participation Plan is posted on the City of Tulsa, Grants website.

The City Council serves as the determining body in matters related to the Consolidated Plan and associated programs under this umbrella. Their decisions are ultimately based on the feedback received from citizen input that comes from a variety of sources, including:

- Mayor's Action Line
- Various City departments
- Tulsa Housing Authority
- Community Leaders and Neighborhood Associations
- Business Leaders
- Non-Profit and Religious Organizations

Tulsa Revised Ordinance Title 12, Chapter 8 – U.S. Department of Housing and Urban Development Grants established a HUD Community Development Committee to:

- Actively solicit public input regarding the long and short-term needs of the community, including homeless needs;
- Develop funding priorities for the Consolidated Plan and Annual Action Plans;
- Evaluate the performance of funded projects and programs;
- Conduct all required public hearings;
- Receive input from the Continuum of Care (CoC) regarding homeless needs, priorities, goals, outcomes, and evaluation measures;
- Consult with the CoC regarding allocation of funds, development of performance standards, and evaluation of ESG assisted project outcomes; and
- Adopt objective standards for the evaluation and scoring for the HUD grant funding.

### **1.4 HUD Consolidated Plan**

GA is the lead agency responsible for the submission and administration of programs and activities of the Consolidated Plan. The Consolidated Plan is a comprehensive planning document that assesses a jurisdiction's overall need for affordable and supportive housing, community and economic development, and homeless assistance. In addition, it outlines a five-year strategy to address those needs.

The City develops a Five-Year Consolidated Plan that defines the priorities and objectives that direct the use of federal grant funds throughout the five-year period. The Consolidated Plan is sent to HUD for approval.

# City of Tulsa

## Grants Administration (GA) Policies

### **1.4.1 Annual Action Plan**

Each year an Annual Action Plan is prepared and submitted to HUD for approval. The Annual Action Plan sets forth activities that will occur during the program year that will assist in meeting the goals of the Consolidated Plan.

### **1.4.2 Plan Amendments**

Periodically amendments to either the Consolidated Plan or the Annual Action Plan are necessary. Substantial Amendments will follow the public participation process as outlined in the Citizen Participation Plan. If Citizen Participation is not required, GA will submit the Amendment to HUD upon Mayor and City Council approval.

### **1.5 HUD Consolidated Annual Performance Evaluation Report (CAPER)**

At the end of each fiscal year, GA is responsible for submitting the Consolidated Annual Performance Evaluation Report (CAPER) to HUD. This document is designed to report on a community's progress in implementing the Consolidated Plan's Annual Plan and assess its annual performance in relationship to meeting the overall Five-Year Consolidated Plan priorities and objectives.

# City of Tulsa Grants Administration (GA) Policies

## Chapter 2 - Release of Information and Open Records

### 2.1 Release of Information to the Public

The release of information to the public on the activities and operations of Grants Administration (GA) is approved by the department head, following City policies, procedures, and regulations.

### 2.2 Open Records

Specific requests from individuals to view files or records or to obtain copies of files or records are honored in accordance with the Oklahoma Open Records Act and the City of Tulsa *Executive Order 95-04*. The City of Tulsa Open Records Policy is located on the City of Tulsa website (See: <https://www.cityoftulsa.org/our-city/public-records.aspx>).

Effective 1/5/2015 when GA receives a request for records, staff will attached the request and send an email to the Customer Care Center ([MAC@cityoftulsa.org](mailto:MAC@cityoftulsa.org)) to log in the request utilizing the Finance ID Code of OR008 or OR000 if the request department is unknown. Staff in the Customer Care Center will provide a tracking confirmation number to GA. To close the request, Grants staff will send a confirmation email to Customer Care reporting the date the request was closed out, and the amount of any copy fees collected.

### 2.3 Confidential Records

All records containing personally identifying information of any individual or family who applies for and/or receives HUD grant assistance will be kept secure and confidential. ESG funded programs should refer to HUD's defined standards for participation, data collection, and reporting in a local Homeless Management Information System (HMIS). The address or location of any domestic violence, dating violence, sexual assault, or stalking shelter project assisted by any HUD grant will not be made public, except with written authorization of the person responsible for the operation of the HUD program assisted. The address or housing location of any program participant will not be made public, except as provided under a preexisting privacy policy of the subrecipient and consistent with state and local laws regarding privacy and obligations of confidentiality.

The Oklahoma Open Records Act, 51 O.S. §§ 24A.1 et seq., provides that "all records of public bodies and public officials shall be open to any person for inspection, copying, and/or mechanical reproduction during regular business hours." 51 O.S. § 24A.5. However, 51 O.S. § 24A.3(1) provides that "record" does not include "personal financial information, credit reports or other financial data obtained by or submitted to a public body for the purpose of evaluating credit worthiness, obtaining a license, permit, or for the purpose of becoming qualified to contract with a public body."

GA requires certain "confidential" financial information for the purpose of qualifying entities submitting HUD proposals. GA treats such information as confidential and does not use it for other purposes. Therefore financial information submitted to GA as "confidential" is not subject to disclosure under the Open Records Act.

# City of Tulsa

## Grants Administration (GA) Policies

### Chapter 3 – Planning and Administration

The Planning and Administration category allowed in most grant allocations is the main source of revenue to fund Grants Administration (GA). This section provides coordination and oversight of grant funds awarded to the City. These functions help leverage city and community resources. Some of the most common activities that support grant-related activities are included below.

#### 3.1 Planning

Data gathering, studies, analysis, and preparation of plans for such things as:

- Comprehensive Plans
- Community Development Plans
- Consolidated Plans
- Small Area and Neighborhood Plans
- Capital Improvements Programs
- Environmental Issues and Historic Preservation

#### 3.2 Administration

- Providing local officials and citizens with information about programs
- Preparing and monitoring program budgets and schedules
- Environmental Review Compliance
- Developing systems for assuring compliance with program requirements
- Developing interagency agreements and agreements with subrecipients and contractors
- Monitoring program activities for progress and compliance with program requirements
- Preparing reports and other documents related to the program for submission to HUD
- Coordinating the resolution of audit and monitoring findings
- Evaluating program results against stated objectives
- Attendance at appropriate trainings and meetings
- Obtaining goods and services required for administration of the program (Examples: rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance, but not purchase, of office space)
- Creating, maintaining, and disseminating public information to residents and citizen organizations participating in the planning, implementation, or assessment of grant-funded activities (Examples: Public Notices, Requests for Proposals (RFPs), Consolidated Plan; CAPER)
- Participating in or conducting activities designed to engage and educate persons on the objectives of the Fair Housing Act (Examples: HUD Training, community/organization meetings, providing resource materials and/or resources)
- Assistance with development of a cost allocation plan in accordance with appropriate OMB circular
- Submission of plans, amendments, and reports for HUD programs
- Staffing HUD Committees in accordance with the U.S. Department of Housing and Urban Development Grants Ordinance

# City of Tulsa Grants Administration (GA) Policies

## 3.3 Administration Funding Sources

The maximum amount of each grant that may be used for administration is as follows. Grant funds may be supplemented with City General Funds when needed.

<b>CDBG</b>	20% of the annual grant allocation, plus 20% of program income
<b>ESG</b>	7.5% of the annual grant allocation
<b>HOME</b>	10% of the annual grant allocation, plus 10% of program income
<b>HOPWA</b>	3% of the annual grant allocation

## 3.4 Program Income

Program Income (PI) is the generation of revenue utilizing grant resources. The City records three types of PI.

- General Program Income
- Revolving Loan Program Income
- Recaptured Funds

Grants Fiscal Compliance staff maintains an Excel spreadsheet that is reconciled to the general ledger each month documenting all PI activity and current balances on hand.

**3.4.1 General Program Income.** PI is gross income received by the City or a subrecipient that is directly generated from the use of grant funds. General PI is submitted to the City when received by the subrecipient. The PI is recorded in the City books and receipted into the Integrated Disbursement and Information System (IDIS). General PI must be used prior to entitlement funds.

Grants Fiscal Compliance staff maintains an Excel spreadsheet of all receipted and appropriated PI so that the current unappropriated balance of PI is readily available. The available PI may be appropriated either during the annual award process or an off-cycle allocation.

### 3.4.2 Revolving Loan Program Income

Revolving Loan Program Income is generated from the repayment of loans originally funded with CDBG grant dollars. There are two types of programs that may generate this type of PI.

- Housing
- Economic Development

Revolving Loan PI is recorded in separate, interest-bearing accounts, depending on the source of grant funds originally used. The PI must be used for the same type of program that generated the income. If a subrecipient is allowed to retain the PI generated, the subrecipient must report PI amounts monthly to the City. The subrecipient must substantially use its PI before expending entitlement funds. At the project end, all PI must be returned to the City. Interest in excess of \$500 earned on this PI must be returned to the U. S. Treasury annually. Interest earned is placed into a specific fund. Finance Accounting returns interest as required. Interest under \$500 may be kept by the grantee for administrative purposes.

# City of Tulsa

## Grants Administration (GA) Policies

If a loan made with CDBG funds and payments have been made into a Revolving Loan account becomes in default, the City may require repayment of the entire loan if the national objective was not met. The process for repayment of the loan will be determined at the time the debt has been determined to be not collectible. When the original loan was made from Revolving Loan funds, the Revolving Loan Program Income account must be repaid. If the original loan was made from Entitlement funds, the loan balance may be repaid to the City of Tulsa and considered general program income.

### 3.4.3 Recaptured Funds

HOME funds are recouped by the City, a Community Development Housing Organization (CHDO), or a Subrecipient when an assisted homebuyer no longer meets the terms and conditions of the original HOME assistance (e.g. the assisted homebuyer does not maintain the dwelling as their principal residence for the duration of the affordability period). Although not technically program income, it appears as such when recording in IDIS. The City has created a unique general ledger project to track recaptured funds. Documentation is kept to ensure that 10% of these funds are not used for administrative purposes.

## 3.5 Budget Process

Annual grant award funds are appropriated according to the Annual Action Plan and included in the annual budget approved by the City Council and Mayor. Changes to the budget during the year will be approved and appropriated as stated in 3.5.3.

**3.5.1 Budget Ordinance.** A Budget Ordinance is the legal means to amend the adopted budget through recognizing revenue increases or decreases; transferring funding from one department or another, or from an existing project to a new project; decreasing funding of a fund or department; or providing supplemental funding to a fund or department or for the establishment of a new project. The City Council adopts or rejects all budget ordinances.

The initial annual HUD budget is processed in this manner. Upon City Council and Mayoral approval of the Annual Action Plan, GA submits budget information to the Budget Division.

**3.5.2 Budget Amendment.** A Budget Amendment is the legal means by which an adopted estimated revenue or expenditure authorization limit is increased or decreased.

If program income is received and not currently appropriated a budget amendment request will be submitted to the Budget Division to modify the current appropriations. In the event of a reduction in funds, this process is also followed.

**3.5.3 Budgetary Transfer.** Three types of budgetary transfers are described below.

- A. An Administrative Transfer (AT) is a budgetary transfer that allows for the movement of funds within the same expenditure account group within the same department, same fund, and same project. This action requires Budget and Planning Division Manager approval.
- B. A Mayoral Transfer (MT) allows for movement of up to \$100,000 from one expenditure account group to another account group or from one current project to another current project within the same department and fund. This action requires approval by the Mayor.
- C. A Council Transfer (CT) allows for movement of funds from one department or another, or for the establishment of a new project. A Budget Ordinance accompanies this kind of transfer and this requires approval by the City Council.

## City of Tulsa Grants Administration (GA) Policies

Occasionally funds must be transferred between account groups or projects. GA prepares the appropriate budget transfer forms and submits to the Budget Division for processing. At the end of each program year, it may be determined that some projects will continue to expend funds into the next year. For those projects that will continue to expend remaining appropriations, GA will submit an Administrative Transfer to the Budget Division to roll the balance of funds forward to the new program year.

### **3.6 Timely Expenditure of Funds**

According to 24 CFR § 570.902, an entitlement grantee shall at sixty days prior to the end of the grantee's current program year, have no more than one and one-half (1 ½) times its annual CDBG allocation undisbursed by the U.S. Treasury.

#### **3.6.1 Timely Expenditure of Community Development Block Grant (CDBG) Funds**

The City of Tulsa solicits proposals annually from non-profit and other organizations to carry out projects and activities based on needs identified in the Consolidated Plan and from comments heard during the Annual Needs Assessment Public Hearing and other community meetings.

HUD grant funds are time sensitive and shall be contracted and expended within a reasonable period of time after approval of the Consolidated Plan and Annual Action Plan. To ensure the City of Tulsa expends funds in accordance with HUD regulations, the following conditions shall apply:

1. CDBG Public Service grant projects shall expend all funds within the HUD grant period set forth in the contract. No funds shall be carried forward.
2. CDBG Physical projects must provide documentation required by the City of Tulsa, setting forth detailed information that assures the commencement of the project within six months of the approval of the Annual Action Plan pursuant to which the funds were allocated. Required documentation includes, but is not limited to, documentation of all committed financing, timeline, firm development budget, approved procurement and other policies and procedures related to the project. Agencies with projects that do not begin within this timeframe or provide no or inadequate explanation and documentation may lose awarded funds. In that case, a new application may be submitted for the project during the next funding period.
3. CDBG Physical and Economic Development activities shall expend all funds awarded within the contract term. Unexpended funds shall not be carried forward, provided however, GA may extend the contract term by written amendment to the contract if acceptable documentation is provided as verification that project activities initiated before the end of the contract term can be completed within a reasonable period of time as determined by GA.

#### **3.6.2 Timely Expenditure of Emergency Solutions (ESG) Funds**

Emergency Solutions Grant funds shall be expended within two years from the date of HUD's signature on the grant agreement. Subrecipients are awarded contracts for a one year term and funds shall be expended within the given contract period. Unexpended funds may be reprogrammed by GA.

#### **3.6.3 Timely Expenditure of HOME Investment Partnership (HOME) Funds**

HOME projects shall be contracted and funds committed within one (1) year of the Annual Action Plan pursuant to which the project was submitted. Projects that cannot be contracted within this timeframe

## City of Tulsa Grants Administration (GA) Policies

must provide the City of Tulsa required documentation setting forth detailed information that assures the commencement of the project within a time period acceptable to GA. If the required documentation is not provided or such documentation is inadequate, the project will not receive the awarded funds.

If an agency does not receive an award due to slow start up, a new application for the same project may be submitted during the next funding availability, either annual or off-cycle.

HOME projects, once contracted, shall expend funds within a reasonable period of time after the contract effective date.

- Funds for construction and large scale rehabilitation projects must be committed by written agreement within one year of the Annual Action Plan pursuant to which the project was submitted. All committed funds must be spent within the period of performance stated in the written agreement.
- Down payment assistance and homeowner rehabilitation projects must expend funds within the stated contract period.

The 2013 HOME rule requires that projects be completed in IDIS within four years of the date of commitment of funds.

All HOME funds must be expended within 5 years.

### **3.7 Reprogramming Available Funds**

GA will review the availability of funds on a semi-annual basis. Funds may become available for a variety of reasons, including but not limited to:

1. Activity did not expend all funds awarded;
  - a. Time period expired
  - b. Completed under budget and funds were remaining
2. Contract expired, with no amendment planned; or
3. Award unable to be contracted
  - a. Project determined ineligible
  - b. Untimely startup.

The preferred time to reprogram funds is during the annual allocation and award process. However, it may be necessary to reprogram funds during an off-cycle award and allocation process in order to meet the City's needs and to ensure timely expenditure of program funds.

Throughout the year, agencies may request, in writing, additional funds to support projects or activities already in progress or for a new project. These requests are placed on a waiting list until funds may become available. Since Public Service activities can only receive 15% of the annual grant award, these projects generally are not eligible for reprogrammed funds.

When it is determined that funds are available for off-cycle awards, GA will ensure any potential projects being applied for meet the following criteria:

- Project meets all HUD requirements applicable to the activity type
- Project or Agency does not have unresolved monitoring findings that resulted in questioned costs
- Project is aligned with the goals and priorities of the Consolidated Plan and Annual Action Plan



## City of Tulsa Grants Administration (GA) Policies

- Project is ready to be implemented and begin expending funds within three months of approval.

Reprogramming of funds will follow the guidelines set forth in the Ordinance.

When the City Council approves the reprogramming of funds, GA will submit the appropriate budget change information to the Budget Division.

Depending on the nature of the off-cycle award, an amendment to the Annual Action Plan may be necessary in accordance with the City's Citizen Participation Plan or HUD requirements.

### **3.8 Project Budget and Expenditure Monitoring**

Compliance staff reviews project budgets with each Request for Funds submitted by a subrecipient and ensures that expenditures are within the approved budget line items in the written agreement. In addition, the Fiscal staff reviews expenditures monthly prior to the drawdown request from the grantor agency for proper expenditure classification and IDIS activity identification.

Fiscal staff ensures that obligations are in accordance with the Municipal Budget Act. Funding availability is also verified prior to encumbering a contract or a purchase order.

### **3.9 Expenditure Reclassification**

Each month, the Fiscal staff reviews expenditures to ensure proper classification. If an error has occurred, the Fiscal staff will initiate a journal entry or request Accounts Payable to reclassify the expenditure. The appropriate authorized official approves the reclassification.

HUD funds are drawn by activity at least monthly. It is critical that expenditures are correctly classified to ensure appropriate draws are attributed to each activity.

### **3.10 Standards on Supporting Documentation**

Documentation to support all grant expenditures, administrative or programmatic, will be sufficient to ensure the costs are reasonable, necessary, and allocable.

Reasonable shall mean a cost if in its nature and amount does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.

Necessary shall mean ordinary or required for the operation of the unit or the performance of the Federal award.

Allocable shall mean the cost involved is chargeable or assignable to such cost objective in accordance with relevant benefit received.

#### **3.10.1 Documentation for Administrative Expenditures**

Administrative expenditures will be documented as required by City policy, OMB Circulars, and funding agency.

#### **3.10.2 Documentation for Subrecipient Expenditures**

## City of Tulsa Grants Administration (GA) Policies

The Request for Funds submitted by the subrecipient requires documentation to support expenditures. Salary and Fringe will be supported by time sheets and activity reports as well as payroll records. Itemized receipts are required for all purchases, including supplies, services, and other budget approved activities. The written agreement will identify if specific additional documentation is required.

### **3.11 Disallowed Costs**

GA monitors subrecipients during the course of the year. If the monitoring finds expenditures that are determined unallowable, GA will notify the agency of the disallowed costs. The agency will be required to repay the funds to the City.

### **3.12 Grant Reconciliation**

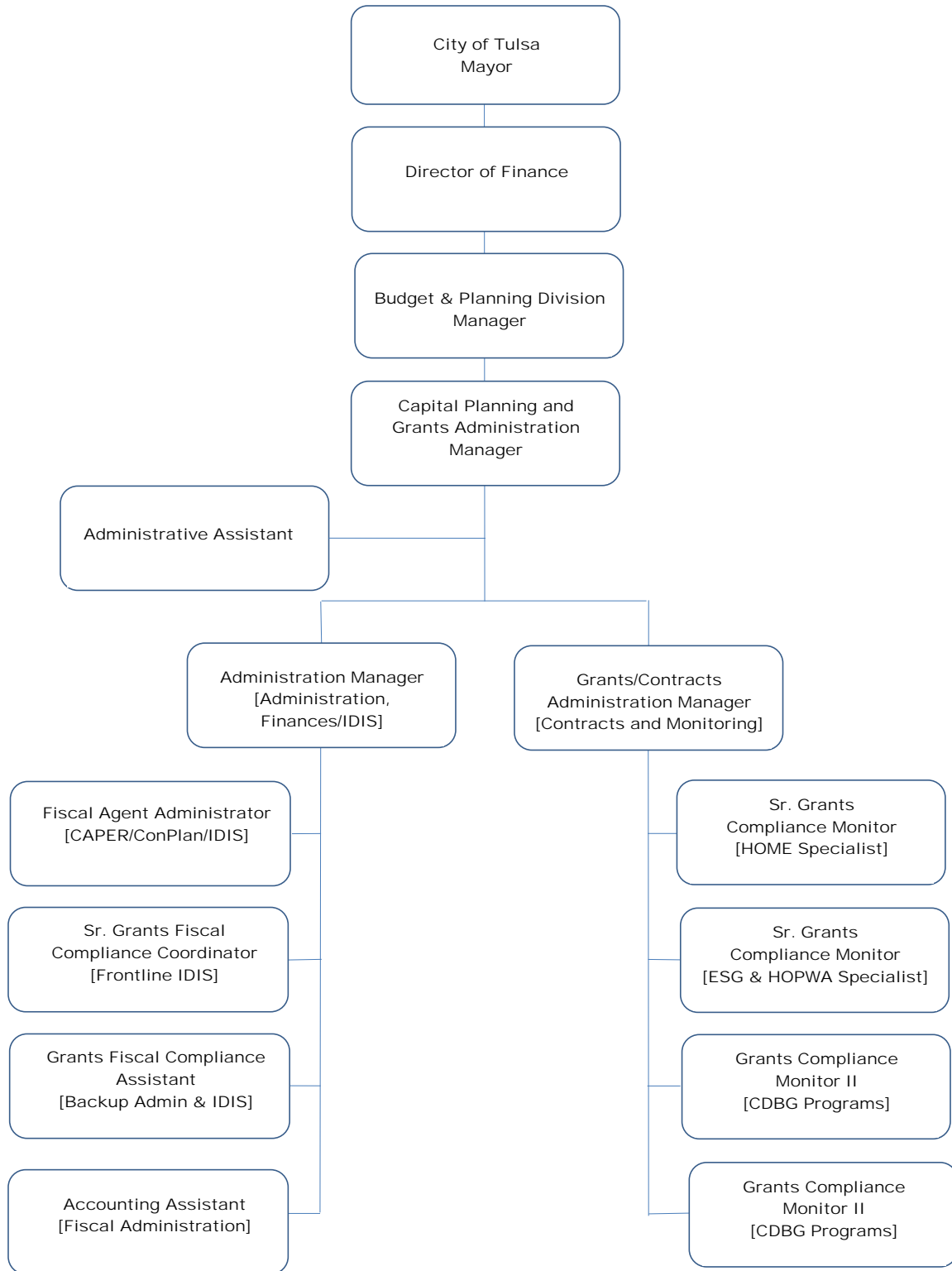
GA ensures that general ledger appropriations balance to IDIS on a regular basis. CDBG and HOME reconciliations are completed monthly. ESG and HOPWA reconciliations are completed quarterly. GA also ensures that the fund cash account is reconciled. A “Pooled Cash” concept is used in maintaining cash in the accounting records. Investment income from pooled cash is allocated monthly based on the percentage of a fund’s average daily balance equity in pooled cash. The City is on a reimbursement basis with HUD so grant funds normally have a negative cash balance. If a grant fund had a positive cash balance, investment income would be allocated.

### **3.13 Record Retention**

Records shall be retained according to City of Tulsa policy or grant regulations, whichever is most restrictive. Project files will be maintained for four years after the program completion is reported in the Consolidated Annual Performance and Evaluation Report (CAPER). Files with litigation, claims, audits, negotiations or other actions that involve any of the records and that have started before the expiration of the four-year period will be retained until completion of the actions and resolution of all issues, or the expiration of the four-year period, whichever occurs later.

# City of Tulsa Grants Administration (GA) Policies

## 3.14 Organizational Chart



# City of Tulsa Grants Administration (GA) Policies

## Chapter 4 – Grant Processes

### 4.1 Grant Applications / Request for Proposals

The grant process begins with the preparation and publication of the Annual Calendar by GA as required by Tulsa Revised Ordinance Title 12, Chapter 8 – U.S. Department of Housing and Urban Development Grants. The Annual Calendar is published on the City of Tulsa, Grants website.

The HUD Community Development Committee (CDC) is responsible for developing the annual Priority Needs Statement that is consistent with the 5-year Consolidated Plan. The Priority Needs Statement guides funding decisions for a particular year.

#### 4.1.1 Timeline for HUD Grant Applications

Each year, GA staff prepares Request for Proposal (RFP) documents for CDBG, HOME and ESG in accordance with priorities established by the CDC. Every third year, an RFP is prepared for the HOPWA program.

#### 4.1.2 Request For Proposals Development

Input from the HUD Community Development Committee, Tulsa Revised Ordinance Title 12, Chapter 8 – U.S. Department of Housing and Urban Development Grants, and grant requirements are used to determine the guidelines for the HUD Grant Request for Proposal (RFP) process. Each year GA staff creates an RFP application for each grant type based on relevant grant requirements and information necessary to write an agreement for an award. Agency information is also requested of applicants so that evaluators may perform due diligence with regard to the capacity of the applicant agency. Once the RFP is finalized, scoring criteria is updated to reflect the priorities for the Five-Year Consolidated Plan and the current Annual Action Plan. After the RFP is released any questions from applicants to GA staff must be sent in writing to Grants Administration. Answers to questions are emailed to the requesting applicant and posted on the GA Website, Frequently Asked Questions page.

#### 4.1.3 Mandatory RFP Workshops

The RFP workshops are mandatory and must be attended by applicants. GA staff discuss topics including, but are not limited to:

1. General Grant Process Timeline
2. Availability of Funds
3. Overview of RFP
  - Proposal/Application Instruction
  - Alignment with City Goals and One-Year Program Priorities
  - Application Review Criteria
4. Overview of Office of Management and Budget information
5. Overview of Grants:
  - Objectives
  - Regulations Resources Handouts
  - Eligible Applicants
  - Eligible/Ineligible Activities
  - Allocation Limits for Specific Grant Activities, if applicable
  - Required Matching Funds, if applicable
  - Performance Measures and Outcomes
  - Budget
  - Certifications (with appropriate regulations references)

## City of Tulsa Grants Administration (GA) Policies

- Attachments
  - Deadline for Submission
6. Workshop dates and location will be published, posted, or announced by GA staff in one or more of the following ways:
- a. Email messages
  - b. Phone inquires
  - c. City Grants website
  - d. During Public Hearings and Community Meetings
  - e. Other Media

### **4.1.4 RFP Submissions**

After attending the mandatory RFP workshop, applicants will have at least 45 days in which to prepare and submit their application. Subsequent to the proposal deadline, GA pre-screens each proposal to ensure that all required documentation is included. If documents or information are missing, GA staff notifies applicant and allows 72 hours, including weekends and legal holidays, to submit the missing documentation. Applicants who do not submit the minimum required documentation as specified in the RFP will not be considered for funding. Applications from City Departments must contain project information including budget information, program description, and project goals and measurable outcomes. It should be noted that applications received from City Departments are not subject to the proposal review process provided that:

- HUD funds are not being used to replace local general government funds on City projects or services unless the City department has documented that the services to be provided represent an increase in services beyond the services provided with government funds in the previous year; and
- No other non-profit agency located in the City of Tulsa can provide or perform services which could be performed by a City department.

The specific procedures for the application review process include:

1. Applications are submitted by mail or in person at a designated location identified on the RFP.
2. Upon submittal by applicant, GA staff records the agency name, project/program name, grant type, and amount requested and initials entry. GA staff then categorizes and separates the RFPs by grant type.
3. GA staff will perform the initial review of all applications to ensure eligibility and that the minimum requirements have been completed as set forth in the RFP applications
4. If upon review, it is determined that there is any missing documentation, GA staff will notify GA Management of the missing required documentation.
5. GA will email the applicant identifying the document(s) that are missing, and the deadline to submit the information.
6. Upon receipt of the missing document(s), GA will record the date information was received, add the missing document to the RFP, and update the evaluation form with the date documentation was received.
7. If applicant does not submit missing information by the deadline GA Management will not forward application for evaluation. GA Management will notify the applicant in writing that the deadline expired and that the application will not be considered.

## City of Tulsa Grants Administration (GA) Policies

### **4.1.5 RFP Evaluations**

Once all applications have been deemed eligible, GA prepares information for a training workshop for all evaluators based on the information given to applicants. The evaluation process is then as follows:

1. GA Management will secure multiple evaluators to review each application submitted. GA staff will provide training for evaluators regarding the criteria and review process. The evaluators will consist of assigned GA staff and outside non-GA evaluators.
2. Evaluators will be assigned a unique identifier number to maintain anonymity. This number will be on the Scoring Form for each application the evaluators review.
3. The application evaluation will be conducted utilizing criteria identified on the Scoring Form for HUD Grant Applications.
4. If the evaluator does not award full points for each item, the evaluator will provide an explanation in the comments section of the scoring form stating the reason for the deduction.
5. GA Management will procure a professional facilitator to review the evaluation process.
6. Scores and comments from all evaluators are aggregated by application.
7. Where there is a wide variance of scores, the facilitator may convene all the evaluators to discuss their rationale for scoring.
8. Once the facilitator has reviewed all the scores and comments, a presentation is made to the HUD Community Development Committee (CDC). CDC members are presented with a review of the RFP process and an analysis of the scoring results.
9. Once the CDC receives the aggregated scores and comments for each project, applicants may obtain a copy.

### **4.1.6 Funding Recommendations and Funding Award**

Subsequent to the final funding process, the CDC provides applicants an opportunity to appear before the committee in an open public meeting to answer any of the committee's questions regarding their proposal.

Within fifteen days of the receipt of the final scores from the reviewers, the CDC must submit its funding recommendations to the Mayor for review and recommendation. In the event that there is a tie vote of the CDC, the final scores of the reviewers shall be submitted to the Mayor for review and recommendation.

Within ten business days after receipt of the recommendations from the CDC (or within 10 days after being placed on the Mayor's agenda), the Mayor may recommend changes and submit them to the City Council, provided that the changes meet at least one of the annual priorities set by the CDC for the program year being approved and that the Mayor provides written justification for the change.

Within ten business days after receipt of the recommendations from the Mayor (or by the 2<sup>nd</sup> Thursday in April), the City Council may approve the recommendations or the City Council may change and approve the recommendations, and submit them to the Mayor for signature. Changes to the recommended allocations of the CDC or the Mayor must meet at least one of the annual priorities set by the CDC for the program year being approved and provide a written justification for the change. The City Council forwards the final resolution including the final funding decisions to the Mayor on the first business day following the Council action.

### **4.1.7 Applicant Notifications**

After funding allocations have been approved by the City Council, GA staff will notify each applicant in writing as to whether or not the program/project was approved and the amount of award. GA will request subrecipient to provide revised performance measures and/or budget items based on the actual amount awarded.

# City of Tulsa

## Grants Administration (GA) Policies

### 4.2 Written Agreements

Prior to receiving the City of Tulsa's grant agreement from HUD approving the program year's allocations, GA begins preparing environmental reviews and written agreements for each of the awarded programs.

1. GA will prepare written agreements using grant specific agreement templates, pre-approved by the City Legal Department. Legal approved templates include the following: CDBG, ESG, HOPWA, HOME (subrecipient), HOME (CHDO), and HOME (Developer).
2. After GA Management review and approval, GA Monitors will send grant recipients a draft of a written agreement (or amendment) of their activity for review. GA Monitors will complete all Exhibits to the agreement with information provided in the application. Budget items will be based on the award amount and categories approved by GA.
3. Grant recipients will be instructed to identify any revisions to the written agreement.
4. Upon GA Management approval of any revisions, the agreement is sent to the City's Legal Department for approval.

All activities approved in the Annual Action Plan shall be codified by written agreement (or MOUs for City Departments) between the City of Tulsa and the organization implementing the activity.

#### 4.2.1 Approval of Written Agreements

1. GA staff will ensure that any project/program receiving federal funding will have an Environmental Review before a written agreement is executed.
2. Upon Legal approval, a PDF file of the written agreement and Affidavit of Claimant will be emailed to grant recipient's Executive Director, Finance Manager, Program/Project Director or other designated personnel. The email will include instructions on the execution of the written agreement with a request for one copy of the Affidavit of Claimant and two copies of the executed written agreement be returned to GA.
3. When the executed written agreements and Affidavit of Claimant are returned to GA, the agreement will be processed for execution by the Mayor.

#### 4.2.2 Written Agreement Review Meetings

New grant recipients, or those not recently funded, may be scheduled to meet with GA staff to review the written agreement covering all the elements including reporting requirements, performance measures, request for funds, etc. When the written agreement review meeting is complete, the GA Monitor will provide the grant recipient with a Written Agreement Acknowledgement form for the agency to sign. The Written Agreement Acknowledgment form states GA staff conducted a meeting, the date of the meeting, the purpose of the meeting, and that the grant recipient understands the requirements of the Written Agreement.

#### 4.2.3 Agreement Dates

**Effective Date** – This is the effective date of the HUD grant year. Even though grant agreements may not be fully executed until after the effective date noted in the written agreement, grant recipients need to collect documentation from that date forward for performance reporting and for submission with their Request for Funds. Once the City of Tulsa has received its grant agreement with HUD, grant recipients will be notified of the date and funds may then be reimbursed.

**Period of Performance** – The period of performance is the stated time in the written agreement in which funds may be spent and reimbursed.

## City of Tulsa Grants Administration (GA) Policies

**Term of Agreement** – Depending on the type of activity and the grant requirements, the term, and the terms of the agreement, may exceed the Period of Performance.

### **4.3 Reporting**

Reporting and accounting requirements that govern the use of grant funds are followed for each grant program and activity that is funded. Additional program reports may be developed, if needed, to capture additional information to support the desired outcomes as defined in the City's Consolidated Plan/Annual Action Plan, the City of Tulsa's Strategic Plan, and Tulsa's Continuum of Care strategy for homeless persons, or HUD requirements.

#### **4.3.2 City of Tulsa Finance Department**

The City Finance Department sets up the appropriate accounting and auditing functions in the City's system to adhere to Generally Accepted Accounting Principles (GAAP) and/or the Oklahoma Municipal Budget Act (OMBA). The City may also implement other finance systems and reports as required by each grant.

Budget detail is submitted to the Finance Department by Grants Administration, Budget and Planning Division for each funded project/activity once the final awards are approved by the City Council. This ensures that the appropriate accounts are set up within the City system and appropriate tracking mechanisms are in place.

#### **4.3.3 Integrated Disbursement and Information System (IDIS)**

The approved HUD reporting system is the Integrated Disbursement and Information System (IDIS). This HUD-supported system must be used to enter, maintain, and report on projects and activities that support the four Community Planning and Development (CPD) formula grant programs: CDBG, HOME, ESG, and HOPWA. This reporting system is used for both performance measures and financial reporting.

#### **4.3.4 Program/Project Specific Reporting**

Reporting requirements specific to each funded activity will be found in the grant specific chapter.

#### **4.3.5 Consolidated Annual Performance and Evaluation Report (CAPER)**

Each year the City is required to submit to HUD an analysis of the activities during the program year. This report must specifically include a comparison of the proposed objectives versus actual accomplishments, addressing each outcome measure. If progress toward accomplishments were not realized, an explanation must be provided.

At year-end all grant recipients are required to report, at a minimum, their performance measures, their leveraged funds, and a narrative of their activity. Other required year-end reporting is included in their written agreement.



# City of Tulsa Grants Administration (GA) Policies

## Chapter 5 – Community Development Block Grant (CDBG)

### 5.1 Purpose

The CDBG program works to ensure decent, affordable housing, to provide services to the most vulnerable in our communities, and to create jobs through the expansion and retention of businesses. The City of Tulsa is considered an entitlement community and receives CDBG funds directly from the U.S. Department of Housing and Urban Development.

### 5.2 National Objectives

All activities, except planning and administration, must meet *one* of the CDBG program's three National Objectives:

1. Benefit Low- and Moderate-income (LMI) persons (24 CFR 570.208(a)).
2. Aid in the prevention or elimination of slum or blight (24 CFR 570.208(b)).
3. Meet community development needs having a particular urgency (major catastrophes or emergencies due to natural or man-made disasters such as floods, tornadoes, terrorist acts, etc.) (24 CFR 570.208(c)).

Since the primary objective of the CDBG program is to serve low- and moderate-income people, the regulations indicate that at least 70 percent of all expenditures (excluding program administration and Section 108 loan repayment) must benefit low- and moderate-income people.

#### 5.2.1 Criteria for National Objectives

The following criteria will be used to determine whether a CDBG-assisted activity complies with one or more of the national objective as required under 24 CFR 570.200(a)(2).

**Area Benefit:** An activity available to all persons in a neighborhood or community regardless of income. However, the area where the activity is located must qualify as primarily residential and an area where at least 51 percent of the residents are LMI persons (based on the latest Census data).

**Limited Clientele Benefit:** An activity that benefits a specific group of people who qualify as LMI and the project/program meets one of the following:

- a. Income and household size are documented such that persons qualify as LMI
- b. The activity is limited exclusively to LMI persons
- c. The activity is of such a nature and location that it may be concluded the clientele are primarily LMI persons
- d. Clientele are presumed (by HUD) to be principally LMI persons (i.e. abused children, battered spouses, elderly persons, adults meeting the Bureau of the Census' Current Population Reports definition of "severely disabled", homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers)

**Housing:** An activity is undertaken for the purpose of providing or improving permanent residential structures which, upon completion will be occupied by LMI households.

**Job Creation or Retention:** An activity designed to create or retain permanent jobs (computed on a full-time equivalent basis) at least 51 percent of which will be made available to, or held by, LMI households.

**Prevention/Elimination of Slum or Blight** – This activity is focused on preventing or eliminating slum or blight and is determined to be eligible by physical conditions rather than LMI beneficiaries. There is

## City of Tulsa Grants Administration (GA) Policies

only one qualified category for this activity in the City of Tulsa since the City does not currently have any officially designated slums or blighted areas. Activities may be conducted on a Spot Basis to eliminate specific conditions of blight or physical decay. This activity must be limited to one of the following: 1) Acquisition; 2) Clearance; 3) Relocation; 4) Historic Preservation; or 5) Rehabilitation of buildings, but only to the extent necessary to eliminate specific conditions detrimental to public health and safety.

### 5.2.2 Income Eligibility

CDBG funds are used to benefit low- and moderate-income (LMI) persons or households. The City of Tulsa requires that over 70 percent of all beneficiaries served are either extremely-low, low- or moderate-income households.

- Extremely low-income households have incomes from 0 to 30 percent of the Median Family Income (MFI) for the Tulsa Metropolitan Area;
- Low-income households have income that is from 31 to 50 percent of the MFI for the Tulsa Metropolitan Area;
- Moderate-income households have income that is from 51 to 80 percent of the MFI for the Tulsa Metropolitan Area; and
- Non-low and moderate-income households have income greater than 80 percent of the MFI for the Tulsa Metropolitan Area.

The actual dollar amount of the income limits for households from one person to eight persons are published annually by HUD. Once published, GA provides all funded agencies with the current year's information.

Income eligibility is based on HUD 24 CFR Part 5 definitions in determining "Annual (Gross) Income." CDBG regulations permit self-certification of income for **public service** activities as referenced in 24 CFR 570.506(b). Those public service projects under a Limited Clientele Benefit NOT categorized under 5.2.1 "Limited Clientele Benefit" categories b, c, or d, above may determine income by either utilizing HUD's *Self Certification of Annual Income by Beneficiary* or similar form with a statement that beneficiary's adult household/family members must also sign to certify that the information is complete and accurate and that source documentation will be provided upon request by the City of Tulsa or HUD.

### 5.3 Eligible Activities

The CDBG regulations permit community, housing and economic development activities. This chapter includes a brief summary with information on the basic eligible activities using information from the CDBG Regulations and HUD's *Basically CDBG* published July 2012 and available online.

#### 5.3.1 Housing Activities

CDBG funds may be used for the rehabilitation of owner occupied housing for LMI households. For rental properties, at least 51% of the units on the property must be rented to LMI households. Eligible costs include:

- Labor and materials,
- Replacement of principal fixtures and components of existing structures;
- Water and sewer connections
- Installation of security devices, including smoke detectors;
- Conservation costs for water and energy efficiency;
- Landscaping, sidewalks, garages, and driveways when accompanied with other rehabilitation needed on the property; and

## City of Tulsa Grants Administration (GA) Policies

- Evaluating and treating lead-based paint.

### **5.3.2 Public Facilities and Improvements**

The acquisition, construction, reconstruction, rehabilitation or installation of public facilities and improvements are eligible pursuant to §570.201(c) and may be carried out by the City, a subrecipient or other nonprofit. The facilities may only be owned by the City, a subrecipient or other nonprofit. Eligible public facilities and improvements include:

- Senior centers;
- Handicapped centers;
- Homeless facilities;
- Youth centers;
- Neighborhood facilities;
- Parks and recreational facilities;
- Parking facilities;
- Solid waste disposal improvements;
- Flood drainage improvements;
- Water/sewer improvements;
- Street improvements;
- Sidewalks, curbs and gutters;
- Child care centers;
- Tree planting;
- Fire station / equipment;
- Health facilities;
- Abused/neglected children facilities;
- Asbestos removal; and
- Facilities for AIDS patients.

Costs associated with energy efficiency improvements, handicapped accessibility improvements (including improvements to buildings used for the general conduct of government), and architectural design features and other treatments aimed at improving the aesthetic quality of the facility such as sculptures or fountains are eligible.

### **5.3.3 Economic Development**

Pursuant to the CDBG Regulations at §570.203, CDBG funds may be used for activities related to economic development, such as those discussed below.

**Special Economic Development:** CDBG funds may be used to undertake certain special economic development activities such as:

- Acquiring, constructing, reconstructing, rehabilitating, or installing commercial or industrial buildings, structures, and other real property equipment and improvements, including railroad spurs or similar extensions. These are economic development projects undertaken by the City or by nonprofits;
- Assisting a private, for-profit business, including grants, loans, loan guarantees, and technical assistance; and

## City of Tulsa Grants Administration (GA) Policies

- Providing economic development services in connection with otherwise eligible CDBG economic development activities.

**Community-Based Development Organizations:** Economic development may also be undertaken by Community Based Development Organizations (CBDOs) to assist in neighborhood revitalization or community economic development. To be eligible, the CBDO must be carrying out neighborhood revitalization, community economic development or energy conservation projects. The following restrictions apply when a CBDO undertakes an activity:

- CBDOs may not carry out otherwise ineligible activities (i.e., general government buildings or expenses, or political activities); and
- CBDOs cannot carry out special economic development activities that do not meet HUD's mandatory public benefit standards.

CBDOs are authorized to carry out public services that exceed the 15% public services cap when the services are specifically designed to increase economic opportunities through job training/placement and other employment support services. CBDOs may also provide public services of any type outside of the public services cap if the services are undertaken as part of a HUD-approved Neighborhood Revitalization Strategy Area (NRSA). CBDOs may not carry out program administration or planning activities that would result in the City exceeding the 20% limit on such expenditures.

**Technical Assistance:** The City or a subrecipient may provide technical assistance to businesses. This activity involves providing technical assistance and training on topics such as business planning or accounting. This activity may be undertaken under several different eligibility categories, assuming that the activity will meet a national objective:

- As a part of a special economic development project;
- To the owner of a microenterprise;
- As a public service; and
- By a CBDO as a part of an eligible project.

**Microenterprise Development:** Microenterprise development activities are designed to foster the development, support, and expansion of a microenterprise business. A microenterprise is defined as a commercial enterprise that has five or fewer employees, one or more of whom owns the enterprise. A "person developing a microenterprise" refers to a person who has expressed an interest and who is, or after an initial screening process is expected to be, actively working toward developing a business that will be a microenterprise at the time it is formed. Eligible microenterprise activities include the provision of:

- Grants, loans, loan guarantees and other forms of financial support, for the establishment, stabilization, and expansion of microenterprises;
- Technical assistance, advice, and business services to owners of microenterprises and persons developing microenterprises;
- General support to owners of microenterprises and persons developing microenterprises including child care, transportation, counseling and peer support groups; and
- Training and technical assistance or other support services to increase capacity of the City or subrecipients to carry out microenterprise activities.

## City of Tulsa Grants Administration (GA) Policies

**Commercial Rehabilitation:** These activities bring commercial structures up to code or improve their facades. If the structure is owned by a private, for-profit entity, the following limitations apply:

- Rehabilitation is limited to the exterior of the building and the correction of code violations; and
- Any other improvements are carried out under the special economic development activities category discussed above.

**Public Facilities and Improvements:** These are public works that support economic development endeavors. Public works facilities and improvements include infrastructure projects such as off-site water, sewer, roads, drainage, railroad spurs and other types of public facilities or improvements.

**Job training:** Job training involves providing skill building classes to employees or potential employees and can be an important part of an economic program. This activity can be undertaken:

- As a part of a special economic development project;
- As a public service;
- By a CBDO as a part of an eligible project; or
- As a part of microenterprise assistance package to the owner of a micro business for his or her employees.

It is important to note the following restrictions for job training activities:

- Job pirating is prohibited under Section 588 of the Quality Housing and Work Responsibility Act of 1998. Job pirating refers to the use of federal funds to lure or attract a business and its jobs from one labor market to another.
- CDBG funds may not be used to assist for-profit businesses, including expansions, as well as infrastructure improvement projects or business incubator projects designed to facilitate business relocation if:
  - The funding will be used to assist directly in the relocation of a plant, facility or operation; and
  - The relocation is likely to result in a significant loss of jobs in the labor market area from which the relocation occurs.
- The following are definitions to assist in determining if a business location falls under these provisions:
  - Labor Market Area (LMA): An LMA is an economically integrated geographic area where individuals can live and work within a reasonable distance or can readily change employment without changing their place of residence.
  - Operation: A business operation includes, but is not limited to, any equipment, production capacity or product line of the business.
  - Significant Loss of Jobs: A loss of jobs is significant if the number of jobs to be lost in the LMA in which the affected business is currently located is equal to or greater than one-tenth of 1% of the total number of persons in the labor force of that LMA, or in all cases, a loss of 500 or more jobs. A job is considered to be lost due to the provision of CDBG assistance if the job is relocated within three (3) years of the provision of assistance to the business. Notwithstanding the above definition, a loss of 25 jobs or fewer does not constitute a significant loss of jobs.

## City of Tulsa Grants Administration (GA) Policies

- Before directly assisting a business with CDBG funds the City shall include appropriate language in the written agreement with the assisted business to ensure that no pirating has occurred. In addition to other programmatic clauses, the written agreement shall include:
  - A statement from the assisted business as to whether the assisted activity will result in the relocation of any industrial or commercial plant, facility, or operation from one LMA to another, and, if so, the number of jobs that will be relocated from each LMA.
  - If the assistance will not result in a relocation covered by this section, a written certification from the assisted business that neither it, nor any of its subsidiaries, have plans to relocate jobs at the time the agreement is signed that would result in a significant job loss as defined in this rule; and
  - The agreement shall provide for reimbursement of any assistance provided to, or expanded on behalf of, the business in the event that assistance results in a relocation prohibited under this section.

### **5.3.4 Public Services**

The City of Tulsa permits the use of CDBG funds for a wide variety of public services, including but not limited to:

- Employment services (e.g., job training);
- Crime prevention and public safety;
- Child care;
- Health services;
- Substance abuse services (e.g., counseling and treatment);
- Housing counseling;
- Education programs;
- Energy conservation;
- Services for senior citizens;
- Services for homeless persons; or
- Recreational services.

CDBG funds may be used to pay for labor, supplies, and material as well as to operate and/or maintain the portion of a facility in which the public service is located. This includes the lease of a facility, equipment, and other property needed for the public service.

### **5.4 Eligible Applicants**

Eligible applicants for grant funding include:

- Private Nonprofits
- Governmental Agencies
- Private For-Profit entities: A limited number can qualify as a Subrecipient when facilitating economic development projects/programs authorized under 24 CFR 570.201(o).

### **5.5 Ineligible Activities**

CDBG funds may not be used for:

- Projects in facilities located in a Zone AO FEMA Flood Plain
- Political activities
- Certain income payments
- Construction of new housing (Except by CBDOS)

# City of Tulsa

## Grants Administration (GA) Policies

### 5.6 Program Types

#### 5.6.1. Public Service Activities

The City of Tulsa funds a variety of public service programs. A list of approved public service programs can be found in the Annual Plan each year. The amount of CDBG funds obligated within a program year to support public service activities may not exceed 15 percent of the total grant awarded to the City of Tulsa for that year.

#### 5.6.2 Economic Development

Special Economic Development: Direct Financial Assistance to For-Profits - CDBG funds may be used for Special Economic Development activities under the program regulation 24 CFR Part 570.203. Direct assistance to private, for-profit business may be in the form of grants, loans, loan guarantees, and technical assistance for the purpose of creating jobs. All Special Economic Development Activities must meet HUD's public benefit standard.

Micro-Enterprise Assistance - CDBG funds may be used to assist Microenterprise Development under program regulation 24 CFR 570.201(o). A microenterprise is defined as a commercial enterprise that has five or fewer employees, one or more of whom owns the enterprise; or a person who has expressed an interest and who is, or after an initial screening process is expected to be, actively working toward developing a business that will be a microenterprise at the time it is formed.

#### 5.6.3 Physical

CDBG funds may be used for acquisitions, rehabilitation, a combination of both acquisition and rehabilitation or new construction of non-residential structures and are classified by GA as "Physical" projects. Physical projects may be subject to additional requirements including, but not limited to, HUD Federal Labor Standards and Provisions, State and Local Codes and Ordinances, Davis Bacon Act, Section 3, Uniform Act (URA) requirements, Lead-Based Paint, and other federal requirements. All rehabilitation work must comply with City of Tulsa's Rehabilitation Standards and Specifications and applicable local and state codes.

Owner-Occupied Housing Rehabilitation and Special Purpose Minor Rehabilitation projects both include repairs and/or rehabilitation of owner-occupied units. The housing unit must be the homeowner's primary residence. Performance for these rehabilitations is measured by the number of units rehabilitated.

- a. Assistance for major repairs may be structured as a grant or a loan and is limited to \$35,000.
- b. Special Purpose Minor Rehabilitation work includes energy efficiency improvements, handicap accessibility and repairs for items threaten health and safety. Assistance is limited to \$5,000 per household and structured as a grant.

Acquisitions (including long-term leases for periods of 15 years or more), construction, or rehabilitation of *public facilities and other real property improvements* are allowable. Projects involving rehabilitation of existing properties or new construction projects (excluding homeowner minor repairs, emergency repairs or homeowner rehabilitation grants/loans) must, at a minimum, meet the requirements for the project listed in Tulsa Revised Ordinance Title 12, Chapter 8 – U.S. Department of Housing and Urban Development Grants.

Projects involving an acquisition are required to provide a current property appraisal or comparative market analysis prepared by a licensed appraiser. For each type of physical activity undertaken, properties must meet local codes and be inspected by GA and/or a City of Tulsa inspector.

## City of Tulsa Grants Administration (GA) Policies

Use of any real property that was acquired or improved in whole or in part with CDBG funds in excess of \$ 25,000, must either:

1. Be used by the Subrecipient to continue to meet one of the CDBG program's National Objectives for at least 5 years after the expiration of their written agreement (or a longer time as specified by the City of Tulsa); or
2. Reimburse the City of Tulsa if a National Objective is not met during this time period. Reimbursement constitutes the current fair market value, less any portion of the value attributable to non-CDBG funds.

Applicants will be required to provide a scope of the project using the following criteria in order to document that the project will meet certain thresholds.

### Underwriting Criteria for Physical Projects

- a. Market Assessment – proposals must have a documented need for the physical project in the area where the project/program will take place.
- b. Staff Capacity – Documentation must provide evidence that there are sufficient staff resources with identified skills relating to the expertise needed to complete the proposed project as well as staff to operate the proposed program throughout any applicable compliance period. For the purpose of determining staff capacity only employees of the agency may be considered staff members.
- c. Project Feasibility – Substantiation that there are adequate financial resources for: 1) pre-development; 2) acquisition, construction, and/or rehabilitation; and 3) facility and program operations sustainability for the required compliance period, based on the specifics related to the funding sources and type of project.

### City of Tulsa Ordinance Requirements

Tulsa Revised Ordinance Title 12, Chapter 8 – U.S. Department of Housing and Urban Development Grants requires the following for all rehabilitation and new construction projects (excluding Owner Occupied Rehabilitation or Special Purpose Minor Rehabilitation projects):

- a. Demonstrated financial capacity of the applying agency;  
Note: The scope of the assessment for financial capacity of the applying agency will mirror the guidelines for Developer Capacity Certification under HOME. (See Chapter 7 for HOME Projects – Developer Capacity Certification)
- b. Documentation of funding sources committed toward the total cost of the project, excluding the HUD grant request;
- c. Documentation of site control, proper zoning, a map showing that the project is not located in a flood plain and approved procurement and other policies and procedures related to the project;
- d. Architectural/engineering design for the entire project;
- e. Cost estimate provided by a certified cost engineer for the total cost of the project (a firm development budget);
- f. Timeline and certification that the project will commence within six (6) months from the date the Annual Action Plan is approved and that all HUD grant funds will be spent within two (2) years. Projects that do not begin within this timeframe and provide inadequate justification with supporting documentation will not be awarded funds; and
- g. Proof that the project will meet a CDBG national objective within two (2) years from completion.

#### **5.6.4 Housing Services**



# City of Tulsa

## Grants Administration (GA) Policies

CDBG funds may be used to pay costs in support of activities eligible for funding under the HOME program. Services that are related to housing activities may qualify under several eligibility categories of the CDBG regulations, including:

- a. As a public service activity (e.g., a housing counseling program) if the activity meets the public service eligibility criteria. (Note, however, the amount of CDBG funds used for public service activities may not exceed the 15 percent cap.);
- b. As part of a CDBG-funded housing activity (e.g., preparing work specifications for CDBG-funded rehabilitation projects), generally referred to as a program delivery cost; and
- c. Project Delivery cost for the Subrecipient's HOME program activities (Homeowner Rehabilitation, Down Payment Assistance).

Homeowner Rehabilitation Services – CDBG funds are available for project delivery costs for Owner-Occupied Housing Rehabilitation projects in conjunction with Owner-Occupied Housing Rehabilitation funded under CDBG and HOME. Staff costs and related expenses required for outreach and marketing, rehabilitation counseling, screening applicants, preparing work specifications, loan processing, inspections, and other services related to delivering a homeowner rehabilitation program are eligible.

Down Payment Assistance Services - CDBG funds in support of a HOME Down Payment Assistance project are available for project delivery costs for qualifying and processing financial assistance for First-Time Homebuyers. Staff costs and related expenses required for screening applicants, homebuyer education, financial counseling, loan processing, and other services related to delivering a homebuyer assistance program are allowed. Activities under this project must be used in conjunction with the HOME First-Time Homebuyers Program.

### **5.7 Timeliness**

According to Tulsa Revised Ordinance Title 12, Chapter 8 – U.S. Department of Housing and Urban Development Grants, Public Service, Economic Development and Physical projects shall expend all funds within the written agreement term. Unexpended funds shall not be carried forward. Grants Administration may extend the agreement term by written amendment if project activities initiated before the end of the agreement term can be completed within a reasonable period of time and acceptable documentation is provided to verify this requirement.

### **5.8 Reporting**

This section outlines CDBG reporting requirements and time frames for Subrecipients.

There are four common indicators that are relevant for most activities. HUD requires the following data elements for nearly all program activities.

- Amount of money leveraged from other Federal, state, local, and private sources, per activity.
- Number of persons, households, businesses, units or beds assisted, as appropriate.
- Income levels of persons or households by: 30 percent, 50 percent or 80 percent of area median income. – For CDBG activities that benefit an area, the data reported for that activity will need to show the total number of persons served and the percentage of LMI persons served based on the primarily residential service area selected (e.g. census tracts or block groups).
- Race, ethnicity, and disability data for activities that currently report these data elements. – Under CDBG, race/ethnicity data is required only when the activity is specifically undertaken to directly benefit persons or households, such as job creation activities or housing rehabilitation. Race and ethnicity data is not required for activities under the CDBG LMI area benefit, slum/blight, or urgent need national objectives.

# City of Tulsa

## Grants Administration (GA) Policies

### **5.8.1 General Program Reporting**

Funded agencies submit monthly performance/progress reports identifying the number of beneficiaries served by income category or census tract as well as racial and ethnic data. Depending on the nature of the activity, additional progress reports may be required. Year-end reports are also required at the closing of each program year. All timeframes and reporting requirements are outlined in Exhibit B of each Subrecipient's written agreement.

The City of Tulsa requires Subrecipients to provide the following reporting information related to their CDBG programs:

- a. Information required by the Federal Government for entry into the Integrated Disbursement and Information System (IDIS) used to report to Congress and monitor the performance of Subrecipients for program activities and funding on a monthly basis.
- b. Program specific information for activities identified in the agreement Exhibit B, General Administration, on a monthly basis.
- c. Year End Narrative of the program identifying specific outcomes, successes, challenges and trends affecting the program.
- d. Request for Funds as identified in the written agreement may be submitted monthly for program expenditures and shall include all documentation necessary to support the expenditures.
- e. Leverage Certification Form annually.

The appropriate monthly reporting forms are accessible on the GA website or from GA. Subrecipients are required to submit all reports via email.

### **5.8.2 Economic Development Program Reporting**

The reporting requirement for Special Economic Development programs is job creation or retention for L/M persons along with other pertinent documentation. If the program is qualified to report jobs using the aggregate method at least one job must be created for every \$35,000 of assistance. If the program is qualified to report jobs using the individual method at least one job must be created for every \$50,000 of assistance. All Special Economic Development Activities must meet HUD's public benefit standard.

The reporting requirement for Microenterprise Assistance depends upon the program design. At minimum, the program will report number of persons served, jobs created or businesses served.

### **5.8.3 Physical Project Reporting**

Reports for rehabilitation and new construction projects (excluding Owner Occupied Rehabilitation or Special Purpose Minor Rehabilitation projects) may include bid packets and solicitation, periodic inspection reports, and weekly payroll records of all contractors. Year-end reports are required which vary depending on the type of project. In addition, quarterly or yearly reports on the program operations are required throughout the compliance period. All timeframes and specific reporting requirements are outlined in each Subrecipient's written agreement. Although reporting will vary from activity to activity, all projects will be required to report the number of beneficiaries served for at least 5 years.

In general, the City of Tulsa requires Subrecipients to provide the following information related to CDBG physical projects.

- a. Weekly or monthly progress reports.
- b. On-site inspection report on a weekly or monthly basis once the project begins.

## City of Tulsa Grants Administration (GA) Policies

- c. One original copy of weekly payrolls for all contractors performing work on the structure if project is subject to Davis Bacon.
- d. Percentage of project completed to date and estimated date of completion.
- e. Request for Funds as identified in the written agreement, may be submitted monthly for project expenditures and include all documentation necessary to support the expenditures.
- f. Completed HUD form 2516 report annually until project is completed.
- g. Completed HUD form 60002 annually until project is completed.
- h. Leverage Certification form annually.

Upon completion of construction, the City of Tulsa requires the following reporting:

- a. Certificate of Occupancy
- b. Information required by the Federal Government for entry into the Integrated Disbursement and Information System (IDIS) used to report to Congress and to monitor annual performance of Subrecipients for project outcomes.
- c. Project specific information for outcomes identified in the written agreement.
- d. HUD form 2516 final report.
- e. HUD form 60002 final report
- f. Leverage Certification form final report.

# City of Tulsa Grants Administration (GA) Policies

## Chapter 6 – Emergency Solutions Grant (ESG)

Based on the ESG regulations at 24 CFR Subpart F § 576.500 the following policies were established and implemented by the City of Tulsa.

### 6.1 Purpose

The ESG program is authorized by subtitle B of title IV of the McKinney-Vento Homeless Assistance Act which authorizes the Department of Housing and Urban Development (HUD) to make grants for the rehabilitation or conversion of buildings for use as emergency shelter for the homeless, for the payment of certain expenses related to operating emergency shelters, for essential services related to emergency shelters and street outreach for the homeless, and for homelessness prevention and rapid re-housing assistance.

The ESG program objective is to assist individuals and families experiencing homelessness or who are at risk of homelessness to regain stability through services provided under the eligible activities outlined below.

### 6.2 Eligible Activities

Funding is provided under this program for the following eligible activities and will target two populations, (1) individuals and families who are experiencing homelessness and (2) individuals and families who are currently in housing but are *at risk* of becoming homeless. The regulatory details for the following ESG eligible activities can be found in 24 CFR 576.101 through 108.

1. Rapid Re-housing
  - a. Financial Assistance
  - b. Housing Relocation & Stabilization
2. Homelessness Prevention
  - a. Financial Assistance
  - b. Housing Relocation & Stabilization
3. Emergency Shelter
4. Homeless Management Information System (HMIS)
5. Administration (Grantee)

### 6.3 Ineligible Activities

The intent of ESG is to provide funding for housing or emergency shelter expenses to assist persons who are homeless or would be homeless if not for this assistance. Therefore, financial assistance or services to pay for expenses that are available through other public programs are not eligible. Case managers should work to link program participants to these other resources.

#### 6.3.1 Mortgage Costs Ineligible

ESG is not a mortgage assistance program. Financial assistance may not be used to pay for any mortgage costs or costs needed by homeowners to assist with any fees, taxes, or other costs of refinancing a mortgage to make it affordable. Legal costs associated with refinancing a mortgage are also excluded. Households may receive financial assistance in securing permanent rental housing if all of the following three conditions are met: they are relocating due to foreclosure, meet the 30% or below Area Median Income eligibility requirement and are homeless.

#### 6.3.2 Other Ineligible Activities

ESG funds may not be used to pay for any of the following items:

- Credit card or other consumer debt
- Car repair or other transportation costs
- Participant travel costs

# City of Tulsa

## Grants Administration (GA) Policies

- Medical or dental care and medicines
- Clothing and grooming
- Home furnishings
- Pet care
- Entertainment activities
- Child care
- Cash assistance to program participants
- Other costs as defined in 2 CFR Part 200 Subpart E

### 6.4 Eligible Applicants

Eligible applicants include private non-profit organizations or governmental entities providing assistance to homeless individuals or to prevent homelessness.

Eligible applicants shall have an office and serve eligible persons within the corporate city limits of the City of Tulsa.

### 6.5 Program Participant Eligibility

ESG activities can be provided based on the participant status at intake. Status definitions can be found in section 6.12 of these policies. This chart explains which activities can be carried out for each population.

Component	Eligible to Serve	
	Those who are Homeless...	Those who are at risk of Homelessness...
Emergency Shelter	X	
Homelessness Prevention		X
Rapid Re-housing	X	

#### 6.5.1 Intake Systems

The City of Tulsa and its ESG subrecipients will use the centralized or coordinated assessment system developed by the Tulsa City-County Continuum of Care (CoC) in accordance with the requirements established by HUD.

#### 6.5.2 Initial Consultation

Initial consultation with the potential program participant performed by the subrecipient will determine if the individual or family qualifies as “homeless” or “at risk” of homelessness based on the definitions found at 24 CFR 576.2. To receive Rapid Re-housing, Emergency Shelter or Street Outreach assistance the applicant must be “homeless” at the time assistance is requested. To receive Homelessness Prevention assistance the applicant must be “at risk” of homelessness at the time assistance is requested.

#### 6.5.3 Verification of Eligibility

Program participants must provide subrecipient agencies with necessary information and/or documentation prior to assistance to ensure that the eligibility criteria outlined in the regulations are met. Documentation at intake must provide evidence to establish and verify status. The City of Tulsa *Written Standards for Provision of ESG Assistance* outlines requirements for the evaluation of the applicants’ eligibility. These standards are in section 6.13 of these policies. A detailed list of HUD’s recordkeeping requirements are located on the HUD Exchange website.

# City of Tulsa

## Grants Administration (GA) Policies

### 6.5.4 Ineligibility

The ineligibility of each individual or family to receive ESG assistance will be based on the inability to meet the minimum eligibility requirements contained in 24 CFR 576 and the subrecipient's internal policies. Determination of ineligibility must be documented by the subrecipient including the reason for ineligibility.

### 6.5.5 Income Verification

Program participants that receive homelessness prevention assistance must provide evidence of an annual income below 30 percent of the Tulsa area median income, as determined by HUD at initial assessment, in addition to the other eligibility requirements. Income verification will be reassessed at least once every three (3) months for homelessness prevention program participants.

Program participants that receive rapid re-housing assistance will be required to verify annual income if assistance is provided longer than one year. The re-evaluation will establish that program participant does not have an annual income that exceeds 30 percent of the Tulsa area median family income, as determined by HUD.

Documentation of annual income to verify eligibility for assistance is outlined in the written agreement and defined in 24 CFR 576.500(e). The definition of *income* can be found in the section 6.12.

### 6.5.6 Terminating Assistance

A program participant may be terminated from receiving assistance if a program requirement is violated. Terminations must be performed in accordance with a formal process established by the subrecipient that recognizes the rights of individuals affected. Subrecipients must exercise judgment and examine all extenuating circumstances in determining when violations warrant termination to ensure assistance is terminated only in the most severe cases. Termination does not bar the subrecipient from providing further assistance at a later date to the same family or individual.

The termination process for participants receiving *rental assistance* or *housing relocation and stabilization services* must include:

- i. Written notice to the program participant containing a clear statement of the reasons for termination;
- ii. A review of the decision, in which the program participant is given the opportunity to present written or oral objections before a person other than the person (or a subordinate of that person) who made or approved the termination decision;
- iii. Prompt written notice of the final decision to the program participant; and
- iv. Agency procedures to ensure records to document compliance are kept.

## 6.6 Program Requirements

### 6.6.1 Match

As required by the ESG program regulations each subrecipient of ESG funds will provide match equal to the amount of HUD funds received by the City of Tulsa. Match must be documented and submitted in conjunction with each request for reimbursement. Match documented must be in an amount at least equal to the HUD ESG grant amount at year-end.

Matching contributions may be in the form of the following:

- i. Cash contributions; or
- ii. Noncash contributions, calculated per requirements in 24 CFR §576.201(e), include the value of any real property, equipment, goods, or services contributed to the subrecipient's ESG program,

## City of Tulsa Grants Administration (GA) Policies

provided that if the subrecipient had to pay for them with grant funds, the costs would have been allowable. Noncash contributions may include:

- a) The purchase value of any donated material or building. Subrecipient shall determine the value of any donated material or building, or of any lease, using a method reasonably calculated to establish a fair market value.
- b) Match in the form of services provided by individuals must be valued at rates consistent with those ordinarily paid for similar work in the subrecipient's organization. If the subrecipient does not have employees performing similar work, the rates must be consistent with those ordinarily paid by other employers for similar work in the same labor market.
- iii. Costs paid by program income shall count toward meeting the subrecipient's matching requirements, provided the costs are eligible ESG costs that supplement the ESG program.

### **6.6.2 Area-wide Systems Coordination**

The City of Tulsa will consult with the CoC to determine how to allocate ESG funds each program year; and develop or update performance standards for, and evaluate outcomes of, projects and activities assisted by ESG funds.

The Homeless Management Information System (HMIS) lead agency will develop or update funding, policies, and procedures for the administration and operation of the HMIS.

The City of Tulsa and subrecipients will coordinate and integrate, to the maximum extent practicable, ESG-funded programs with other programs targeted to homeless people in the area covered by the Tulsa City-County CoC to provide a strategic, community-wide system to prevent and end homelessness for the area, per 24 CFR 576.400(b).

The City of Tulsa and subrecipients will coordinate and integrate, to the maximum extent practicable, ESG-funded activities with mainstream housing, health, social services, employment, education, and youth programs for which homeless families and individuals may be eligible. Examples of these programs include:

- (1) Public housing programs assisted under section 9 of the U.S. Housing Act of 1937
- (2) Housing programs receiving tenant-based or project-based assistance under section 8 of the U.S. Housing Act of 1937
- (3) Supportive Housing for Persons with Disabilities
- (4) HOME Investment Partnerships Program
- (5) Temporary Assistance for Needy Families (TANF)
- (6) Health Center Program
- (7) State Children's Health Insurance Program
- (8) Head Start
- (9) Mental Health and Substance Abuse Block Grants
- (10) Services funded under the Workforce Investment Act

### **6.6.3 Faith-based Activities**

Subrecipients shall not, in providing ESG assistance, discriminate against a program participant or prospective program participant on the basis of religion or religious belief.

# City of Tulsa

## Grants Administration (GA) Policies

### **6.6.4 Homeless Participation**

A Way Home for Tulsa (CoC Governance Board) includes a Participant Advisory Group (PAG) which consists of individuals that are currently homeless or formerly homeless to provide a resource for consultation. The City of Tulsa may consult the PAG at a monthly meeting to obtain input regarding policies and decisions regarding any facilities, services, or other assistance that receive funding under Emergency Solutions Grant.

Subrecipients must, to the maximum extent practicable, involve homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under ESG, in providing services assisted under ESG, and in providing services for occupants of facilities assisted under ESG. This involvement may include employment or volunteer services.

### **6.6.5 Shelter and Housing Standards**

The City of Tulsa requires that all shelters assisted and all housing occupied by program participants under ESG comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implement regulations in 24 CFR part 35, subparts A, B, H, J, K, M, and R.

A lead-based paint visual assessment conducted by a HUD Certified Visual Assessor must be completed for all units that meet the following three conditions:

1. Participant living in a unit assisted with ESG funds;
2. Unit was constructed prior to 1978; and
3. A child under the age of 6 or a pregnant female will live in the unit.

Housing inspections will be completed, prior to providing rental assistance, by subrecipient staff, a selected vendor hired for this purpose, or an authorized inspector of the Tulsa Housing Authority or Oklahoma Housing Finance Agency. Subrecipients must ensure an inspection report is completed per the applicable regulations at 24 CFR 576.403 and maintained per ESG recordkeeping requirements.

If the housing unit receiving assistance requires lead-based paint disclosure the subrecipient will require the participant to sign a disclosure, to be kept in the participant file, and will be offered a lead-based paint brochure.

### **6.7 Reporting**

With the exception of victim service providers, ESG subrecipients will participate in ShareLink Homeless Management Information System (HMIS), the CoC designated information system, to report data for ESG funded programs according to the U.S. Department of Housing and Urban Development HMIS Data Standards, and the CoC HMIS policies and procedures which may be obtained by contacting the Community Service Council of Greater Tulsa. Victim service providers will use a comparable database that collects client-level data over time and generates unduplicated aggregate reports based on the data. Information entered into a comparable database will not be entered directly into or provided to the HMIS. The City of Tulsa will allocate 3% of the ESG award for the HMIS Lead Agency's to administer the system.

### **6.8 Recordkeeping**

The City of Tulsa and subrecipients will maintain records to verify compliance with all policies, procedures and regulations in addition to the following specific requirements for recordkeeping.

#### **6.8.1 Program Participant Records**

Subrecipients must keep records for each program participant that document:



# City of Tulsa

## Grants Administration (GA) Policies

- i. Evidence of participants' status as either Homeless or "at risk of homelessness";
- ii. The services and assistance provided, including, as applicable, the security deposit, rental assistance, and utility payments made on behalf of the program participant;
- iii. Compliance with the applicable requirements for providing services and assistance under:
  - a. The program component and eligible activity provisions at 24 CFR 576.101-106;
  - b. The provision on determining eligibility, amount and type of assistance at 24 CFR 576.401(a); and
  - c. The provision on using assistance and services at 24 CFR 576.401(d) & (e).
- iv. Compliance with the termination of assistance requirements in 24 CFR 576.402.

### **6.8.2 Rental Assistance**

The subrecipient must keep records including all leases and rental assistance agreements, and documentation of payments to owners and supporting documentation for these payments, including dates of occupancy by program participants.

### **6.8.3 Homeless Management Information System (HMIS)**

Subrecipients must maintain records of all participants reported in HMIS or a comparable database. The City of Tulsa will receive and retain HMIS and other database reports involving the participation of all funded projects.

### **6.8.4 Confidentiality**

All records containing personally identifying information of any applicant for and/or recipient of ESG assistance will be kept secure and confidential. The address or location of any domestic violence, dating violence, sexual assault, or stalking shelter project assisted under the ESG will not be made public, except with written authorization of the person responsible for the operation of the shelter. Information regarding participants will be released only after appropriate authorization to release and/or obtain information form is completed. Subrecipient will redact all participant and confidential employee information prior to submitting documentation to the City of Tulsa.

### **6.8.5 Record Retention**

All ESG records must be retained for 5 years as required by 24 CFR 576.500(y). The retention period begins on the date of the submission of the City's annual performance and evaluation report (CAPER) to HUD in which the activities assisted are reported for the final time.

Access to all books, documents, papers, or other records of the City and its subrecipients pertinent to ESG will be given to the HUD Office of the Inspector General, the Comptroller General of the United States, or any of their authorized representatives upon request for as long as they are retained.

## **6.9 Short- and Medium-term Rental Assistance Requirements**

Subrecipient may provide participant with up to 24 months of rental assistance during any 3-year period as outlined in 24 CFR 576.106(a).

### **6.9.1 Use With Other Subsidies**

Any participant that receives tenant-based rental assistance, or lives in a housing unit which receives project-based rental assistance or operating assistance, through other public sources are ineligible, except for a one-time payment of rental arrears on the tenant's portion of the rent.

Rental assistance may not be provided with replacement housing payments under the Uniform Relocation Act (URA) during the period of time covered by the URA payments.

### **6.9.2 Rent Reasonableness**

# City of Tulsa

## Grants Administration (GA) Policies

Rent is considered reasonable when it falls within HUD's Fair Market Rent (FMR) guidelines in place at the time assistance is provided. The FMR guidelines include consideration of the number of bedrooms in the unit. Other factors that may create adjustments to the value, if material, include location, quality, size, type, age of the unit, and amenities provided by the owner, such as utilities.

Rent reasonableness documentation will show the actual rent compared to the maximum allowable rent on a form signed and dated by the case worker.

### **6.9.3 Rent Restrictions**

Rental assistance will not be provided if the rent exceeds the Fair Market Rent (FMR), established by HUD annually, and complies with HUD's standard of rent reasonableness as established under 24 CFR 982.507.

Rental assistance amount will only include:

- i. Rent amount equal to the monthly rent for the unit;
- ii. Fees required for occupancy, excluding late and pet fees; and
- iii. If tenant pays utilities, the monthly allowance for utilities as established by the Housing Authority of the City of Tulsa.

### **6.9.4 Rental Assistance Agreements**

Subrecipient must make payments to and enter into a rental agreement with the owner of the unit or designee, only if the participant has a legally binding, written lease. When assistance is only for rental arrears, an oral agreement may be accepted in lieu of a written lease, if applicable as outlined in 24 CFR 576.106(g).

The rental agreement will include:

- i. The terms under which rental assistance is provided;
- ii. The requirement that the owner must provide a copy of any notice to the participant to vacate the unit;
- iii. The requirement that the owner must provide a copy of any complaint used under state or local law to begin eviction action against the participant;
- iv. Conditions for which termination of the agreement could occur;
- v. Payment due date, grace period, and late payment penalty exactly as listed in the participant's lease;
- vi. Lead-based Paint requirements:
  - (a) A Lead Warning Statement with the following language: "Housing built before 1978 may contain lead-based paint. Lead from paint, paint chips, and dust can pose health hazards if not managed properly. Lead exposure is especially harmful to young children and pregnant women. Before renting pre-1978 housing, lessors must disclose the presence of lead-based paint and/or lead-based paint hazards in the dwelling. Lessees must also receive a federally approved pamphlet on lead poisoning prevention."
  - (b) A statement by the lessor disclosing the presence of known lead-based paint and/or lead-based paint hazards in the target housing being leased or indicating no knowledge of the presence of lead-based paint and/or lead-based paint hazards. The lessor shall also disclose any additional information available concerning the known lead-based paint and/or lead-based paint hazards, such as the basis for the determination that lead-based paint and/or lead-based paint hazards exist in the housing, the location of the lead-based paint and/or lead-based paint hazards, and the condition of the painted surfaces.
  - (c) A statement by the lessee affirming receipt of the information set out in paragraphs (b)(2) and (b)(3) of 24 CFR 35.92 and the lead hazard information pamphlet required under 15 U.S.C. 2696.

## City of Tulsa Grants Administration (GA) Policies

- (d) When any agent is involved in the transaction to lease target housing on behalf of the lessor, a statement that:
  - (1) The agent has informed the lessor of the lessor's obligations under 42 U.S.C. 4852d; and
  - (2) The agent is aware of his/her duty to ensure compliance with the requirements of this subpart.
- (e) The signatures of the lessors, agents, and lessees certifying to the accuracy of their statements to the best of their knowledge, along with the dates of signature.
- vii. Project-based agreements will include additional items outlined in “Project-Based Rental Assistance” below.

### **6.9.5 Late Payments**

The subrecipient will make timely payments to each owner as outlined in the rental assistance agreement. The subrecipient is solely responsible to pay, with Non-ESG funds, any late payment penalties incurred.

### **6.9.6 Tenant-based Rental Assistance**

Participants that receive tenant-based rental assistance may either select a housing unit or move to another unit or building as long as they continue to meet program requirements.

### **6.9.7 Termination**

Termination of the written agreement and rental payments will cease if any of the following occur:

- i. Participant moves out of the leased unit;
- ii. The lease terminates and is not renewable; or
- iii. Participant becomes ineligible for ESG rental assistance.

### **6.9.8 Project-based Rental Assistance**

Rental assistance agreements for project-based assistance to reserve the unit and subsidize rent will be made between the subrecipient and owner when an ESG eligible permanent housing unit(s) is identified by the subrecipient. Agreements will include the following requirements:

- i. List of all units eligible for assistance. May cover more than one unit if multiple units are assisted in the same building.
- ii. Assisted unit may only be occupied by the participants, unless the participant is determined ineligible or rental assistance expires.
- iii. Assistance for the first month's rent may be paid prior to the participant moving into the unit if there is a signed lease in place, participant moves in prior to end of month for which rent is paid, and rent paid does not exceed the amount in the lease and will be included in participants total rental assistance amount.
- iv. Monthly rental assistance may be paid for whole or partial months only when the unit is leased. In the event the participant moves out the subrecipient may pay the next month's rent for a new participant.
- v. The term of the lease will not be conditioned based on the provision of rental payments.
- vi. If a participant becomes ineligible or reaches maximum number of months of assistance the subrecipient will terminate assistance. The participant will be allowed to remain in the unit per the terms of the lease. Payments may resume if that participant becomes eligible and needs further assistance. If assistance is terminated it may be transferred to another eligible unit in the same building.
- vii. The initial term of the agreement will be for one year and may be renewed or extended based on the requirements in 24 CFR 576.106(i)(5), however under no circumstances may the City or subrecipient commit ESG funds to be expended beyond the expenditure deadline.

# City of Tulsa

## Grants Administration (GA) Policies

### **6.9.9 Changes in Household Composition**

The limit of assistance for short- and medium-term assistance applies to the total assistance an individual receives, either as an individual or as part of a family.

### **6.10 Housing Relocation and Stabilization Services**

ESG funds may be used to provide services and/or financial assistance as outlined in 24 CFR 576.105(a).

#### **6.10.1 Use With Other Subsidies**

Participants that receive the same type of financial assistance listed in section 6.10.2 from other public sources, or are receiving replacement housing payments under the URA are ineligible to receive ESG assistance during the same period of time.

#### **6.10.2 Financial Assistance Costs**

Financial assistance will be provided to housing owners, utility companies, and other third parties for the following costs:

- i. Rental Application Fees
- ii. Security Deposits – equal to no more than 2 month’s rent.
- iii. Last Month’s Rent – if necessary to obtain housing can be paid to owner at the time the deposit and first month’s rent is paid.
- iv. Utility Deposits and Payments – paid for up to 24 months within a 3 year period, per service, including up to 6 months of arrears, per service. Partial payments will be counted as one month. Assistance will only be provided on accounts in the name of the participant or a member of the same household. Eligible utility services are gas, electric, water and sewage.
- v. Moving Costs:
  - (a) Truck Rental or Hiring Moving Company
  - (b) Storage fees for up to 3 months accrued after the date participant receives assistance and before the participant moves into permanent housing.

#### **6.10.3 Services Costs**

The following services may be provided to assist participants to regain stability:

- i. Housing search and placement as needed to assist participants in locating, obtaining, and retaining suitable permanent housing as defined in 24 CFR 576.105(b)(1).
- ii. Housing stability case management as needed to pay cost of assessing, arranging, coordination, and monitoring the delivery of individualized services to facilitate housing stability. A participant residing in permanent housing may receive case management for a maximum of 24 months. A participant overcoming immediate barriers to obtain housing may receive case management for a maximum of 30 days during the search for housing. Services and activities allowed in this component can be found at 24 CFR 576.105(2).
- iii. Mediation between the participant and the owner or person(s) the participant is living with, provided that mediation is necessary to prevent the loss of permanent housing in which the participant currently resides.
- iv. Legal Services as outlined in 24 CFR 576.102(a)(1)(vi), with the addition of landlord/tenant matters. Services will only be provided in the event they are necessary to resolve a legal problem prohibiting the participant from losing or obtaining permanent housing.
- v. Credit Repair including credit counseling and other services necessary for participant to gain critical skills related to household budgeting, managing money, accessing a free personal credit report, and resolving personal credit problems. Payment or modification of debt is not an allowable service under this component.

# City of Tulsa

## Grants Administration (GA) Policies

### **6.11 Emergency Shelter**

Emergency Shelter funds may be used for costs of providing essential services to homeless families and individuals in emergency shelters, renovating buildings to be used as an emergency shelter, and operating emergency shelters. Each shelter will adopt the City of Tulsa policies herein and also maintain policies specific to the needs of the subrecipient's organization.

#### **6.11.1 Prohibition Against Involuntary Family Separation**

Any shelter that uses ESG funding or services and provides shelter to families with children under the age of 18 will not deny any family's admission based on the age of a child under age 18.

#### **6.11.2 Admission**

Emergency shelter admission is based upon the policies and procedures in place for each shelter structured by program design and target population. Policies will be maintained by each shelter based on the program structure regarding assessment, prioritizing, and reassessment of participant's needs for essential services related to emergency shelter. In addition, an emergency shelter receiving ESG assistance will adopt the following policies and procedures.

A homeless person that falls within the program guidelines will be admitted to the shelter and treated equally and without favoritism. If unable to admit a homeless person the shelter shall refer them to an alternate facility.

Participants will be given the opportunity to have their needs assessed and referrals made on their behalf to the appropriate agencies to assist in regaining stability. Shelter services will be offered regardless of a participant's ability to pay.

Participants with any contagious disease(s) will be referred to an appropriate agency. Shelters may require proof of a negative Tuberculosis test prior to admittance for the safety of other participants.

For shelters that allow children, no child under the age of 18 will be admitted without a parent, primary caregiver or legal guardian. Youth between the ages of 12 through 18 are admitted to the youth shelter as long as the legal guardian provides permission within 24 hours of stay.

#### **6.11.3 Diversion**

Upon implementation of the CoC's Coordinated Process policies for diversion will be created.

#### **6.11.4 Referral**

Emergency shelter participants will be given the opportunity for needs assessment and referrals to the appropriate agency. As part of the referral process emergency shelters will coordinate and integrate with mainstream resources for homeless families and individuals as outline in Section 6.3(c) of these procedures.

#### **6.11.5 Discharge**

Residential shelters will maintain detailed discharge policies and procedures based on the specific needs of the program participant served at each facility. subrecipients' policies will include any requirements mandated by any State or Federal law for the population served.

### **6.12 Definitions**

#### **6.12.1 Homeless**

- a. An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
  - (i) An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;

# City of Tulsa

## Grants Administration (GA) Policies

- (ii) An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); or
  - iii) An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution. OR
- b. An individual or family who will imminently lose their primary nighttime residence provided that:
- (i) The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;
  - (ii) No subsequent residence has been identified; and
  - (iii) The individual or family lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, needed to obtain other permanent housing; OR
- c. Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:
- (i) Are defined as homeless under section 387 of the Runaway and Homeless Youth Act (42 U.S.C. 5732a), section 637 of the Head Start Act (42 U.S.C. 9832), section 41403 of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2), section 330(h) of the Public Health Service Act (42 U.S.C. 254b (h)), section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012), section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)), or section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a);
  - (ii) Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60 days immediately preceding the date of application for homeless assistance;
  - (iii) Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance; and
  - (iv) Can be expected to continue in such status for an extended period of time because of chronic disabilities; chronic physical health or mental health conditions; substance addiction; histories of domestic violence or childhood abuse (including neglect); the presence of a child or youth with a disability; or two or more barriers to employment, which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment; OR
- d. Any individual or family who:
- (i) Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;
  - (ii) Has no other residence; and
  - (iii) Lacks the resources or support networks, e.g., family, friends, and faith-based or other social networks, to obtain other permanent housing.

### 6.12.2 At Risk of Homelessness

- (1) An individual or family who:
- (i) Has an annual income below 30 percent of median family income for the area, as determined by HUD;
  - (ii) Does not have sufficient resources or support networks, e.g., family, friends, faith-based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the "homeless" definition in this section; and
  - (iii) Meets one of the following conditions:
    - (A) Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance;
    - (B) Is living in the home of another because of economic hardship;
    - (C) Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance;
    - (D) Lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable organizations or by Federal, State, or local government programs for low-income individuals;
    - (E) Lives in a single-room occupancy or efficiency apartment unit in which there reside more than two persons or lives in a larger housing unit in which there reside more than 1.5 persons reside per room, as defined by the U.S. Census Bureau;
    - (F) Is exiting a publicly funded institution, or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution); or

# City of Tulsa

## Grants Administration (GA) Policies

(G) Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient's approved consolidated plan;

(2) A child or youth who does not qualify as "homeless" under this section, but qualifies as "homeless" under section 387(3) of the Runaway and Homeless Youth Act (42 U.S.C. 5732a(3)), section 637(11) of the Head Start Act (42 U.S.C. 9832(11)), section 41403(6) of the Violence Against Women Act of 1994 (42 U.S.C. 14043e- 2(6)), section 330(h)(5)(A) of the Public Health Service Act (42 U.S.C. 254b(h)(5)(A)), section 3(m) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(m)), or section 17(b)(15) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)(15)); or

(3) A child or youth who does not qualify as "homeless" under this section, but qualifies as "homeless" under section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. (2)), guardian(s) of that child or youth if living with her or him.

### 6.12.3 Income

Income is money that is paid to, or on behalf of, the head of household or spouse (even if temporarily absent) to any other household member. Income includes the current, not projected, annualized gross income of all household members 18 years and older and unearned income attributable to a minor.

Inclusions – The following types of income "inclusions" must be counted when calculating current gross income:

- Earned Income
- Interest & Dividend Income
- Pension/Retirement Income
- Unemployment & Disability Income
- TANF/Public Assistance
- Alimony and Child Support Income
- Armed Forces Income

Exclusions – The following types of income "exclusions" should not be counted when calculating current gross income:

- Income of Children (under 18 years old)
- Inheritance and Insurance Income
- Medical Expense Reimbursement
- Income of Live-in Aide
- Armed Forces Hostile Fire Pay

### 6.13 Written Standards (updated 4/1/16)

In accordance with the Emergency Solutions Grant (ESG) program authorized by subtitle B of title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11371-11378) the City of Tulsa implements the following written standards for the provision of ESG assistance. These standards must be consistently applied by ESG subrecipients to all participants served in ESG funded programs, as applicable.

#### Coordinated (or common) Assessment and Referral System

The common assessment and referral system developed by the Continuum of Care known as A Way Home for Tulsa ("CoC" or "Continuum" or "AWH4T") in conjunction with local ESG-funded programs' input, was created to assess the needs of homeless individuals and families or those at-risk of homelessness and match

## City of Tulsa Grants Administration (GA) Policies

those needs to the most appropriate housing or service alternatives. All CoC- and ESG-funded programs are required to utilize the CoC common assessment system. If attempts at diversion or prevention do not solve a person's or family's housing problem when initially presenting to the homeless service provider, the intake staff at the "no wrong door" point of entry can then proceed with an interview of the participant to ascertain the best immediate housing options within the Continuum. The Vulnerability Index & Service Prioritization Decision Assistance Tool ("VI-SPDAT") will be utilized as part of the initial screening process to gather enough information concerning the stability and acuity of the presenting individual. The interviewer will ask the participant a series of questions from the VI-SPDAT that are designed to identify the conditions affecting the individual's ability to secure or maintain housing. Information regarding such domains as housing history/status, physical health, mental health, substance abuse and other general risk factors will be gathered to assemble the risk profile necessary to assess the participant's vulnerability and level of need. All information from the participant will be self-reported, although surveyors conducting the interviews can also register their own impressions of the presenting participant's condition on the VI-SPDAT. Should the participant refuse to answer the questions posed in the VI-SPDAT, the interviewer will note that fact in HMIS. The intake staff will then have the discretion to do either one of the following:

- Complete the surveyor observation questions contained within the VI-SPDAT without participant input
- Refer the participant to another homeless service provider
- Elect to initiate an intervention.

Should the presenting participant(s) be fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking or human trafficking, the non-victim service providers in the Continuum will refer the victim to an appropriate shelter program that specifically targets such groups. Until the protection of one of these organizations can be assured, special care will be taken to ensure that the victim is afforded a secure environment within the intake provider's organization and that the security of the participant's identity and privacy are given special consideration. This could include reserving a private area within the accepting agency's location or the creation of a special track within the assessment framework that is specifically designed for domestic violence victims.

Likewise, special care will be taken to ensure that the rights of presenting participants are afforded in compliance with the Final Rule on Equal Access in Accordance with an Individual's Gender Identity in Community Planning and Development Programs.

### **Evaluating Individuals or Families Eligible for Assistance**

Eligibility to receive assistance under all ESG-funded programs will be based on the guidelines outlined by the Department of Housing and Urban Development (HUD), initially by determining if the individual or family qualifies as "homeless" as defined in the HEARTH Act of 2009, SEC. 103, or as "at-risk of homelessness", as applicable for the services being provided. Evaluation and eligibility policies and procedures are developed in accordance with the Continuum's common assessment requirements set forth under SEC 578.7(a)(8) of HUD's Interim Rule and 576.400(d).

Individuals or families receiving homelessness prevention assistance are required to be re-evaluated for eligibility and type and amount of assistance at least every 3 months and annually for those receiving rapid re-housing assistance. The re-evaluation should establish, at minimum: (1) the participant's annual income does not exceed 30% AMI; and (2) the participant lacks sufficient resources and support networks necessary to retain housing without ESG assistance.

The standard for calculating annual income under 24 CFR 5.609 must be used when determining the annual income of an individual or family. During evaluation participants will be assisted in obtaining the appropriate



# City of Tulsa

## Grants Administration (GA) Policies

supportive services and other Federal, State, local, and private assistance available in obtaining housing stability.

When determining eligibility for short- and medium-term rental assistance no program participant who is receiving tenant-based rental assistance, or living in a housing unit receiving project-based rental assistance or operating assistance, through other public sources is eligible, except for a one-time payment of rental arrears on the tenant's portion of the rent.

### **Local Coordination of Shelters and Service Providers**

The CoC network of providers serving individuals and families experiencing homelessness and those “at-risk” of homelessness will provide coordinated services that minimize any duplication of services in order to serve the most participants as possible.

Tulsa's Homeless Services Network and Continuum members meet regularly to discuss issues such as evolving trends, challenges, and funding fluctuations in an effort to facilitate coordination between local service providers and shelters. A program called “Fresh Start”, created to assist coordination between local shelters, public officials, faith-based organizations and other entities that interact with individuals and families experiencing homelessness, also meet regularly to discuss specific cases and share information necessary to aid the homeless and those at-risk of homelessness. In addition, the Continuum and the City of Tulsa will, to the maximum extent practicable, coordinate and integrate information with outside organizations that provide similar services or mainstream support within the community.

### **Determining & Prioritizing Eligibility Based on Local Characteristics**

ESG grant recipients and/or CoC members will carefully assess how their own program resources can best be used to prevent and end homelessness. Information gained from HUD's Homeless Management Information System (HMIS) data, staffs' observations, available funding streams, and a community-wide assessment of the need for and availability of interventions to serve individuals and families experiencing homelessness will be used to inform these assessment efforts. Assistance may be provided for those program participants who meet the Rapid Rehousing (RRH) eligibility criteria under the HEARTH definition of homeless. Homeless support services are offered to all other program participants that are at-risk of homelessness.

Rapid re-housing assistance will serve only program participants who meet the criteria under paragraph (1) of the “homeless” definition. Homelessness prevention will serve only program participants that meet the criteria under the “at-risk of homelessness” definition, or the homeless definition paragraphs (2), (3), or (4).

Rapid re-housing and homelessness prevention assistance will be provided in accordance with the housing relocation and stabilization services requirements in 24 CFR 576.105, or the short- and medium-term rental assistance requirements in 24 CFR 576.106. No financial assistance may be provided to a household for a purpose and time period supported by another public source.

Homeless individuals and families that are identified as belonging to special populations, such as domestic violence victims, youth or veterans, etc., will be provided additional assistance at local emergency shelters with programs specifically created to serve them. Those shelters that serve these populations will prioritize the delivery of services based on the particular needs of the specific population being served, as outlined in those organizations' policies.

ESG grant recipients and CoC network members will work together to establish standard criteria for

## City of Tulsa Grants Administration (GA) Policies

prioritization based on the local characteristics in the Tulsa area. The ESG recipient and CoC supports the Housing First philosophy for its RRH programs, as identified in Opening Doors: the Federal Strategic Plan to End Homelessness, in that, it considers it a priority to connect people to housing with the resources necessary to sustain housing and to facilitate the Tulsa community's accomplishment of its goal to ending homelessness, reducing emergency shelter stays, limiting recidivism and documenting outcomes.

A review of the participant's needs may result in one of the following possible outcomes:

- Shelter stay - a short-term stay (usually overnight) with minimal support services or financial assistance
- Transitional housing - Housing, the purpose of which is to facilitate the movement of individuals and families experiencing homelessness to permanent housing within twenty-four (24) months. To be qualified for Transitional Housing, program participants must have signed a lease or occupancy agreement with the HUD-funded organization that is for a term of at least one month and that ends in twenty-four (24) months. The lease or agreement cannot be extended without HUD approval.
- Rapid Rehousing - CoC funds may be used to provide supportive services and short-term and/or medium-term tenant-based rental assistance to help an individual or family, with or without disabilities, experiencing homelessness move as quickly as possible into permanent housing and achieve stability in housing. RRH project participants must meet with a case manager not less than once per month, as set forth in the Interim Rule's 24 CFR 578.37(a)(1)(ii)(F), except where prohibited by the Violence Against Women Act ("VAWA") and the Family Violence Prevention and Services Act ("FVPSA"). A full range of supportive services can be provided for up to six (6) months after the rental assistance stops. Although program participants may receive short-term or medium-term rental assistance under the HUD CoC programs that match the time frames set forth in the ESG programs, the supportive services available to program participants receiving RRH assistance under the CoC program are not limited to housing relocation and stabilization services as they are in the ESG program.
- Permanent supportive housing - While the term "permanent housing" means community-based housing without a designated length of stay and includes both permanent supportive housing (PSH) and rapid re-housing, PSH is housing in which supportive services are provided to assist homeless persons with a disability to live independently. And, just as for permanent housing, the PSH program participant must be the tenant on a lease or sub-lease for a term of at least one year (renewable in at least monthly increments) and the lease may only be terminable for cause. The chronically homeless within these populations will always be given priority.

### **Determination of Participant's Share of Costs**

The City will work closely with the ESG grant recipient to determine what portion of rent and utility costs, if any, the program participant will be required to pay. Fee structures are based on challenges associated with homelessness in Tulsa, availability of resources within the community, and the existing housing and economic conditions. Rental assistance programs may use a fixed amount of assistance per person to enable the funds to serve the maximum number of individuals/families.

### **Determination of Participant's Length of Time for Rental Assistance**

Subject to program funding availability, participants eligible for homelessness prevention and rapid re-housing rental assistance may receive assistance for a maximum of 24 months of assistance in a three year period.

Short-term assistance may be used for up to 3 months rent and medium-term assistance is may be used for

## City of Tulsa Grants Administration (GA) Policies

more than 3 months rent, but no more than 24 months rent. Rental arrears may be paid for up to 6 months rent, including any late fees on those arrears. Guidelines to determine changes in assistance amounts over time will be established in conjunction with the subrecipient(s) administering the program. Project-based participants must have a lease that is for a period of 1-year, regardless of the length of rental assistance.

### **Determination of Housing Stabilization and/or Relocation Type, Amount and Duration**

Subject to program funding availability, participants eligible for homeless support services and RRH rental assistance may receive assistance for a maximum of twenty-four (24) months in a three (3) year period. Short-term assistance may be used for up to three (3) months' rent and medium-term assistance may be used for no more than twenty-four (24) months' rent. Accrued rental arrearages for ESG-funded programs may be paid for up to six (6) months' worth of rent, including any late fees on those arrearages. Guidelines to determine changes in assistance amounts that may become necessary over time will be established in conjunction with the homeless service providers administering the program. Tenant- and project-based rental assistance are allowed for ESG programs while only tenant-based programs are allowed under CoC programs. Tenant-based participants must have a lease that is for a period of at least one year, regardless of the length of rental assistance, which is renewable for a minimum term of one month and is terminable only for cause.

Eligible RRH financial assistance may include the following:

- Rent or utility obligations in arrears up to six (6) months for ESG funded programs only per ESG Interim Rule (24 CFR §576.106 (a)(3))
- Application fees
- Security deposits in an amount not to exceed two (2) months' of rent
- Utility deposits and monthly utility payments. For ESG- funded programs only, utility arrearages may be paid.
- Rent for up to twenty-four (24) months provided the participant is not receiving any other federal, state or local rent subsidies. ESG-funded programs may also pay delinquent rent or fees.
- Moving costs, including temporary storage of up to 3 months after assistance begins.
- Other supportive services allowed under ESG-funded per 24 CFR 576.104-105.

The amount of assistance will be determined between the City and the grant recipient upon determination of funding awards. Stricter guidelines may be placed on the duration of assistance if the funds are allocated in small amounts to multiple projects.

# City of Tulsa Grants Administration (GA) Policies

## Chapter 7 - HOME

### 7.1 Purpose

The HOME Investment Partnerships (HOME) program was authorized under Title II of the Cranston-Gonzalez National Affordable Housing Act, Catalogue of Federal Domestic Assistance Number 14.239. HOME provides formula grants to States and localities that communities use-often in partnership with local nonprofit groups-to fund a range of activities to build, buy, and/or rehabilitate affordable housing for rent or homeownership. Key attributes of the program are to:

- Provide decent, affordable housing to lower-income households
- Expand the capacity of nonprofit housing providers
- Strengthen the ability of state and local government to provide housing
- Leverage private sector participation

Partners play different roles at different times, depending upon the project or activity being undertaken.

Typical partners include:

- CHDO: A Community Housing Development Organization is a private, nonprofit organization that meets a series of qualifications prescribed in the HOME regulations and by the City of Tulsa.
- Subrecipient: A subrecipient is a public agency or nonprofit organization selected to administer all or a portion of the City's HOME Program. It may or may not also qualify as a CHDO. A public agency or nonprofit organization that receives HOME funds solely as a developer or owner of housing is not considered a subrecipient.
- Developer / Owner / Sponsor: Individuals, for-profit entities and nonprofits can participate in the HOME Program as owners, developers or sponsors of housing.

### 7.2 Eligible Activities

The basic eligible HOME activities include:

- Homeownership: Home purchase assistance for down payment and closing costs or Interest Subsidy assistance.
- Homeowner Rehabilitation: Rehabilitation of owner-occupied dwellings including repairs necessary to bring the dwelling up to code
- Rental: Acquisition, Rehabilitation, or New Construction
- CHDO Operating Expenses: Funding to nonprofit housing developers qualified as CHDOs for operating expenses. (Amount cannot exceed the greater of \$50,000 or 50% of the organization's total operating budget in the fiscal year.)
- Administration:
  - General management, oversight, monitoring and coordination
  - Policy, planning, management and capacity building activities

The current approved activities may be found in the City of Tulsa's most recent Annual Action Plan.

**Forms of Assistance:** HOME funds may be in the form of a grant or a non-interest bearing forgivable loan.

### 7.3 Ineligible Activities

- Project reserve accounts or operating subsidies

## City of Tulsa Grants Administration (GA) Policies

- Tenant-based rental assistance for the special purposes of the existing Section 8 Program
- To provide assistance authorized under Section 9 of the 1937 Act (Public Housing Capital and Operating Funds)
- Prepayment of Low-Income Housing Mortgages
- Providing assistance to projects previously assisted w/HOME funds during the term of affordability
- Acquisition of property owned by the City of Tulsa
- Paying delinquent taxes, fees, or charges on properties that will be assisted with HOME funds
- Any costs not eligible under 24 CFR Part 92.206 through 92.20

### 7.4 Timing Requirements

The HOME program regulations specify several timing requirements that significantly impact program planning and implementation. The primary timing requirements in the HOME regulations include:

- 12-month deadline from the date of the agreement for commencement of construction/rehabilitation
- 12-month deadline from the date of commitment in IDIS for initial project disbursement
- 24-month commitment
- 24-month CHDO reservation
- 4-year project completion deadline

The receipt of Program Income affects compliance with the ~~cumulative~~ requirement to commit HOME funds within 24 months. Every dollar of Program Income received results in a corresponding increase in the requirement.

### 7.5 Eligible Applicants

- Units of general local government, including entities of the City of Tulsa
- Nonprofit development organizations meeting the requirements at 24 CFR Part 92.2 and CPD Notice 97-11 and currently certified by the City of Tulsa as a CHDO
- Nonprofit organizations that can meet the Developer Capacity Certification requirements established by the City
- Public agencies or nonprofit organizations selected by the City of Tulsa to administer all or a portion of HOME funds (subrecipient), including those operating as a nonprofit arm of a religious organization or Public Housing Authority
- Developers, Owners, and Sponsors of affordable housing who are for-profit entities may partner with a nonprofit developer or city-certified CHDO to be eligible for HOME funds.
- For-profit housing developers who are also applying for Low Income Housing Tax Credits (LIHTC) from the state. HOME funds may only be awarded to these developers if they are also awarded LIHTC.

#### 7.5.1 Program Participant Eligibility

The HOME Program is designed to provide affordable housing to families and individuals with annual household incomes at or below 80% AMI. The beneficiaries of HOME funds are homebuyers, homeowners or tenants that meet the income eligibility requirements and the City's specific program requirements. The current HOME Program Income Limits are available on the [HUD website](#). While the City must use 100 percent of HOME funds to assist families with incomes below 80 percent of the area median income, additional targeting requirements also apply when HOME funds are used for rental housing.

# City of Tulsa

## Grants Administration (GA) Policies

The City requires that all HOME program beneficiaries meet the applicable HUD income eligibility limits at the time assistance is provided, ensuring that written policies and procedures regarding income limits are well established and current, and ensuring income eligibility compliance monitoring occurs on a regular basis, as applicable. Requirements for each HOME-funded project are outlined in the applicable program guidelines, included in all HOME written agreements, and are verified that they are included in agency program-specific policies and procedures.

### **7.5.2 Income Eligibility and Income Limits**

Activities for participants funded with HUD awards must meet low and moderate-income guidelines as determined by HUD. For the City of Tulsa HOME program, the only acceptable definition of income is the Annual Income method defined at 24 CFR Part 5 (section 5.600, et seq.).

### **7.6 Match Requirements**

The HOME program requires up to a 25% non-federal match for all project funds drawn down. Matching funds must be a permanent contribution to affordable housing. Matching contributions made in excess of match obligation may be carried forward as match credit toward meeting obligations incurred in future years.

#### **Exception to the Match Requirement:**

- Administrative and planning costs
- CHDO operating expenses
- CHDO capacity building
- Repayment waivers granted by the City of Tulsa

#### **Eligible Forms of Matching Funds include:**

- Non-Federal Cash or Cash Equivalent
- Foregone Taxes, Fees and Other Charges  
**Note:** Tulsa Revised Ordinance Title 11, Chapter 2, Section 201—Waiver of Permit and Inspection Fees established waivers for City permit and inspection fees for certified CHDOs when it constitutes Match for HOME-assisted projects in conformance with the City's Consolidated Plan.
- Donated Land or Other Real Property
- On-Site and Off-Site Infrastructure
- Proceeds from Affordable Housing Bonds
- Value of Donated Materials, Equipment, Labor and Professional Services
- Sweat Equity
- Direct Costs of Supportive Services to Residents of HOME Projects
- Direct Costs of Homebuyer Counseling to Families Purchasing Homes

**Note:** A detailed description and explanation of match and the required documentation can be found at 24 CFR Part 92 and CPD Notice 97-03.

The City considers the match requirement during the grant application review process when considering new projects for HOME funding as part of each Annual Action Plan or Action Plan amendment.

# City of Tulsa

## Grants Administration (GA) Policies

The match obligation is verified by GA staff and outlined in the HOME written agreement. The CHDO, developer or subrecipient may be required to keep a *HOME Match Log*. Match with appropriate backup documentation is submitted with year-end reports and/or with contract closeout.

### 7.7 Subsidy Limits

#### 7.7.1 Minimum HOME Investment

The minimum amount of HOME funds that must be invested in a project involving rental housing or homeownership is \$1,000, multiplied by the number of HOME-assisted units in the project included at 24 CFR 92.205(c). The minimum only relates to the HOME funds, not to any other funds that might be used for project costs.

#### 7.7.2 Maximum HOME Investment

The per-unit subsidy requirements are described in the HOME regulations under 24 CFR 92.250. The maximum per-unit HOME subsidy limit varies, based on limits published by HUD for the metropolitan area each year of the Section 234 program as described in CPD Notice 15-003. In no event may the HOME investment in a project exceed the maximum per-unit subsidy limit established by HUD. Until HUD issues a new rule for the HOME Program, maximum per-unit limits may be obtained by contacting Grants Administration.

#### 7.7.3 Cost Allocation

When there is a mix of HOME and non-HOME units in a project, a method of cost allocation must be undertaken to determine the number of HOME-assisted units and to determine compliance with the maximum per-unit subsidy limits as described in CPD Notice 98-02 and CPD Notice 16-15. HOME funds should not pay more than the eligible and proportionate portion of a project, based upon the number of HOME units that will be provided.

### 7.8 Affordable Housing Qualifications

#### 7.8.1 Affordability Periods

To ensure that HOME investments yield affordable housing over the long term, HOME imposes rent and occupancy requirements throughout the length of an affordability period. The affordability period is dictated by the amount of HOME funds committed to each HOME-assisted unit and the type of housing activity funded.

**Homeowner Rehabilitation Project Affordability Periods:** There are no HOME affordability period restrictions on these types of projects. However, the City's program guidelines do include restrictions related to owner occupancy for a specific period of time and are included in the homeowner agreement and terms of the note and mortgage.

**Homebuyer Project Affordability Periods:** The City of Tulsa uses the Net Proceeds Recapture Provision in homebuyer activities and the affordability period is based on the amount of HOME assistance to the buyer, rather than the amount invested per unit. All Homebuyer Program activities result in an affordability period of 5 years based on the maximum HOME assistance of \$5,000.

Per 24 CFR 92.254(a)(2)(iii), the initial purchase price or after-rehabilitation value of homeownership units assisted with HOME funds cannot exceed 95% of the area median purchase price for single family

# City of Tulsa Grants Administration (GA) Policies

housing, as determined by HUD. There are separate floor limits for existing housing and newly constructed housing.

See HOME Homeownership Value:

[https://www.hudexchange.info/resource/2312/home-maximum-purchase-price-after-rehab-value/?utm\\_source=HUD+Exchange+Mailing+List&utm\\_campaign=fe07e6df77-FY+2015+HOME+Homeownership+Value+Limits&utm\\_medium=email&utm\\_term=0\\_f32b935a5f-fe07e6df77-18462141](https://www.hudexchange.info/resource/2312/home-maximum-purchase-price-after-rehab-value/?utm_source=HUD+Exchange+Mailing+List&utm_campaign=fe07e6df77-FY+2015+HOME+Homeownership+Value+Limits&utm_medium=email&utm_term=0_f32b935a5f-fe07e6df77-18462141).

**Rental Project Affordability Periods:** Addressed at 24 CFR 92.252(e)

The rental project affordability requirements apply without regard to the term of any loan or mortgage, or the transfer of ownership. They are imposed by deed restrictions, covenants running with the land, or other mechanisms approved by HUD, except that the affordability restrictions may terminate upon foreclosure or transfer in lieu of foreclosure. However, the City may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure or deed in lieu of foreclosure to preserve affordability.

Amount of HOME Assistance Per Unit	Minimum Period of Affordability
Under \$15,000	5 years
\$15,000 to \$40,000	10 years
Over \$40,000	15 years
New Construction of Rental Housing	20 Years

## 7.9 Contract Requirements

Written agreements for HOME projects follow a specific template that includes all HUD rules and regulations, as well as City ordinances and policies. The template is pre-approved by the City Legal Department and used for all HOME projects. The specifics of each agreement are contained in the contract Exhibits and will vary, depending upon the role the entity is assuming or the type of project that is undertaken.

### Template types:

1. Subrecipients  
**Reference:** CPD Grantee HUD Monitoring HOME Handbook 6509.2 / Exhibit 7-18 Guide for Review of Subrecipient Written Agreements
2. CHDO – Rental  
**Reference:** CPD Grantee Monitoring Handbook 6509.2 / Exhibit 7-16 Guide for Review of Owner, Developer, Sponsor Written Agreements
3. Developer – (Non-CHDO)  
**Reference:** CPD Grantee Monitoring Handbook 6509.2 / Exhibit 7-16 Guide for Review of Owner, Developer, Sponsor Written Agreements

**See:** <https://www.hudexchange.info/resource/290/hud-community-planning-and-development-monitoring-handbook-65092-rev6/>

## 7.10 Affirmative Marketing



# City of Tulsa

## Grants Administration (GA) Policies

### 7.10.1 Fair Housing

To comply with The Fair Housing Act, grant recipients must not discriminate against individuals when they are renting, buying, or securing financing for any housing. The prohibitions specifically cover discrimination because of race, color, national origin, religion, sex, disability and the presence of children.

### 7.10.2 Affirmative Fair Housing Marketing Policy

No person in the City of Tulsa shall on the grounds of race, color, national origin, religion, sex, age (under the Age Discrimination Act of 1975), handicap and familial status be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole, or in part, with HOME funds. Steps shall consist of actions to provide information and otherwise attract eligible persons in the housing market area to the available housing without regard to race, color, national origin, sex, religion, familial status or disability.

Recipients of HOME funds with five or more HOME-assisted units shall adopt an affirmative marketing plan and will indicate what special efforts they will make to attract racial or ethnic groups, persons with disabilities and their families, and families with children who might not normally seek housing in their project. For single-family homeownership dwellings, the plan shall remain in effect until all the dwelling units are sold. The following guidelines will be used for the affirmative marketing of HOME assisted units, in accordance with section 92.351 of the regulation.

- Include the Equal Housing Opportunity logo, slogan or statement regarding its affirmative marketing in all media releases, brochures and reports informing the public about the program as well as a description of applicable fair housing laws in the information provided to homeowners and renters.
- Utilize brochures and electronic media to inform and solicit applications from persons in the housing market area who are not likely to apply for the housing without special outreach. Brochures will describe facilities to be used by buyers or renters and how the project will be accessible to physically handicapped persons.
- Market information to transportation services, schools, hospitals, industry, recreational facilities, community organizations, places of worship, employment centers, fair housing groups, and housing counseling agencies.
- HOME grant recipients are required to provide Grants Administration with a copy of the Affirmative Fair Housing Marketing Plan any time they have been funded for five or more HOME assisted units.
- Records will be kept to describe activities taken to affirmatively market units. Annual reports shall be submitted to GA on or before July 15th each year during the period of affordability for assessment.

### 7.10.3 Affirmative Fair Housing Marketing Plan

#### Components:

- Identification of targeted segments of the eligible population which are least likely to apply for housing without special outreach efforts
- An outline of an outreach program which includes:
  - special measures designed to attract those groups identified as least likely to apply and
  - additional efforts designed to attract persons from the total population
- A statement of what indicators will be used to measure the success of the marketing program

## City of Tulsa Grants Administration (GA) Policies

- An outline of efforts that will be made to carry out the provisions of the approved plan through documentation of outreach activities and efforts to those individuals identified as least likely to apply, such as:
  - Advertising used and viewed/listened to by the targeted populations
  - Marketing efforts to specific community, religious, or other organizations frequented by the targeted populations
  - Promotional material that describes other facilities/services that can be used by buyers or renters (transportation services, schools, hospitals, industry, parks, libraries, etc.) and accessibility/reasonable accommodations for persons with disabilities
  - Ensuring that sales/management staff have read and understood the Fair Housing Act and the purpose and objectives of the AFHM plan
  - A referral network and process with local fair housing organizations

The Affirmative Marketing Plan will follow all requirements as outlined in Section 92.351 of the regulations and include:

- a statement regarding affirmative marketing policy and procedures in all media releases and reports informing the public about the program and include a description of applicable fair housing laws in the information provided to homeowners and renters
- the Equal Housing Opportunity logo, slogan, or statement in all newspaper and other media announcements regarding the program
- that discussions of affirmative marketing policy and procedures, the fair marketing policy and procedures, and the fair housing laws will be held directly with the homeowners and renters
- that records will be kept describing activities taken to affirmatively market units and the evaluation of the results of these activities
- that information will describe how the agency will assess the success of affirmative marketing activities and what corrective action will be taken where affirmative marketing efforts are not successful

### **7.11 Low Income Housing Tax Credits (LIHTC)**

Low Income Housing Tax Credits (LIHTC) provides the private market with an incentive to invest in affordable rental housing. They are awarded to developers of qualified projects. Developers then sell these credits to investors to raise capital (or equity) for their projects, which reduces the debt that the developer would otherwise have to borrow. Because the debt is lower, a tax credit property can, in turn, offer lower, more affordable rents. Provided the property maintains compliance with the program requirements, investors receive a dollar-for-dollar credit against their Federal tax liability each year over a period of 10 years. The amount of the annual credit is based on the amount invested in the affordable housing.

Oklahoma's Affordable Housing Tax Credits (AHTC) are disbursed by the Oklahoma Housing Finance Agency (OHFA). Developers are awarded tax credits based on local need, as well as population and economic growth trends. These tax credits may be used with HOME funds as a match for a project. A state has two years to award housing tax credits to projects. Tax credits not awarded in a year may be carried forward to the next year. Tax credits awarded to a project that is not completed are returned to use for another project within that state. (**See:** [ohfa.org](http://ohfa.org))

Projects that use HOME funds with LIHTC will be evaluated closely so that rules and regulations of both programs are followed.

# City of Tulsa

## Grants Administration (GA) Policies

### **Procedure to Obtain Resolution of Local Support**

An applicant ~~must~~ may need to provide notice of their intent to file an application for allocation to the Mayor, if required by ~~the~~ OHFA to meet Threshold Criteria for application, not less than thirty (30) days prior to submission for an application for a Development. When required by OHFA, the City determines whether a proposed project seeking an allocation of tax credits under LIHTC program promotes Tulsa's best interests which includes, but is not limited to, support of housing linked to economic development activity, mixed income housing, housing which addresses the special needs of the elderly, disabled, and homeless; and rehabilitation of existing housing. Determinations are made through a public hearing process; to inform the general public and allow for comment. The City Council shall determine whether or not to provide the applicant with a Resolution of Local Support as determined by a majority vote of the City Council's total membership. The City Council's determination of whether or not to support the development is based on Tulsa Revised Ordinance, Title 22, Chapter 4, Section 402 -- Procedures (402.F) which considers whether the:

- Proposal meets the adopted Locational Policy for the City of Tulsa (as identified in Section 7.16 of these policies); and
- Maximum request for Low Income Housing Tax Credits exceeds \$300,000 per development or 10% of the total Allocation for the state of Oklahoma, whichever is lower; and
- Proposal meets identified needs, priorities, policies, and objectives found in the City of Tulsa's Consolidated Plan; and
- Market Study accompanying the Application contains gross errors or omissions; and
- Applicant or Developer has shown evidence of a commitment to use the tax credits, if allocated, through a syndication commitment, financing commitment, or other similar agreement; and
- Applicant or Developer has shown evidence of neighborhood and community involvement and participation in the planning of the project; and
- Applicant or Developer has shown evidence of site control and appropriate zoning; and
- Applicant or Developer has shown evidence of site plan approval if required; and
- Applicant or Developer has shown evidence of the availability of adequate public facilities/services for the development; and
- Applicant or Developer has shown evidence that the Proposal supports housing linked to economic development; and
- Applicant or Developer has shown evidence that the Proposal serves mixed income tenants (low/moderate/middle income); and
- Applicant or Developer has shown evidence that the Proposal either addresses the needs of the elderly, the disabled, and/or the homeless; and
- Applicant or Developer has shown evidence that the Proposal rehabilitates existing housing.

The determination made pursuant to Subsection 402.F, above, shall be reduced to writing in a resolution, which shall be formally submitted for adoption by the City Council, and upon adoption, the resolution shall be transmitted by certified mail, return receipt requested, to the Applicant and to the Developer if the Developer is someone other than the Applicant.

Upon receipt of the OHFA Notice, the City shall determine if any significant or substantial changes have

# City of Tulsa

## Grants Administration (GA) Policies

been made in the Application necessitating comment to be made to OHFA and to make such comment pursuant to OHFA's Low Income Housing Tax Credit Program Rules.

### **7.12 Underwriting and Subsidy Layering Guidelines**

Before committing funds to a project, GA must evaluate the project in accordance with the guidelines listed below and determine a reasonable level of profit or return for an owner/developer investment in a project. The City may not invest any more HOME funds, alone or in combination with other governmental assistance, than is necessary to provide quality affordable housing that is financially viable for a reasonable period, which at a minimum, is the HOME period of affordability (See: 24 CFR § 92.252 or § 92.254).

Subsidy Layering guidelines provide a consistent procedure to evaluate projects using HOME funds in combination with other governmental or non-governmental assistance to ensure that no more than the necessary amount of HOME Program funds is invested in any one project. Underwriting Guidelines for First Time Homebuyers are included in the program description at 7.20.2.

GA provides handouts and a listing of online references during the RFP Mandatory Workshops to assist applicants in understanding Subsidy Layering regulations and preparing information for the Subsidy Layering evaluation.

#### **Definitions**

**Governmental Assistance** – Governmental assistance includes any loan, grant, (including Community Development Block Grant – CDBG), guarantee, insurance, payment, rebate, subsidy, credit, tax benefit, or any other form of direct or indirect assistance from the Federal, State, local government or absent other government assistance, for use in, or in connection with, a specific housing project.

**Maximum Per Unit Subsidy Limits** – The amount of HOME funds that the City of Tulsa may invest on a per-unit basis in affordable housing may not exceed the per unit dollar limits published by HUD for the Tulsa MSA area.

Based on the certification contained in the annual submission of the consolidated plan and the subsidy layering provisions of section 92.250 (b) of the HOME final rule, the City of Tulsa uses these guidelines to document that when HOME funds are used in combination with funds from other sources, no more subsidy is invested than is necessary.

The City may also rely upon the guidelines developed and evaluation conducted by other agencies when Low Income Housing Tax Credits (LIHTC) or other HUD program funding (conducted in accordance with section 102(d) of the HUD Reform Act) are used. When this is done, documentation of these other guidelines and the Subsidy Layering Review of the other agency will be maintained in the project file to evidence compliance with this requirement.

#### **7.12.1 Project Evaluation**

Before the City invests HOME funds in a project it conducts an assessment to determine if other assistance has been, or is expected to be made available for the project. In performing this evaluation, the City considers the aggregate amount of assistance from HUD and from other sources that are necessary to ensure the feasibility of the assisted project. All the factors relevant to feasibility are taken into account, which may include, but are not limited to, past rates of return (in that area for that type of project) to owners, sponsors, investors; the long-term needs of the project and its tenants; and the usual and

## City of Tulsa Grants Administration (GA) Policies

customary fees in the development of the project. For HOME projects identified in the current year Action Plan that involve acquisition, construction, or rehabilitation of rental or homebuyer projects, GA will conduct an underwriting review including ensuring adequate need for the project for which the funds are to be used by reviewing applicant's market analysis, sources and uses of funds, and other key evaluation points. .

### **7.12.2 Market Assessment/Current Market Demand Guidelines**

HUD requires each participating jurisdiction to ensure a Market Assessment is conducted to guide the City's investment in HOME-funded projects for homebuyer and rental projects involving acquisition, rehabilitation, or new construction (this does NOT include homebuyer programs that only provide downpayment assistance). The City's requirements for this Market Assessment will be based upon the scope of the project and the amount of HOME funding requested. All new construction projects will require a formal Market Study. (See: CPD Notice 12.007)

Organizations can meet this requirement by conducting a formal Market Study, or at a minimum, provide the project-specific Market Assessment components listed below:

- Information on how the proposed project aligns with the City's Five-Year Consolidated Plan Goals and/or a Priority Need identified for the current round of funding allocations
- Analysis/data to demonstrate the need for housing in the location of the proposed housing development or housing assistance
- Analysis/data to demonstrate the need for the type of housing and number of housing units proposed
- Analysis/data to substantiate the targeted beneficiaries for the proposed housing units, such as household size, income levels, etc.
- Analysis used to determine the format and amount of subsidy for each household assisted AND/OR analysis used to determine the amount of subsidy for each housing unit
- Information on market supply and demand:
  - Ability to sell homebuyer units prior to the six-month deadline, if applicable; OR
  - Ability to lease-up the rental units within the timeframe specified (90% occupancy within 9 months of project completion), if applicable; OR
  - Ability to assist the number of eligible households identified in the project proposal
- Information to demonstrate that the development or housing assistance will not adversely impact existing affordable housing developments

### **7.12.3 Sources and Uses of Funds**

A CHDO/Developer is required to submit a Sources and Uses of Funds statement for the proposed project along with corresponding documentation to verify the sources and uses listed, which includes:

- All sources of funds (public and private) including dollar amount for each source
- All uses of funds associated with the project such as:
  - Acquisition costs
  - Rehabilitation costs
  - Construction costs
  - Financing costs
  - Professional fees

# City of Tulsa

## Grants Administration (GA) Policies

### Documentation of Sources

- Commitment letters with all terms and conditions for the following:
  - Mortgages
  - Grants
  - Subordination agreements
  - Bridge (interim) loans
  - Investment tax credits (historical, low-income, if applicable)  
**Note:** The proceeds from the sale of tax credits must be identified as a source of funding.
- Copy of partnership agreement (if the applicant is a partnership), which indicates the cash contributions by the general partners and/or limited partners

### Documentation of Uses

- Earnest money agreement, option or closing statement for land and/or buildings
- Construction cost estimate
- Construction contract or preliminary bids
- Agreements governing the various reserves which are capitalized at closing (to verify that the reserves cannot be withdrawn later as fees or distributions)
- Appraisal (to substantiate the value of land and property after rehabilitation/construction)
- If low-income housing tax credits are utilized, documentation on the syndication costs (legal, accounting, tax opinion, etc.) from the entity that will syndicate and sell the offering to ensure that the project can support the fees necessary to syndicate/fund the project. All assumptions in the offering should be verified in the supporting documentation.
- Developer fees, including overhead, are capped as follows:
  - Any development in Census Tracts with  $\geq 51\%$  LMI Residents – 15%
  - Senior and Special Needs Housing – 12%
  - Other Housing – 10%**Note:** If the proposed development is also using LIHTCs, the City may allow a higher developer fee that corresponds to the state's criteria, which is based on the size of the development.
- Construction Costs:
  - Profit will be limited to 6% of construction costs
  - Overhead will be limited to 2% of construction costs
  - General requirements will be limited to 6% of construction costs

If the documentation is not adequate and does not support the costs as stated, the City will request additional documentation, a second opinion and/or reference from an appropriate source, such as another construction cost estimator, architect, or lawyer. When required documentation cannot be obtained, the City may deny HOME funding for the project.

#### 7.12.4 Key Evaluation Points

**Certification of Governmental Assistance:** The applicant shall provide a formal certification concerning the governmental assistance provided, to be provided or the absence of such governmental assistance. The applicant shall certify that prompt notification will be provided should other governmental assistance be sought in the future. (**See Chapter 7 - Procedures and Forms: Certification Form - Amount of HUD Assistance Provided for HOME and/or other Form of Other Government Assistance**)

# City of Tulsa

## Grants Administration (GA) Policies

**Project Budget:** A project development budget shall be provided for review to determine whether the developmental costs are necessary and reasonable, taking into consideration the long-term needs of the project as well as the objectives of the HOME Program and the City.

As in the Sources/Uses of Funds statement, the budget shall include all costs associated with the development of the project regardless of funding sources. The budget line items shall include, but not be limited to: construction hard costs, soft costs (architectural, engineering, legal, and appraisal fees), marketing costs, construction loan interest, developer fees, real estate taxes, insurance, all loan fees, building permits, relocation and consultant fees. The review should ensure that the costs being funded by the HOME Program are eligible costs and the HOME funds per unit do not exceed the maximum per-unit subsidy limits.

### **Project Costs**

Each project should go through a review based on:

- quality and construction costs
- architectural fees
- engineering fees
- consulting fees

Costs should be determined to be necessary depending upon the type of development activity (new construction vs. rehabilitation, occupied vs. unoccupied). The determination of “reasonableness” of the costs should be based on all of the following factors:

- costs of comparable projects in the same geographical area
- qualifications of the cost estimators for the various budget line items
- comparable costs published by recognized industry cost index services

**Rate of Return on Equity:** The applicant is required to furnish a pro forma project Income and Expense Statement which should include achievable rent levels, market vacancies and operating expenses and also specify the consequences of tax benefits, if any, and other assumptions used in calculating the project cash flow to determine the reasonableness of the rate of return on the equity investment. The pro forma should represent, at a minimum, the term of the HOME affordability requirements, but longer if applicable (30 years for low-income housing tax credit projects). It is imperative that the pro forma be scrutinized to ensure the cash flow projections are reasonable in light of the present economic conditions as the rate of return on the investment is partially predicated on the cash flow. Factors such as deferred developer fees to be realized during the period of affordability or known tax benefits should be taken into consideration when calculating the rate of return.

The following guidelines shall apply to the evaluation of Income and Expense Statements for the purposes of HOME underwriting and Subsidy Layering analysis:

### **Pro Forma Income/Expense Projections**

Income Projections:

- All income should be included in the pro forma (commercial, residential, laundry, etc.)
- All additional equity contributions to the operating budget (e.g., staged tax credit equity payments, funds to cover anticipated initial operating deficit) should be shown as income
- Rate of increase for income should be no higher than 3 percent per year for the average project, particularly in light of HUD’s revocation of the “hold harmless” policy whereby income limits

## City of Tulsa Grants Administration (GA) Policies

and rent limits may actually decrease during the period of affordability commensurate with median family income data changes each year.

### Operating Expense Projections:

- All cash expenses should be included and reflect the project's type (rental, cooperative, condominium), size (number of units), services and costs provided by the locality (garbage collection, tax abatements, water and sewage charges) and type of mechanical systems (electric vs. gas)
- Expenses should always be trended higher than income on an annual basis, e.g., increases of 4 to 4.5 percent per year (as compared to 3 percent for income).
- Operating expenses tend to be generally 30-40 percent of gross rents for a market rental project (varies depending on many factors including the limitation on gross rents that can be obtained in a HOME subsidized project vs. a market rate project which has no such limitations). The operating expenses of comparable rent controlled projects should also be examined to determine a percentage for the project.
- The vacancy rate should be a minimum of 5 percent on an annual basis (regardless of project type, size or market conditions).
- Property management fees should be approximately 5-7 percent of gross rents. Note: The 5-7 percent range is based solely on the managing agent's property management responsibilities. If social services are included in the rent and the managing agent has the responsibility to coordinate/provide such services, the fee may be higher based on additional responsibilities.

### Expenses:

- All partnership distributions (surplus cash) should be included as expenses.
- All debt service should be included in the cash flow projections.
- All non-cash expenses should be included such as depreciation, amortization of fees and amortization of principal.

### Operating Pro Forma

An operating pro forma covering the duration of the affordability period should be evaluated to determine the likelihood for successful completion of the affordability period in sound fiscal condition. A narrative must be included with the assumptions made, methodology, and data used to develop the operating pro-forma. The operating pro-forma should include the following reserves:

- Operating reserve equal to six months of projected expenses including debt service payments and replacement reserve payments or documentation that owner has access to sufficient funds to cover any operating deficit and property repairs/replacements required to maintain applicable property standards and HUD housing standards throughout the HOME affordability period.
- Replacement Reserve for new construction should be a minimum of:
  - 0 and 1 bedroom units - \$300 per unit per year
  - 2 and 3 bedroom units - \$400 per unit per year
  - 4 and 5 bedroom units - \$500 per unit per year

Replacement Reserve for rehabilitation will be at the same minimums listed above for new construction, but will also be evaluated on the property condition and length of the HOME affordability period.

**Note:** If the proposed development is also using LIHTCs or AHP funds, the City may allow a lower replacement reserve fee that corresponds to the state's criteria. However, owner will be



## City of Tulsa Grants Administration (GA) Policies

required to cover any operating deficit and property repairs/replacements required to maintain applicable property standards and HUD housing standards throughout the HOME affordability period.

- Debt coverage ratio should be at least 1.15 and must be maintained for the duration of the debt.
- Return on investment will be evaluated considering the tax benefits received by the investors, if applicable.

**Note:** The pro forma should not be unduly conservative or overly optimistic. The City will evaluate the projects to ensure that costs are customary, reasonable and necessary. Additional information may be requested if deemed necessary. HOME funds may be denied if applicant refuses to make reasonable adjustments or to limit financial return or related soft costs.

**Overall Evaluation:** If the City determines that the total amount of HOME assistance and other governmental assistance exceeds the amount that the City determines is necessary to make the project feasible due to the unreasonableness of the costs and/or the projected rate of return, the City can consider several options:

1. Reduce the amount of HOME assistance through reducing the development budget accordingly or increasing the non-public funding of the project;
2. Make other adjustments to the project, such as lowering the rents to be charged, reduce the term of the loan in order to lower the rate of return; or
3. Deny HOME assistance if the applicant refuses to make reasonable adjustments or to limit its return/costs.

The key evaluation points referenced above pertain to single-family rental housing of 1 to 4 units as well as multi-family rental housing. If the rental project is owner-occupied and the owner's unit is being rehabilitated with Federal funds, the rental income and rehabilitation expenses applicable to the owner's unit must be excluded from the pro forma evaluations.

After funding allocations are awarded, GA will perform a more thorough review. In addition, DGA may request additional reviews by other City of Tulsa staff knowledgeable in the field.

The decision to certify the results of this assessment will be made by Grants Administration manager prior to issuing a written agreement for grant funding.

### 7.13 Housing Inspections

#### Site Specific Inspections

Inspections will be requested for all projects/activities that involve acquisition, repair, improvement, reconstruction, or rehabilitation. Inspections are conducted in accordance with applicable City codes and ordinances and HUD regulations. As required in the HOME regulations, initial, progress and final inspections of all homeowner rehabilitation, rental rehabilitation, or new construction activities shall be undertaken by GA staff, other City staff, or a qualified professional as appropriate.

Homebuyer housing units will be inspected prior to acquisition and Owner Occupied Homeowner housing units will be inspected before any work is performed for rehabilitation. Interim inspections will be conducted according to the following criteria:

## City of Tulsa Grants Administration (GA) Policies

- Rehabilitation costing \$0 to \$9,999 will be inspected once while in progress
- Rehabilitation costing \$9,999 to \$35,000 will be inspected twice while in progress

Rental projects of any kind will include an inspection prior to project start date. Additionally, new construction and rehabilitation will be inspected at the following completion intervals: 25%, 50%, and 75% with a final inspection at project completion. (See Chapter 7 - Procedures and Forms -- Rehab/New Construction Inspection Form

Rental housing may be inspected annually during the affordability period. Pursuant to 24 CFR 92.504(d). During the period of affordability, the City will perform on-site inspections of HOME-assisted rental housing to determine compliance with the property standards of § 92.251 and to verify the information submitted by the owners in accordance with the requirements of § 92.252. The inspections are also in accordance with the City's inspection procedures and to meet the HOME requirements.

- On-site inspections occur within 12 months after project completion and at least once every 3 years thereafter during the period of affordability.
- When property standard deficiencies are observed, a follow-up on-site inspection to verify that deficiencies are corrected is conducted in accordance with the inspection requirements of § 92.251. Minor deficiencies are verified by third party documentation (e.g., paid invoice for work order; maintenance personnel work order completed) rather than re-inspection. Health and safety deficiencies must be corrected immediately. Yearly inspections will be conducted on properties that have been found to have health and safety deficiencies.
- Property owners must annually certify to the City that each building and all HOME- assisted units in the project are suitable for occupancy, taking into account State and local health, safety, and other applicable codes, ordinances, and requirements, and the ongoing property standards established by the City to meet the requirements of § 92.251.
- Inspections are based on approximately 20% of the HOME-assisted units in each development. For projects with one-to-four HOME-assisted units, the City will inspect all of the HOME-assisted units and each building that includes HOME-assisted units.

In conjunction with its annual affordable housing monitoring, City staff will also review the financial condition of the rental property per (92.504(d)(2)). If the City determines that the continued financial viability is at risk, it will take actions to correct problems, to the extent feasible. Such actions may include the provision of technical assistance, improvement of property management, improved marketing, investigation of strategies to reduce vacancy, etc.

### **7.14 Recapture Guidelines**

The City of Tulsa homebuyer program activity uses only the recapture provisions of 24 CFR 92.254 (a) (4)(ii). It is believed this approach is the closest to normal market approaches to financing, the easiest for borrowers to understand, enables the deed restriction requirements of the alternative option to be avoided (which we believe constitutes a barrier to private financing participation), and better enables HOME funds to be marketed in coordination with other private lending. The recapture approach essentially results in an ongoing commitment to maintain a homeownership program because of regulatory requirement concerning the reuse of recaptured HOME funds for homebuyer assistance, while the alternative option for resale restrictions does not require the same level of ongoing assistance beyond the expiration of the affordability period tied to each property. An ongoing homebuyer assistance activity has been the City's goal and is in keeping with the basic HOME Program Descriptions.

## City of Tulsa Grants Administration (GA) Policies

A purchaser of a property may apply for and be provided HOME assistance subject to the property and said buyer meeting HOME Program eligibility criteria, a written agreement to comply with program terms and conditions, and the availability of funds. Mortgages include the “principal residence” requirement of the program during the affordability period, failure of which will constitute a default of a second mortgage.

The recapture option is a mechanism to recapture all or a portion of the direct HOME subsidy if the HOME recipient decides to sell the house within the affordability period at whatever price the market will bear. Forgiveness will be tied to the length of time the homebuyer has occupied the home in relation to the period of affordability and the net proceeds of the sale. The affordability period is based on the amount of HOME funds provided for the property and is forgiven at the rate noted below.

<b>Total Homeowner</b>	<\$15,000	\$15,000 - \$40,000	>\$40,000
<b>Affordability Period</b>	5 years	10 years	15 years
<b>Percent Forgiven Per Year</b>	20%	10%	6.67%

Calculations for the recapture include the HOME Investment, the homebuyer investment, and the net proceeds. These are defined as:

**HOME Investment** - All HOME funds contributed to the unit and any direct subsidies consisting of any financial assistance that reduces the purchase price from fair market value to an affordable price, or otherwise subsidizes the purchase.

**Homebuyer Investment** - The homebuyer’s investment consists of the portion of initial down payment paid by the homebuyer combined with the value of any capital improvements made with the homebuyer’s funds. Any improvement must be verified with back-up documentation on specific costs and /or value of the improvement. (See: Appendix HOME Capital Improvement for definition improvement.)

**Net Proceeds** - The net proceeds of a sale are the sales price minus closing costs and any non-HOME loan repayments.

To allow low-income homebuyers to retain some equity in their property should they need to sell, the City of Tulsa recaptures HOME funds using the following steps:

1. **Reduction During Affordability Period.** The HOME investment amount to be recaptured will be reduced on a prorated basis for the time the homeowner has owned and occupied the housing measured against the required affordability period.
2. **Owner Investment Returned First.** From the net proceeds of the sale, the homebuyer may recover their entire investment (down payment and capital improvements made since purchase) before the HOME investment is recaptured.
3. **Shared Net Proceeds.** If the net proceeds are not sufficient to recapture the full HOME investment (or a reduced amount according to the time the homeowner occupied the home) plus enable the homeowner to recover the amount of their down payment and any capital improvement investment made since purchase, the net proceeds will be divided proportionally as follows:

$$\frac{\text{HOME Investment}}{\text{HOME Investment} + \text{Homeowner Investment}} \times \text{Net Proceeds} = \text{HOME Recapture}$$

# City of Tulsa

## Grants Administration (GA) Policies

Any repayments received upon sale will be placed into the City’s HOME account for future production or as direct homebuyer assistance. Loans are fully forgiven if the homebuyer is still occupying the property at the end of the Affordability Period.

### 7.15 Tenant Selection Policy

The City of Tulsa looks at multifamily properties for low and moderate income households as an important and valuable resource in addressing the City’s affordable housing needs. The successful delivery of this housing resource to the people who need it depends on effective occupancy policies and procedures. CHDOs, developers, and must provide their policies to GA for approval for use in HOME grant funded programs. Provisions in those policies are listed below:

#### Tenant Selection Plan Requirements

- Must be in writing
- Available to the public
- Compliance with HUD rules and regulations

#### Results of an Approved Plan

Outcomes of following an approved tenant selection process ensure the following:

- Eligible applicants are selected to live on the properties
- Tenants receive the proper level of housing assistance with HOME funds and the requirements of the program providing subsidy to the property
- Tenants are treated equitably and fair in accordance with program requirements

#### Key Regulations

The City will use the *Affirmative Marketing, Tenant Selection and Lease Compliance Checklist* for desk review for each rental project and during on-site monitoring visits.

See: <https://www.hudexchange.info/resource/2090/home-affirmative-marketing-tenant-selection-lease-compliance-checklist/>

#### Tenant Selection Compliance Regulations

Compliance Standard	Regulation Reference
<b>I. Tenant Selection Plan Regulations</b>	24 CFR 5.655 (Owner Preferences in Selection for a Project or Unit) 24 CFR 880.104; 881.104; 883.105; 884.118; 886.119; 886.318 (Applicability of 24 CFR, part 5 and Responsibilities of the Owner) 24 CFR 891.410; 891.610; 891.750 (Selection and Admission of Tenants)
<b>II. Income Targeting</b>	24 CFR 5.653 (Admission – Income Eligibility and Income Targeting) 24 CFR 5.601; 5.603 (Occupancy Requirements in Selection for a Project or Unit)

City of Tulsa  
Grants Administration (GA) Policies

<b>III. Preferences</b>	24 CFR 5.655; 880.602; 883.701; 884.214; 886.132; 886.321; 891.230; 891.750 (Owner Preferences or Requirements in Selection for a Project or Unit) 24 CFR 236.715 (Determination of Eligibility) 24 CFR 880.612a; 881.601; 883.701; 884.223a; 886.329a; (Preference for occupancy by elderly families)
<b>IV. Required Criminal and Drug Screening Standards</b>	24 CFR part 5, subpart I (Preventing Crime in Federally Assisted Housing- Denying Admission and Terminating Tenancy for Criminal Activity and Alcohol Abuse) 24 CFR part 5, subpart J (Access to Criminal Records and Information)
<b>VI. Screening for Suitability</b>	24 CFR 5.655 (Owner Preferences in Selection for a Project Unit)
<b>VII. Rejecting Applicants and Denial of Rental Assistance</b>	24 CFR 880.603; 881.601; 883.701; 884.214; 886.121; 132; 886.321; and 329; 891.410; 891.610; 891.750 (Tenant Selection and Admission)
<b>VII. Denial of Assistance to Noncitizens and DHS Appeal Process</b>	24 CFR part 5, subpart E (Restrictions on Assistance to Noncitizens)

**7.16 Locational Policy**

Locations for all new construction, rehabilitation or conversion of other uses in any area shall be consistent with the City’s Comprehensive Plan for the area. The Site and Neighborhood Standards developed by HUD and other Federal agencies, as may be applicable, shall apply to all project-based new construction and rehabilitation. Any changes in HUD-drafted or other Federal agency policy on Site and Neighborhood Standards will automatically become an underlying requirement that is incorporated into the Consolidated Plan.

# City of Tulsa Grants Administration (GA) Policies

## 7.17 Monitoring

### 7.17.1 Desk Monitoring

Overall program status is tracked and reviewed quarterly using HOME IDIS reports or online reports posted by HUD. Reports include:

- PR02 List of Activities by Program Year and Project
- PR22 Status Of HOME Activities
- PR25 Status of CHDO Funds by Fiscal Year
- PR27 Status of HOME Grants – Entitlement
- PR33 HOME Matching Liability Report
- PR47 HOME/TCAP Vacant Units Report
- HOME Web-based Dashboard Reports
  - Dashboard Report
  - Deadline Compliance Status Report\
  - Expiring Funds Report
  - HOME PJs Open Activities Report
  - HUD Initiated Activity Cancellation Report

### 7.17.2 Onsite Monitoring

For general information on the City’s monitoring policies, refer to Chapter 10: Monitoring.

### 7.17.3 Long Term Affordability Monitoring of Rental Property

Based on risk factors, prior monitoring results, the affordability period and number of HOME-assisted units in a project, the City develops a yearly schedule for on-site monitoring of HOME Rental Projects, but ensures that all rental projects with 10 or more HOME-assisted units are monitored on-site a minimum of every three years. Required HOME ~~Year-End~~ Annual Reporting provides information for a desk review of each project on a yearly basis to ensure each property owner is meeting the requirements of the HOME Written Agreement and complying with the recorded affordability covenant.

Refer to Section 7.19 HOME Reporting for more information on yearly HOME reporting for rental projects.

## 7.18 Specific Program Policies

### 7.18.1 Homeowner Rehabilitation Loan Program

#### Purpose

This program provides assistance to low and moderate homeowners that cannot afford market-rate loans for housing repairs and rehabilitation. The City’s program guidelines on maximum assistance levels and types of assistance are reviewed annually and subrecipients follow the city’s guidelines.

#### Scope of Work

# City of Tulsa

## Grants Administration (GA) Policies

The rehabilitation work must comply with HUD's Lead Based Paint regulations, the City's Rehabilitation Standards and Specifications and meet local codes and applicable local and state laws.

### Assistance Limits

Minimum: \$5,000

Maximum: \$35,000

### Eligibility Requirements

- Applicant must own and occupy the home as their primary residence
- Eligible properties include traditional single family housing that is owned in fee simple, including a condominium unit
- Home must be located within the Tulsa city limits.
- Household gross monthly income (as determined by Part 5 Definition of gross household income) must not be more than 80% AMI per HUD Income Limits, updated yearly.
- Homeowner must have a current homeowner's insurance policy in an amount sufficient to cover the estimated market value of the home or to cover all mortgages currently on the home for the length of the loan.
- Existing mortgages and property taxes must be current

### Loan Terms

**Forgivable Loan (no interest)** – Loans are secured by a non-interest bearing note and mortgage (does not have to be a first mortgage), and forgiven over a five-year period as long as it remains the homeowner's primary residence. If the homeowner moves within two years, the full amount of the loan is due and payable immediately.

### 7.18.2 First-Time Homebuyer Program

#### Purpose

The program provides assistance to low and moderate income households to realize the dream of homeownership. The City's program guidelines on assistance levels and types of assistance are reviewed annually and subrecipients follow the City's guidelines.

### Assistance Limits

Assistance is based upon 5% of purchase price, up to a maximum assistance of \$5,000.

### Eligibility Requirements

- Applicant must be a first-time homebuyer.  
**Definition:** No ownership in a home in the last three years.
- Household gross monthly income limits (as determined by Part 5 Definition of gross household income) must not be more than 80% AMI per HUD Income Limits, updated yearly.
- Applicant must meet mortgage payment-to-income and debt-to-income ratios established under program guidelines
- Homeowner must be able to invest a minimum of 1% of the purchase price of their own funds for downpayment, closing costs, and applicable inspections.
- Homeowner must be able to secure a private mortgage
- Applicant must successfully complete a Homebuyer Education class and receive a certificate of completion from the agency conducting the class

## City of Tulsa Grants Administration (GA) Policies

- Applicant must certify that the home will be used as their primary residence throughout the term of the HOME affordability period
- Purchase price of property may not exceed 95% of the median purchase price for the area as published by HUD (24 CFR 92.254(a)(2)(iii)).

**Underwriting Criteria:** The following provides guidelines for qualifying ratios in determining approval of low and moderate income individuals for HOME assistance.

1. The first ratio calculation to benchmark mortgage payment-to-income should not exceed 31%. This ratio is calculated by adding the total mortgage payment (principal and interest, escrow deposits for taxes, hazard insurance, mortgage insurance premium, homeowners' dues, etc.) and dividing that amount by the applicant's gross monthly income.

If applicant's mortgage payment-to-income ratio is higher than 31%, but below 35%, an exception may be made based upon evidence that a qualified applicant has:

- A proven ability to devote a larger amount of income to housing expenses, OR
- A liquid net worth capable of covering the mortgage payments.

2. The second ratio calculation used in qualifying applicants for HOME assistance is the debt-to-income ratio and this ratio shall not exceed 43%. This ratio is calculated by adding the total mortgage payment (principal and interest, escrow deposits for taxes, hazard insurance, mortgage insurance premium, homeowners' dues, etc.) and all recurring monthly revolving and installment debt (car loans, personal loans, student loans, credit cards, etc.) and dividing it by the gross monthly income.

If applicant's debt-to-income ratio is higher than 43%, but below 45%, an exception may be made based upon the evidence that a qualified applicant meets one or more of the following criteria:

- A proven ability to devote a larger amount of income to housing expenses.
- A demonstrated ability to maintain good credit history.
- A substantial down payment on the purchase of the property.
- A liquid net worth capable of covering the mortgage payments.

### **Loan Terms**

**Forgivable Loan (no interest)** – Loan is secured by a non-interest bearing note and mortgage, and forgiven over a five-year period as long as it remains their primary residence. Sale or transfer of the title to the land will trigger repayment of the outstanding portion of the loan and will follow the City's Recapture Policy. If the homeowner defaults on other requirements of the loan (property maintenance issues, moves, rents property, fails to keep insurance and mortgage payments up-to-date), the City requires the full amount of the loan repaid.

### **7.19 HOME Reporting**

All HOME grant subrecipients are required to submit a year-end report on their project/program, as outlined in the HOME written agreement. Year-end reporting forms are sent via email to all applicable organizations no later than June 1<sup>st</sup> of each program year. Reports are due no later than July 15<sup>th</sup> of each program year. Information in these reports is used for reporting in the City's annual report to HUD, the CAPER (Consolidated Annual Performance Evaluation Report). All grant subrecipients are responsible for tracking and monitoring each assisted homebuyer/homeowner for five years to ensure the home remains their primary residence. Annual desk monitoring for rental projects, unless completion is within



# City of Tulsa

## Grants Administration (GA) Policies

the current grant program year, will submit the required information as outlined in the annual monitoring schedule.

### **7.20 Community Housing Development Organizations (CHDO)**

#### **7.20.1 Certification**

GA uses the HUD-defined criteria to review applications and certify CHDOs each calendar year and each time there is a commitment of funds. Regulation references governing the structure and activities of CHDOs are included in:

- 24 CFR Parts 92.300 - 92.303
- CPD Notice 97-11

Applications are reviewed using the GA CHDO Application Evaluation Form.

See Procedures and Forms: CHDO Application Evaluation Form

Listed below are the three broad areas that applicants must meet to qualify as a CHDO:

1. Legal Status – The CHDO must:
  - a. Organized under state and local law
  - b. Have a tax exemption ruling from the Internal Revenue Service under section 501(c)(3) or (4) of the Internal Revenue Code of 1986 (26 CFR 1.501(c)(3)-1 or 1.501(c)(4)-1)), is classified as a subordinate of a central organization non-profit under section 905 of the Internal Revenue Code of 1986, or if the private nonprofit organization is an wholly owned entity that is disregarded as an entity separate from its owner for tax purposes (e.g., a single member limited liability company that is wholly owned by an organization that qualifies as tax-exempt), the owner organization has a tax exemption ruling from the Internal Revenue Service under section 501(c)(3) or (4) of the Internal Revenue Code of 1986 with an IRS non-profit status (501(c))
  - c. Have no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual
  - d. Neither controlled by, nor under the direction of, individuals or entities seeking to derive profit or gain from the organization. A community housing development organization may be sponsored or created by a for-profit entity, but:
  - e. The for-profit entity may not be an entity whose primary purpose is the development or management of housing, such as a builder, developer, or real estate management firm.
  - f. The for-profit entity may not have the right to appoint more than one-third of the membership of the organization's governing body. Board members appointed by the for-profit entity may not appoint the remaining two-thirds of the board members;
  - g. The community housing development organization must be free to contract for goods and services from vendors of its own choosing; and
  - h. The officers and employees of the for-profit entity may not be officers or employees of the community housing development organization
  - i. Not be a governmental entity (including the participating jurisdiction, other jurisdiction, Indian tribe, public housing authority, Indian housing authority, housing finance agency, or redevelopment authority) and is not controlled by a governmental entity. An organization that is created by a governmental entity may qualify as a community housing development organization; however, the governmental entity may not have the right to appoint more than one-third of the membership of the organization's governing body and no more than one-third of the board members may be public officials or employees of governmental entity.

## City of Tulsa Grants Administration (GA) Policies

- Board members appointed by a governmental entity may not appoint the remaining two-thirds of the board members. The officers or employees of a governmental entity may not be officers or employees of a community housing development organization
- j. Have standards of financial accountability that conform to 2CFR 200.300-309 Have among its purposes the provision of decent housing that is affordable to low-income and moderate-income persons, as evidenced in its charter, articles of incorporation, resolutions or by-laws
  - k. Have as one of its purposes to provide decent and affordable housing to low and moderate-income persons
  - l. Provide no individual benefit to any CHDO members, founders, contributors, or individuals
  - m. Has a history of serving the community within which housing to be assisted with HOME funds is to be located. In general, an organization must be able to show one year of serving the community before HOME funds are reserved for the organization. However, a newly created organization formed by local churches, service organizations or neighborhood organizations may meet this requirement by demonstrating that its parent organization has at least a year of serving the community
  - n. Have a clearly defined geographic service area
2. Organizational Structure (CHDO Board)
    - a. At least one-third of the members must be representatives of the low-income community
    - b. No more than one-third of the members can be from the public sector  
Examples: elected or appointed officials, public employees, persons appointed by a public official
    - c. Must provide a formal process for low-income beneficiaries to provide input  
Note: Low-income public officials count against the one-third public sector maximum
  3. Capacity and Experience
    - a. Have a demonstrated capacity for carrying out housing projects assisted with HOME funds. A designated organization undertaking development activities as a developer or sponsor must satisfy this requirement by having paid employees with housing development experience who will work on projects assisted with HOME funds. For its first year of funding as a community housing development organization, an organization may satisfy this requirement through a contract with a consultant who has housing development experience to train appropriate key staff of the organization. An organization that will own housing must demonstrate capacity to act as owner of a project and meet the requirements of § 92.300(a)(2). A nonprofit organization does not meet the test of demonstrated capacity based on any person who is a volunteer or whose services are donated by another organization. The organization must have at least one year of experience serving the community where CDHO intends to develop the HOME-assisted housing.
    - b. Demonstrate that key staff has the capacity to carry out the planned activities
    - c. Have financial accountability standards that conform to 2 CFR 200.300-309
    - d. Have capacity relevant to the type of activity CHDO intends to undertake

### **7.20.2 Application Process**

Applications for recertification of existing CHDOs are conducted in conjunction with the announcement of the availability of HOME funds and Request for Proposals (RFP). Organizations which have indicated an interest in becoming a CHDO are also sent an announcement at that same time, but applications are also accepted at any time during the year. This information is also announced at the mandatory RFP workshops. Application and applicable forms are emailed to interested parties. During the mandatory workshop training, or on an as-needed basis, GA staff provides specific guidance on CHDO certification and eligible activities as a CHDO.

# City of Tulsa

## Grants Administration (GA) Policies

See Procedures and Forms: CHDO Certification Application Form

### **7.21 Set Aside Funds**

The City of Tulsa ~~may~~ must set aside at least 15% of HOME funds to be used as CHDO set-aside funds for use by CHDOs each grant year. Only when the City enters into a written agreement with the CHDO for a specific local project does this meet the requirement of commitment of the CHDO funds.

#### **7.21.1 Eligible CHDO Activities with Set-Aside Funds**

Contracts with CHDOs designating HOME set-aside funds must be used for one or more of the following eligible activities where the CHDO's role is an owner, developer, or sponsor:

- Acquisition and/or Rehabilitation of Rental Housing
- New Construction of Rental Housing
- Acquisition and/or Rehabilitation of Homebuyer Properties
- New Construction of Homebuyer Properties
- Direct Financial Assistance to Purchasers of HOME-assisted Housing developed by the CHDO

#### **7.21.2 CHDOs Acting as Subrecipients**

HOME funds allocated to CHDOs when acting as subrecipients consist of providing housing counseling or down payment and closing cost assistance to income-eligible homebuyers. HOME funds allocated and committed to projects undertaken by ~~ta~~ a CHDO in the role of a subrecipient do not count toward the 15% set-aside requirement.

### **7.22 CHDO Operating Expenses**

As allowed under 24 CFR 92.208, the City may designate a percentage (up to 5 %) of annual HOME allocations to fund operating expenses for CHDOs. This amount is further limited in that a CHDO may not receive an amount that exceeds the greater of \$50,000 or 50% of the CHDO's total operating expenses in a given fiscal year. This is separate and apart from the minimum 15% CHDO set-aside and does not count against the Participating Jurisdiction's 10% administrative funds.

If funds for operating expenses are provided to a CHDO that is not also receiving CHDO Reserve funds in the role of owner, developer or sponsor, the written agreement with the CHDO must provide that the community housing development organization is expected to receive CHDO Reserve funds for a project within 24 months of the date of receiving the funds for operating expenses.

Allowable costs for CHDO Operating Funds include the following and do not require a 25% match.

- Salaries, wages and other employee compensation and benefits
- Employee education, training, and travel
- Rent
- Utilities
- Communications
- Equipment, materials and supplies
- Taxes
- Insurance

### **7.23 CHDO Proceeds**

## City of Tulsa Grants Administration (GA) Policies

CHDOs must report the source and amount of all funds received for any HOME funded activities. Because CHDO proceeds are derived from the expenditure of HOME funds, any activities which are funded with CHDO proceeds may not be contributed as match.

CHDO proceeds may be retained if all of the following conditions are met:

- CHDO proceeds or funds generated from CHDO proceeds must be used for the same HOME-eligible activities that benefit low to moderate-income families allowed under the contract or contracts the CHDO has in force, whether it be in a CHDO capacity or a subrecipient capacity.
- CHDO has an approved, current CHDO Proceeds Reuse Agreement with GA.
- CHDO proceeds or funds generated from CHDO proceeds must be kept in an interest bearing account and accounted for in unique general ledger accounts.
- CHDO must submit monthly reports on any CHDO proceeds as long as any CHDO proceeds or funds generated from CHDO proceeds are retained.
  - Reports must be verified and approved by GA. Corrections/revisions to the reports may need to be made before the report is approved.
  - Disallowed expenditures funded from CHDO proceeds must be corrected in the CHDO's general ledger account within 15 days after receiving notification from DGA.
- CHDO must submit a report on proceeds to GA within 90 days of submitting closing documentation for each activity, using the Reconciliation & Proceed Worksheet Form for Homebuyer development projects.
- All CHDO proceeds must be expended within three years from the end of the contract, although some exceptions are made, depending on the use of the funds.

**Note:** CHDO proceeds retained by a CHDO are not subject to the requirements of the HOME regulations, except for 24 CFR 92.300(a)(2). Match requirements and the Davis-Bacon Act, National Environmental Policies Act, and Uniform Relocation Assistance and Real Property Acquisition Policies Act do not apply to the use of CHDO proceeds.

### **7.23.1 Calculating CHDO Proceeds for Homebuyer Development Projects**

- Calculations must be made in accordance with the Reconciliation & Proceeds Worksheet included in CHDO contracts.
- Eligible Developer Fees should be deducted from sales proceeds before calculating the CHDO proceeds amount.

### **7.23.2 Returning CHDO Proceeds**

CHDO proceeds must be returned to the City of Tulsa within 15 days when one of the following occurs:

- HUD HOME regulations are not followed; or
- CHDO Proceeds Reuse Agreement has expired

**Note:** No exceptions will be granted.

Once CHDO proceeds are used, there are no further HOME requirements which must be met. Funds generated from the use of CHDO proceeds are no longer considered CHDO proceeds.

# City of Tulsa Grants Administration (GA) Policies

## Chapter 8 – Housing Opportunities for Persons with AIDS (HOPWA)

Based on the HOPWA regulations at 24 CFR Subpart F § 574 the following policies were established and implemented by the City of Tulsa.

### 8.1 Purpose

The HOPWA program addresses the specific needs of persons living with HIV/AIDS and their families. The focus is on providing housing assistance and related support services for HOPWA-eligible clients. The City of Tulsa is considered an entitlement community and receives HOPWA funds directly from HUD.

The objective of the HOPWA program is to assist persons with HIV/AIDS with all forms of housing to prevent homelessness. The assistance is designed to:

- Establish or better maintain a stable living environment
- Improve access to care and/or support
- Reduce the risk of homelessness

For more details on HOPWA Objectives and/or the HOPWA Program, go to HUD website at [www.hudhre.info/hopwa/index.cfm?do=viewHopwaHome](http://www.hudhre.info/hopwa/index.cfm?do=viewHopwaHome)

**See:** HUD HOPWA Final Rule, 24 CFR Part 574

### 8.2 Eligible Activities

Subject to applicable requirements described in Section 574.300, 574.310, 574.320, 574.330 and 574.340, HOPWA funds may be used to assist all forms of housing designed to prevent homelessness including emergency housing, shared housing arrangements, apartments, single room occupancy (SRO) dwellings, and community residences.

An essential component in providing housing assistance for this targeted special needs population is the coordination and delivery of the appropriate supportive services, as required by section 574.310(a). HOPWA funds may also be used to provide services independently of any housing activity.

#### 8.2.1 HOPWA Activities

- 1) Housing Information Services
- 2) Resource Identification
- 3) Acquisition, Rehabilitation, Conversion, Lease, and Repair of Facilities
- 4) New Construction (SRO dwellings & Community Residences only)
- 5) Project- or Tenant-based Rental Assistance
- 6) Short-term Rent, Mortgage and/or Utility Payments
- 7) Supportive Services
- 8) Operating Costs for Housing
- 9) Technical Assistance
- 10) Administrative Expenses

The City of Tulsa's approved eligible activities can be found in the City of Tulsa's most current Annual Plan or Five-Year Plan in the *Non-Homeless Special Needs* section.

#### 8.2.2 Faith-based Activities

# City of Tulsa

## Grants Administration (GA) Policies

Faith-based activities are eligible to be provided in the HOPWA program by religious or faith-based organizations on the same basis as any other organization. The City of Tulsa shall not discriminate against an organization on the basis of the organization's religious character or affiliation.

Organizations funded under HOPWA may not engage in inherently religious activities, such as worship, religious instruction, or proselytization, as part of the programs or services funded. If such activities are offered by the organization the activities must be offered separately, in time or location, from the HOPWA program funded through the City of Tulsa, and participation must be voluntary for the beneficiaries of the HOPWA program.

### **8.3 Ineligible Activities**

HOPWA funds may not be used to make payments for health services for any item or service to the extent that payment has been made, or can reasonably be expected to be made, with respect to that item or service:

1. Under any State compensation program, under an insurance policy, or under any Federal or State health benefits program; or
2. By any entity that provides health services on a prepaid basis.

HOPWA funds may not be used for the acquisition, construction, or rehabilitation of structures to the extent that those structures are used for inherently religious activities.

### **8.4 Eligible Applicants**

Eligible applicants include private non-profit organizations providing assistance to prevent homelessness with experience serving persons with HIV/AIDS. Organizations applying for HOPWA funds to assist individuals with housing activities, described under 574.310, must be qualified to make available appropriate supportive services to beneficiaries.

Applicants seeking funding as a Project Sponsor shall have an office within the corporate city limits of the City of Tulsa and shall serve eligible persons who live anywhere within the Tulsa Eligible Metropolitan Statistical Area (EMSA). The Tulsa EMSA includes the following counties: Creek, Okmulgee, Osage, Pawnee, Rogers, Tulsa, and Wagoner.

### **8.5 Program Participant Eligibility**

There are two elements of HOPWA Participant Eligibility:

- Household has at least one person who has Acquired Immune Deficiency Syndrome (AIDS) or related diseases (Human Immunodeficiency Virus, that is, HIV infection). This includes households where the only eligible person is a minor. Medical verification of status is required.
- Low-income persons (at or below 80 percent of area median income (AMI) as defined by HUD) that are medically diagnosed with HIV/AIDS and their families are eligible to receive HOPWA-funded assistance. The actual dollar amount of the income limits for households from one person to eight persons are published annually by HUD. Once published, GA provides all funded agencies with the current year's Income Limit information.

# City of Tulsa

## Grants Administration (GA) Policies

### **8.5.1 Verification of Eligibility**

Program participants must provide the Project Sponsor with necessary information and/or documentation prior to assistance to verify eligibility to receive HOPWA assistance as outlined above.

Acceptable medical documentation for verification of HIV status includes:

- A statement of HIV verification signed by a physician, certified by a health care worker, or HIV testing site representative;
- Social Security Administration records indicating the nature of a disability determination; or
- Other relevant federal program records verifying HIV status.

The Project Sponsor should have verification income for all adult members of a household, as well as for minors who receive income. If an adult member of a household has no verifiable income, then the Project Sponsor should have them sign and date a statement stating that they have no income. Income documentation should reflect current income. Income statements shall be less than 90 days old, based on the date of when eligibility is determined. Eligibility should be verified annually, taking into account possible changes in household income.

### **8.5.2 Ineligibility**

The ineligibility of each individual to receive HOPWA assistance will be based on the inability to meet the minimum eligibility requirements contained in 24 CFR 574 and the Project Sponsor's internal policies. Determination of ineligibility must be documented by the Project Sponsor including the reason for ineligibility.

### **8.5.3 Terminating Assistance**

A program participant may be terminated from receiving assistance as follows:

1. Surviving family members. With respect to the surviving member or members of a family who were living in a unit assisted under the HOPWA program with the person with AIDS at the time of his or her death, housing assistance and supportive services under the HOPWA program shall continue for a grace period following the death of the person with AIDS. The Project Sponsor shall establish a reasonable grace period for continued participation up to one year from the death of the family member with AIDS.
2. Assistance to participants residing in HOPWA assisted housing may be terminated if the participant violates program requirements or conditions of occupancy.

The termination process for participants shall be determined by the Project Sponsor and included in the Project Sponsors organizational policies and procedures. The process must recognize the rights of the beneficiaries to due process of law. This process at minimum must consist of:

1. Written notice to the program participant containing a clear statement of the reasons for termination;
2. A review of the decision, in which the program participant is given the opportunity to present written or oral objections before a person other than the person (or a subordinate of that person) who made or approved the termination decision;
3. Prompt written notice of the final decision to the program participant; and
4. Agency procedures to ensure records to document compliance are kept.

## **8.6 Confidentiality**

## City of Tulsa Grants Administration (GA) Policies

The provision of HOPWA funding involves information on the HIV/AIDS status of individuals for the purpose of determining eligibility for program support. Project Sponsors shall maintain written policies and procedures for confidentiality requirements as set forth in 574.440. Client names, unique personal identifying codes and other individual information on documents must be kept confidential.

All information obtained in connection with the examination, care or services provided to any client shall not be disclosed without the client's signed consent. Prior to exchanging information with any other organization or entity, HOPWA Project Sponsors must first secure a specific signed release of information identifying particular individuals or organizations.

### **8.7 Housing Quality Standards**

The City of Tulsa requires that all housing assisted with HOPWA funds must comply with the Housing Quality Standards outlined in 574.310(b) including State and local requirements and habitability standards.

Housing inspections will be completed, prior to providing assistance, by either Project Sponsor staff, a selected vendor hired for this purpose, or an authorized inspector of the Tulsa Housing Authority or Oklahoma Housing Finance Agency. Project Sponsors must ensure an inspection report is completed and maintained per HOPWA recordkeeping requirements.

### **8.8 Rental Assistance Standards**

#### **8.8.1 Maximum Subsidy**

The amount of grant funds used to pay monthly assistance for an eligible person may not exceed the difference between:

1. The lower of the rent standard or reasonable rent for the unit; and
2. The resident's rent payment calculated under 574.310(d).

#### **8.8.2 Comparable Rents**

The total rent charged for a unit must be reasonable in relation to rents currently being charged for comparable units in the private unassisted market and must not be in excess of rents currently being charged by the property owner for comparable unassisted units. A unit may be within the Fair Market Rent (FMR) limits, established by HUD, but still not meet the rent reasonableness standard. Comparable rents can be checked by using a market study, by reviewing comparable units advertised for rent, or with a note from the property owner verifying the comparability of charged rents to other units owned. Project Sponsor shall maintain documentation of rent comparison in each program participants file.

#### **8.8.3 Time limits**

Rent, mortgage and utilities payments to prevent the homelessness of the tenant or mortgagor of a dwelling may not be provided to an individual for these costs accruing over a period of more than 21 weeks in any 52 week period. These limitations do not apply to rental assistance provided under 574.300(b)(5), Project or Tenant-based housing assistance.

### **8.9 Reporting Requirements**

Program achievements are reported by the Project Sponsor monthly to the City of Tulsa. The collection of reporting of performance data involves an extensive time commitment by both the City and Project Sponsor and can be a challenge. It is crucial to the success of HOPWA programs for the Project Sponsor to have the staff capacity to fully and accurately complete all required reports.



## City of Tulsa Grants Administration (GA) Policies

The HOPWA Project Sponsor and the City of Tulsa must collectively complete a [Consolidated Annual Performance and Evaluation Report \(CAPER\)](#) each year including annual information and the use of the program funds and progress toward identified goals and objectives. The completed CAPER must be submitted by the Project Sponsor to the City of Tulsa no later than the 20<sup>th</sup> day after the end of the last month of the program year being reported. The final CAPER must be submitted by the City of Tulsa to HUD no later than 90 days after the close of the program year, as per 24 CFR 91.520.

HUD's CAPER requires the Project Sponsor and the City of Tulsa to report on the following components of the HOPWA Program:

1. Grantee and Community Overview
2. Project Accomplishment Overview
3. Barriers or Trends Overview
4. Financial Information

HUD measures HOPWA performance based on achievement of both program housing outputs and program client outcomes.

- **Outputs** are units of service provided, such as the number of households receiving rental assistance or case management.
- **Outcomes** measure the changes that might result from a person or household having received HOPWA assistance, such as an increase in housing stability. HUD expects grantees and sponsors to show the outcomes that result from their HOPWA activities.

In addition to the CAPER, the City of Tulsa must use the Integrated Disbursement and Information System (IDIS) to report complete annual information on the use of program funds and progress towards identified goals and objectives to HUD.

### **8.10 Administrative Costs**

Costs for general management, oversight, coordination, evaluation, and reporting are classified as administrative costs. By statute, grantee administrative costs are limited to 3% of total grant award, to be expended over the life of the grant. Project sponsor administrative costs are limited to 7% of the portion of the grant amount they receive.

# City of Tulsa

## Grants Administration (GA) Policies

### Chapter 09 - Compliance Standards

#### 9.1 Request For Proposals (RFP)

Organizations that intend to apply for HUD grant funds must attend one of the mandatory RFP training sessions held each year by GA. The training sessions provide instructions and technical guidance on the following:

- Completing the grant application
  - Grant objective criteria
  - Agency operations documentation
  - Project Activity Description and Performance Measures
  - Budget Detail
- Organization/Agency requirements
- Required recordkeeping
  - Activity performance measures and accomplishments
  - Financial
- Required reporting
  - Agency
  - Financial
  - Participant
  - Program activity
  - Program income
- Eligible/Non-Eligible activities
- Eligible/Non-Eligible expenses
- Other regulatory requirements
- HUD Environmental Reviews
- Lead based paint requirements
- Proposal rating/evaluation process
- Grant funding allocation process
- Timelines

#### 9.1.2 Grant Applications

Grant applicants must submit information required by the RFP application as well as any applicable requirements as set forth in the City of Tulsa's Ordinance 22813. All grant applications include certifications forms that must be signed by each applicant:

- **Grant-Specific Certifications Form** – This form is different for each grant type. It contains standards and laws (with the applicable regulation references) that apply specifically for each grant type and eligible activities.
- **Conflict of Interest Certification Form** – This form is the same for all applicants. It specifically addresses any disclosure a grant applicant must make regarding the grant approval process and/or affiliation with any agency that receives grant funds.
- **Committed Funding Certification OR MATCH and Committed Funding Certification Form** – This form supports information in the grant application on other funding to complete the proposed program/project. MATCH funds are also required for some grant types. Documentation must also be submitted with the form to corroborate the funding and sources listed.
- **Board Signature Authorization Form** – This form indicates the organization's Board has voted and approved the agency to apply for the grant funds and agrees to adhere to all relevant regulations.

# City of Tulsa

## Grants Administration (GA) Policies

- **Rehabilitation and New Construction Projects OR CHDO/Developer Certification Form** – This form outlines specific project requirements related to physical projects to indicate the project is fully funded and ready to proceed, as outlined in City Ordinance 22813.

### 9.2 Environmental Reviews

The purpose of the HUD environmental review process is to analyze the effect a proposed project will have on the people and the natural environment within a designated project area and the effect the material and social environment may have on a project. Since the City of Tulsa receives HUD funds, it is considered the “responsible entity” and must complete an environmental review of all project activities prior to obligating HUD funds.

Completion of the environmental review process is mandatory before taking a physical action on a site, or making a commitment or expenditure of HUD or non-HUD funds for property acquisition, rehabilitation, conversion, lease, repair or construction activities. "Non-HUD funds" means any other Federal, state, local, private, or other funds. Further, the City of Tulsa and grant recipients, may not commit funds until HUD has approved the Request for Release of Funds and related certification (RROF) unless the activity has been determined exempt in accordance with 24 CFR §58.34 and §58.35(b). Contractors, owners and developers may not commit or expend funds on projects until the City of Tulsa has completed the environmental review process. **Any options to purchase property should be contingent upon a completed HUD Environmental Review completed by the City of Tulsa.**

GA will coordinate inspections and environmental reviews for grant recipients of HUD funds (CDBG, HOME, ESG, and HOPWA). An Environmental Review (ER) must be completed for every project before funds can be released. Environmental reviews are the responsibility of GA and are conducted in accordance with applicable HUD regulations as required under 24 CFR Part 58. Environmental Reviews of some projects may take longer or be more involved, depending on the nature of the project. Some projects require site-specific Environmental Reviews (e.g. Homeowner Repair programs).

The HUD environmental review process involves the completion of all procedural steps of an environmental review. This includes conducting and documenting an environmental review, making an environmental determination, and in some cases publishing required public notices, submission of a Request for Release of Funds and Certification form, and receipt of an Authority to Use Grant Funds form from HUD.

### 9.3 General Compliance

All projects must meet the objective of the grant under which it was funded as well as any other applicable federal regulations. GA monitors all activities funded with federal grants for the City of Tulsa and maintains staff responsible for financial and program compliance. Compliance reviews are conducted for all grant recipients and City of Tulsa departments operating HUD funded programs as outlined in the yearly monitoring schedule. GA Monitoring staff ensures strict adherence to written agreement requirements regarding applicable federal compliance issues.

All projects funded with federal funds are governed by written agreements between the City of Tulsa and the provider or by Memorandums of Understanding (MOU) between GA and the City of Tulsa department operating the program. These agreements include reporting and monitoring requirements for each specific project/activity. Requirements vary depending on the type of project, source of funds and complexity of the project.

# City of Tulsa

## Grants Administration (GA) Policies

HUD funded projects are required to report program performance to the City of Tulsa who, in turn, submits the information to HUD. The type and frequency of performance reports depend on the type of project and requirements are outlined in the grant recipient's written agreement.

### **9.3.1 Insurance and Workers' Compensation**

All agencies receiving HUD funding are responsible for providing workers' compensation insurance coverage for all of its employees involved in the performance of a HUD-funded program. Agencies are also responsible for carrying sufficient insurance coverage to protect program assets from loss due to theft, fraud and/or undue physical damage, and as a minimum shall purchase a blanket fidelity bond covering all employees in an amount equal to any cash advances from the City.

### **9.3.2 HUD Recognition**

Any publication or other material, including but not limited to, websites, fliers, brochures or temporary construction signage, produced to promote activities or facilities as a result of receiving HUD funding shall include the following statement: *This (type of activity/material) was financed in whole or in part by funds from the U.S. Department of Housing and Urban Development as administered by the City of Tulsa.*

### **9.3.3 Religious Activities**

HUD funds will not be utilized for inherently religious activities such as worship, religious instruction, or proselytization.

### **9.3.4 Conflict of Interest**

To ensure awards of grant funding and/or procurement activities related to grant projects do not result in any financial or other benefit of any employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of these parties, grant applicants must execute a *Conflict of Interest Certification Form* with all grant applications. In addition, all City employees, elected officials, officials appointed to Boards, Authorities, and Commissions of the City and Trustees of Boards of Trusts to which the City is a beneficiary must follow the Ethics Code as outlined in *Ordinance 21084*.

Any perceived or possible conflict of interest must be reported to GA by submitting a qualified attorney's opinion that the interest would not violate Federal, state, or local law. GA will, in turn, refer the attorney's opinion to the City Legal Department. If the City Legal Department's opinion is such that the interest would not violate state or local law, its opinion will be disclosed to the public and forwarded to HUD for a possible exception.

## **9.4 Financial Management**

Grant recipients with any type of a HUD funded project must refer to 2 CFR Part 200 for accounting principles and procedures, internal controls and cost principles, whether charged on a direct or indirect basis. All recipients are responsible for maintaining a system of internal controls in accordance with generally accepted accounting practices (GAAP).

### **9.4.1 Budgets**

Costs included in grant applicants' budgets should be allowable in accordance with 2 CFR Part 200 and eligible per HUD regulations. General criteria for an allowable cost is that it must be reasonable, necessary and allocable. A cost is reasonable if, in its nature or amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the costs. A cost is allocable to a particular cost objective, such as a grant, contract, project, service, or other activity, in accordance with the relative benefits received. A cost is necessary if it is required for the performance of the award. Supporting documentation must accompany all requests

# City of Tulsa

## Grants Administration (GA) Policies

for payment. GA Monitors and fiscal staff review payment requests to ensure the information submitted is accurate and complete.

### 9.4.2 Equipment, Materials and Supplies, and Computing Devices

The purchase of equipment, fixtures, motor vehicles, furnishings or other personal property not an integral structural fixture is generally ineligible. Further, 2 CFR 200.439(b)(1) states that capital expenditures for general purpose equipment, buildings, and land are unallowable as direct charges. The City of Tulsa has determined that grant recipients cannot use HUD grant funds to purchase equipment, fixtures, motor vehicles, rolling stock, furnishings or other personal property even if it is necessary for conducting the business of the organization. To reduce the initial outlay for needed equipment, recipients may choose to lease the equipment necessary to conduct the program for which the organization was awarded. Leased equipment costs and supplies must be included in the grant recipient's application to be considered for reimbursement.

GA has adopted the following definitions from 2 CFR Part 200:

**Equipment** is tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit cost which equals or exceeds the lesser of the capitalization level established by the grant recipient for financial statement purposes or \$5,000.

**General purpose equipment** means equipment which is not limited to research, medical, scientific or other technical activities. Examples include office equipment and furnishings, modular offices, telephone networks, information technology equipment and systems, air conditioning equipment, reproduction and printing equipment and motor vehicles.

**Computing devices** are machines used to acquire, store, analyze, process and publish data and other information electronically, including accessories (or peripherals) for printing, transmitting and receiving, or storing electronic information. These items are considered supplies if the acquisition cost is less than the lesser of the capitalization level established by the non-federal entity for financial statement purposes or \$5,000, regardless of the length of its useful life.

**Supplies** are tangible personal property other than those described above in Equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the grant recipient for financial statement purposes or \$5,000, regardless of the length of its useful life.

### 9.4.3 Modified Total Direct Costs (MTDC)

MTDC means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and subawards and subcontracts up to the first \$25,000 of each subaward or subcontract (regardless of the period of performance of the subawards and subcontracts under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward and subcontract in excess of \$25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.

### 9.4.4 Direct Costs

In general, direct costs are those costs that can be identified specifically with a particular final cost objective, such as a Federal award, or other internally or externally funded activity, or that can be directly

## City of Tulsa Grants Administration (GA) Policies

assigned to such activities relatively easily with a high degree of accuracy. Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect (F&A) costs.

### **9.4.5 Indirect Costs**

Indirect (Facilities & Administration) costs means those costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. To facilitate equitable distribution of indirect expenses to the cost objectives served, it may be necessary to establish a number of pools of indirect (F&A) costs. Indirect (F&A) cost pools should be distributed to benefitted cost objectives on bases that will produce an equitable result in consideration of relative benefits derived.

Agencies may use an approved federally recognized indirect cost rate after submitting documentation to the City. If no such rate exists, a rate negotiated between the City and the agency may be allowed or an agency may elect to charge a de minimis rate of 10% of modified total direct costs (MTDC).

### **9.4.6 Program Income**

Program income means gross income earned by the non-Federal entity that is directly generated by a supported activity or earned as a result of the Federal award during the period of performance. Program income includes, but is not limited to, income from fees for services performed, the use or rental of real or personal property acquired under Federal awards, the sale of commodities or items fabricated under a Federal award, license fees and royalties on patents and copyrights, and principal and interest on loans made with Federal award funds. Interest earned on advances of Federal funds is not program income. Except as otherwise provided in Federal statutes, regulations, or the terms and conditions of the Federal award, program income does not include rebates, credits, discounts, and interest earned on any of them.

The use of program income by agencies shall comply with the requirements set forth at 2 CFR 200.307 and in their grant agreement. By way of further limitations, the agency may use such income during the Period of Performance for activities permitted under their Agreement and shall reduce requests for additional funds by the amount of any such program income balance on hand. All unexpended program income shall be returned to the City at the end of the Period of Performance consistent with the conditions of a grant close-out unless the City provides written authorization for the agency to retain such income.

Agencies with CDBG grants who carry out specific activities which, in turn, generate payments for use in carrying out the same activities may create a separate fund or a revolving loan fund. Each revolving loan fund's cash balance must be held in an interest-bearing account, and any interest paid on CDBG funds held in this account shall be considered interest earned on grant advances. Interest paid by borrowers of CDBG-funded loans made from a revolving loan fund is considered program income and subject to the CDBG program income requirements. All program income in the form of repayments to or interest earned on a revolving fund shall be substantially disbursed from the fund before additional cash withdrawals from the award are made for the same activity.

### **9.4.7 Payments**

In general, all HUD-funded project payments are available on a reimbursement basis. Requests for Funds forms are provided to grant recipients and are approved for payment if backup documentation is determined to be complete and eligible; the purpose for the request is reasonable, necessary and allocable; and the agency is making reasonable progress in completing performance expectations. Where a grant recipient requires reimbursement for personnel costs, the recipient must maintain timesheets for all work performed by the employee(s) under its agreement.

## City of Tulsa Grants Administration (GA) Policies

Upon termination of a grant recipient's agreement for any reason, all funds received by the grant recipient and all fees, and other property, real and personal, which have resulted or would result in proceeds of loans, investments and expenditures of such funds, collectively, shall become the property of the City.

### **9.4.8 Questioned Costs**

If a grant recipient requests reimbursement and receives payment from the grant that are subsequently questioned and disallowed by a finding during the monitoring process, GA shall require the agency to repay the disallowed cost. If the grant recipient does not agree to repay the disallowed costs by the date specified, appropriate action such as suspension of any current or future contract payments, termination of Agreement(s), referral to City legal for further actions, or any other appropriate actions necessary, will be taken to recover the disallowed costs. For purposes herein, the term "finding" refers to a deficiency in program performance based on a statutory, regulatory or Agreement requirement for which sanctions or other corrective actions are authorized.

### **9.4.9 Budget Revisions**

Grant recipients must submit in writing a request to GA for approval of any budget revision. Changes to the budget, including creation of additional categories or line items, will need to be justified and approved by GA. No more than two (2) budget revision requests will be accepted during the period of performance. No budget revisions will be considered after the agreement expires unless the contract is modified.

### **9.4.10 Audits**

The Office of the City Auditor periodically audits the City's Grants Administration functions. In addition, an annual independent single audit is conducted for federally funded activities to determine compliance with grant provisions and federal guidelines. Responses to exceptions and corrective actions are reviewed by the Deputy Mayor, City Council, City Auditor and the independent auditing firm.

Grant recipients that expend \$750,000 or more in Federal awards during their fiscal year are required to have a single or program-specific audit for that year in accordance with the provisions of 2 CFR 200.501. Copies of these audits must be provided to Grants Administration the earlier of 30 calendar days after receipt of the auditor's report or nine months after the end of the audit period, whichever is earlier. The audit reports are reviewed and GA follows up on any audit findings to ensure the issues have been resolved and/or corrected.

Audit costs required due to the organization meeting the federal expenditure threshold may be an eligible grant expense. Such cost estimates must have been included in the final approved grant budget if applicant is awarded \$750,000 or more in federal funding. A single audit of one HUD grant may be charged directly or, if more than one federal grant is being included, charged indirectly based on a GA approved cost allocation plan.

To apply for HUD funding from the City, if an applicant agency or organization has performed an A-133 or single audit, it must be provided as part of the application submission. However, an agency not subject to a single audit must provide proof of a systematic and independent examination of its financial books, accounts, documents and vouchers to provide reasonable assurance that the entity's statements are free from material error and that they meet generally accepted accounting principles (GAAP).

## **9.5 Procurement**

The Uniform Administrative Requirements for Grants and Agreements sets forth standards for use by recipients in establishing procedures for the procurement of supplies and other expendable property, equipment, real property and other services with Federal funds. These standards are furnished to ensure

# City of Tulsa

## Grants Administration (GA) Policies

that such materials and services are obtained in an effective manner and in compliance with the provisions of applicable Federal statutes and executive orders.

GA requires grant recipients and any contractors and subcontractors used for HUD grant-funded projects to adhere to City and/or federal standards for procurement to ensure that to the maximum extent practical there is open and free competition. Additionally, written agreements stipulate that grant recipients have approved procurement policies and procedures that meet or exceed the HUD rules and regulations.

According to 2 CFR 200.318 (d), procedures must avoid acquisition of unnecessary or duplicative items and states that consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis should be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

### **9.6 Subcontracting**

No grant recipient may enter into any subcontracts with any agency or individual without a written approval from GA. If allowed to subcontract, the grant recipient will provide a copy of the bid documents to GA for approval. Grant recipient will also insure that all subcontracts are awarded on a fair and open competition basis in accordance with applicable procurement requirements. To document the process, grant recipient must:

- Document bid solicitations
- Document information and notes of the pre-bid conference, including list of firms/individuals who picked up bid packages, questions received from bidders with agency response, and amendments to bidding documents (if any),
- Maintain a record of the bid opening which includes bids received, list of firms/individuals who filed bids, bid amount, responsive and non-responsive bidders
- Document responsive bidders' reference checks, copies of non-collusive affidavits and staff memos recommending selection and contract award and the official action awarding contracts

Subcontracts must include provisions that certify contractor/subcontractor will adhere to all of the requirements of the grant recipient's written agreement. Executed copies of all subcontracts shall be forwarded to GA along with documentation concerning the selection process.

#### **9.6.1 Debarment**

Federal funds may not benefit parties excluded from participation through debarment. Prior to recommending the award of, or awarding a contract that is federally-assisted, the grant recipient or contractor's company name (or DUNS Number) or all individuals named as owners should be verified against the federal debarment list, known as the System for Award Management (SAM). This database is available online at [www.sam.gov](http://www.sam.gov) and is maintained by the U.S. General Services Administration. There are several search methods available at this site to facilitate searches with various combinations of data. In addition, all proposed subcontractors and sub-tier contractors, if applicable, must be verified on SAM in the same manner as the grant recipient or prime contractor. (2 CFR Part 24.24)

#### **9.6.2 Conflict of Interest**

Contractors that apply or bid for an award of \$100,000 or more must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in



# City of Tulsa

## Grants Administration (GA) Policies

connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award.

### **9.7 Cross-Cutting Requirements**

All grant recipients and contractors or subcontractors involved in construction or the rehabilitation of housing (including reduction of lead-based paint hazards) or other public construction or infrastructure projects must comply with the following cross-cutting requirements:

#### **9.7.1 Civil Rights**

All grant recipients must comply with the following:

- Non-discrimination in employment and contracting opportunities laws, regulations and executive orders referenced in 24 CFR 570.607 (CDBG), as revised by Executive Order 13279
- Local and State Civil Rights laws and ordinances
- Title VI of the Civil Rights Act of 1964 as amended
- Title VIII of the Civil Rights Acts of 1968 as amended
- Section 104(b) and Section 109 of Title I of the Housing and Community Development Act of 1974 as amended
- Section 504 of the Rehabilitation Act of 1973
- The Americans with Disabilities Act of 1990
- The Age Discrimination Act of 1975
- Executive Order 11063
- Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086

#### **9.7.2 Affirmative Action**

The City of Tulsa and all grant-funded operations and activities are conducted to provide equal opportunities without regard to race, color, religion, sex, disability, familial or family status, national origin, sexual orientation, marital status, lawful source of income, age, ancestry, or any other class or status protected by law in the State of Oklahoma and conform to the City's Affirmative Action Plan. It is the policy of the City to prohibit discrimination and to ensure that persons who contract with the City do not practice illegal discrimination.

- If agency is subject to Executive Order 11246 of September 24, 1965, a written plan for an Affirmative Action Program must be submitted to GA.
- A grant recipient must be and state that it is an Equal Opportunity or Affirmative Action employer.
- When contracting, all grant recipients must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, (M/WBE) and labor surplus area firms are used whenever possible as required by 2 CFR 200.321.
- A representative from the Human Rights Department and/or a GA Monitor must attend all pre-bid conferences for construction funded by CDBG and HOME grants. At that time, contracting with minority firms is emphasized.
- Documentation is required to verify advertising and outreach is conducted. Year-end reports and/or project close-out activities required reporting on the use of M/WBE contractors.

#### **9.7.3 Employment Restrictions**

All grant recipients:

- Are prohibited from using personnel or grant funds for political activities; inherently religious activities; lobbying (2 CFR 200.450); political patronage; or nepotism activities.

# City of Tulsa

## Grants Administration (GA) Policies

- Must provide a drug-free workplace in accordance with the Drug-Free Workplace Act of 1988.

### 9.7.4 Lobbying

With an award of \$100,000 or more, grant recipient shall complete, and require any contractors or subcontractors to complete, a Lobbying Certification form.

If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with its Federal grant, grant recipient or contractor or subcontractor must complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying."

### 9.8 Physical Project Requirements

Grant recipient shall comply and cause each of its own contractors or subcontractors to comply with all of the appropriate cross-cutting federal requirements listed below that apply to projects involving the construction or rehabilitation of housing (including reduction of lead-based paint hazards), or other public construction or infrastructure.

#### 9.8.1 Housing Quality Standards

All new construction or housing rehabilitation work includes, at a minimum, one inspection before and one inspection after the work is complete. Grant recipients are required to notify GA before any work commences and at other required intervals throughout the process. No reimbursements can be issued to recipients until a final inspection has been conducted. Work standards are based on the following:

- City of Tulsa building codes or standard work practices for each trade discipline
- City of Tulsa rehabilitation standards
- WIN Department Contractor Guidelines for homeowner rehabilitation projects

#### 9.8.2 Davis Bacon and Labor Standards

The Davis-Bacon and Related Acts, apply to public agencies, city departments, contractors and subcontractors performing on federally funded or assisted contracts in excess of \$2,000 for the construction, alteration, or repair (including painting and decorating) of public buildings or public works. (See Chapter 9 - Procedures and Forms: *HUD Construction Checklist and Matrix*) For HOME grants, labor standards provisions apply to any contract for the construction of 12 or more HOME-assisted units. For CDBG grants, the standards apply to the rehabilitation of residential property if such property contains 8 or more units."

General wage decisions shall be locked in on the date bids are opened provided that the contract is awarded within 90 days after bid opening. If the contract is awarded more than 90 days after bid opening, a general wage decision must be updated as of the date of award unless an extension is obtained. If the wrong wage decision or no wage decision was included in the contract specifications, the contract shall either be terminated and resolicited with the correct wage decision, or the correct wage decision shall be incorporated into the existing contract through a supplemental agreement, amendment, or change order and the contractor shall be compensated for any increases in wages resulting from such change.

Under the Davis-Bacon Act and Related Act laborers and mechanics employed under the contract must be paid no less than the locally prevailing wages and fringe benefits for corresponding work on similar projects in the area. The Copeland "Anti-Kickback" Act prohibits contractors from in any way inducing an employee to give up any part of the compensation to which he or she is entitled under his or her contract of employment.

## City of Tulsa Grants Administration (GA) Policies

Contractors and subcontractors are required to pay covered workers weekly and submit the original weekly certified payroll records to the City of Tulsa. They are also required to post the applicable Davis-Bacon wage determination with the Davis-Bacon poster (WH-1321) on the job site in a prominent and accessible place where they can be easily seen by the workers.

For prime contracts in excess of \$100,000, contractors and subcontractors must also, under the provisions of the Contract Work Hours and Safety Standards Act, as amended, pay laborers and mechanics, including guards and watchmen, at least one and one-half times their regular rate of pay for all hours worked over 40 in a workweek. No laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous.

### 9.8.3 Section 3

Under Section 3 of the HUD Act of 1968, wherever HUD financial assistance is expended for housing or community development, to the greatest extent feasible, economic opportunities will be given to Section 3 residents and businesses in that area. Section 3 applies to the City of Tulsa and all City Departments utilizing HUD funds since the City is a recipient of Housing and/or Community Development Assistance exceeding \$200,000. Section 3 then covers all expenditures for any activity that involves housing construction, housing rehabilitation, and other public construction contracts and subcontracts when the contract or subcontract is \$100,000 or more. All grant recipients, contractors or subcontractors shall incorporate the *Section 3 Clause* into all construction or housing rehabilitation agreements and contracts of \$100,000 or more on Section 3-covered projects.

City of Tulsa Departments and any agencies receiving subawards which utilize HUD funds are subject to Section 3 compliance (even if receiving less than \$100,000). Funds contracted out by City Departments or by other HUD grant recipient agencies to contractors or subcontractors in excess of \$100,000 are also subject to Section 3 compliance. Those projects for construction, housing rehabilitation, or public construction projects subcontracted out by City Departments or other agencies not individually in excess of \$100,000 are not subject to Section 3.

The City requires all contractors and subcontractors (at any amount) of rental development projects to comply with Section 3 requirements.

**Section 3 residents** are public housing residents or low and very-low income persons who live in the metropolitan area where a HUD-assisted project is located.

**Section 3 businesses** are those businesses that are at least 51 percent or more owned by Section 3 residents; whose permanent, full-time employees include persons, at least 30 percent of whom are currently Section 3 residents, or within three years of the date of first employment with the business concern were Section 3 residents; or that provide evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontracts to be awarded to a Section 3 business concern.

In compliance with federal grant regulations, all grant recipients, contractors and subcontractors are encouraged to employ low and moderate income individuals whenever practicable. To ensure inclusion to the maximum extent possible, the following practices are in place in relation to housing construction, housing rehabilitation and other public construction projects:

- Request for Proposal (RFP) applications require applicants to describe how they will conduct outreach and marketing regarding employment of very low and low income individuals and/or businesses owned by or that employ very low and low-income individuals.

# City of Tulsa

## Grants Administration (GA) Policies

- Written agreements include the following reporting requirements:
  - Actions taken to comply with the employment and training requirements of Section 3
  - Results of actions and impediments encountered

Records of job vacancies and other documentation to comply with the regulations of Section 3

### **9.9 Environmental Conditions**

Grant recipients must comply with the following requirements insofar as they apply to the performance of their Agreement.

#### **9.9.1 Air and Water**

Grants and subgrants of amounts in excess of \$150,000 must contain a provision that requires the awardee to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401–7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251–1387) as amended.

#### **9.9.2 Energy**

Mandatory standards and policies relating to energy efficiency are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 U.S.C. 6201).

#### **9.9.3 Lead-Based Paint (LBP)**

All rehabilitation projects must adhere to HUD’s consolidated lead-based paint regulations at 24 CFR Part 35 and take specific actions when addressing lead-based paint. Lead-based paint activity thresholds are based on the lesser of the per unit rehabilitation hard costs (excluding lead-based paint work) or the total amount of Federal assistance in a project.

- When this amount is less than \$5,000 per unit, grant recipients must conduct mild lead hazard evaluation and lead hazard reduction.
- When this amount is between \$5,000 and \$25,000 per unit, grant recipients must “identify and control lead hazards.” That is, the jurisdiction must conduct a moderate level of lead hazard evaluation and lead hazard reduction.
- When this amount is greater than \$25,000 per unit, a jurisdiction must “identify and abate lead hazards.” That is, the jurisdiction must undertake the highest level of lead hazard evaluation and lead hazard reduction.

A certified LBP risk assessor must perform the LBP assessment and provide detailed reports. Contractors must follow the required remediation/abatement procedures outlined in the LBP assessment report and a certified LBP contractor must perform the abatement/remediation work. Clearance tests are performed to ensure the lead-based paint remediation/abatement work was completed. Notification and disclosure requirements apply to each level of lead hazard reduction.

Any individuals receiving HUD down-payment assistance for housing purchases must be given an EPA-approved information pamphlet on identifying and controlling lead-based paint hazards ("Protect Your Family From Lead In Your Home" pamphlet).

#### **9.9.4 Historic Preservation**

Historic preservation involves rehabilitating structures that are determined to be “historic.” Grant applicants or recipients that are considering undertaking historic preservation must work closely with the

# City of Tulsa

## Grants Administration (GA) Policies

local and historic preservation office. These offices have rules and requirements related to the type of work that may be undertaken on an historic structure.

### **9.10 Land and Assets**

For projects that involve the acquisition of real property or other assets, the following standards apply.

#### **9.10.1 Assets**

In any case in which equipment acquired, in whole or in part, with HUD funds is sold, the proceeds shall be program income (prorated to reflect the extent to which funds received were used to acquire the equipment). Equipment not needed by the grant recipient for activities shall be (a) transferred to the City for the program or (b) retained after compensating the City an amount equal to the current fair market value of the equipment less the percentage of non-program funds used to acquire the equipment.

#### **9.10.2 Real Property Acquisition**

Properties identified for purchase and rehabilitation may be located inside the target areas defined in the City's Consolidated Plan. Properties or land identified for new construction must be located outside the target areas defined in the Plan, unless they will be constructed for special populations. In either case, they should be marketable to homebuyers or renters, and their development should help contribute to overall neighborhood stabilization. When the goal is to produce rental housing—either single-family or multifamily—choose housing or sites that are accessible, near public transportation, stores, employment, services, good schools (if family housing) etc. Access to public transportation is particularly important for tenants with incomes under 50% of median income.

For projects that include the acquisition of either land or structures, the City follows the HUD regulations that allow entities to enter into an option-to-buy agreement contingent upon the completion of the appropriate HUD Environmental Review. Before any option-to-buy is signed, GA requires the grant recipient to perform a preliminary walk-through of the site/facility to determine the likelihood of any environmental issues. Grant recipients are also advised to use non-federal revenue sources for the earnest deposit if one is required. City of Tulsa will not use HUD funds for the acquisition of any property located in the flood plain.

All occupied property purchased, even if a property was acquired prior to award or receipt of Federal funds, if it was acquired with the intent to use Federal funds for any part of the project, such as construction or rehabilitation activities, the project is subject to the Uniform Relocation Assistance (URA) and Section 104(d). The URA requirements apply to permanent easements and to any acquisition of real property where there is Federal financial assistance involved in any part of the project costs.

#### **9.10.3 Uniform Relocation Assistance (URA)**

At the point an application is submitted for federal funding, an applicant considering an acquisition must issue a General Information Notice (GIN) (49 CFR 24.203(a)) to all occupants of the property.

Many HUD projects can involve both persons who are actually displaced and persons who are not displaced. In most programs, if the tenant-occupant of a dwelling moves permanently from the property after submission of an application for HUD financial assistance, and the grant applicant fails to issue a GIN, the tenant will be presumed to qualify as a "displaced person." To minimize such unintended displacements, HUD policy considers all occupants within a proposed HUD-assisted project involving acquisition, rehabilitation or demolition as scheduled to be displaced for purposes of issuing a GIN.

Applicants considering an acquisition of an occupied property that involves relocations must estimate all the costs of the relocations in its application budget and must review and follow the steps in HUD's **Tenant Assistance, Relocation and Real Property Acquisition Handbook (1378.0) Handbook**.

## City of Tulsa Grants Administration (GA) Policies

As soon as an Agency has identified properties that it might be interested in acquiring for a HUD funded project, the Agency needs to notify the owner(s) in writing of its interest in acquiring the property and the basic protections applicable under the URA. This may include acquisitions made before an application for HUD financial assistance, if the Agency anticipates receiving such assistance for the project. If the Agency does not wish to trigger a person's eligibility for relocation assistance at the time of this notice, it should ensure that the notice is not confused with a Notice of Intent to Acquire (which is specifically used to establish relocation eligibility prior to Initiation of Negotiations (ION)). While the Notice to Owner merely informs the property owner of the Agency's interest in acquiring the property, the Notice of Intent to Acquire is a commitment. A Notice to Owner is required for all acquisitions where there is HUD financial assistance in any part of the project costs, except acquisitions meeting the requirements of 49 CFR 24.101(b)(1) or (2).

The Initiation of Negotiations date serves as a milestone in determining a person's eligibility for relocation assistance, including moving costs and a replacement housing payment. The ION date is the trigger for issuance of the General Information Notice of Eligibility for Relocation Assistance or General Information Notice of Nondisplacement. After ION, any applicant who seeks to rent in the project must be issued a Move-in Notice before executing a lease, otherwise, the project will incur liability for relocation costs if the applicants are found to be eligible as displaced persons.

### **9.10.4 Section 104(d) Relocation**

Section 104(d) relocation assistance payments must be made available when a CDBG or HOME-assisted activity has direct impact on a property, causing the displacement of lower-income residents as a direct result of demolition of housing or conversion of a lower-income dwelling. Additionally, all occupied and vacant occupiable lower-income dwelling units that are demolished or converted to a use other than lower-income housing as a direct result of a CDBG or HOME-assisted activity are subject to a one-for-one replacement requirement.

The relocation assistance and payments for eligible persons under Section 104(d) are similar to those required for the URA but there are a number of differences. One significant difference between the laws is the period of time used to calculate a rental assistance payment; Section 104(d) uses 60 months vs. 42 months for the URA. Section 104(d)-eligible displaced persons may also choose to receive relocation assistance under Section 104(d) or relocation assistance under the URA.

Anytime a structure is converted from permanent housing, whether owner or tenant occupied, to temporary or transitional housing, it is considered a public facility and the units must be replaced. The use of CDBG funds for certain infrastructure (i.e., public improvements), administrative costs, or planning activities which have no physical impact on property causing displacement of persons or demolition or conversion of housing is not subject to the section 104(d) requirements. This almost always refers to funding isolated activities that merely stimulate renovation, such as: street widening, paving, installing street lights, installing or upgrading water and sewer lines, general planning and administrative activities (e.g., salaries and related expenses).

### **9.10.5 City of Tulsa Residential Antidisplacement and Relocation Assistance Plan (RARAP)**

Pursuant to the Housing and Community Development Act of 1974, as amended (HCD Act), the City of Tulsa developed the following plan for HUD funded projects either by the City or by grant recipients.

# City of Tulsa

## Grants Administration (GA) Policies

### **Minimizing Displacement**

Consistent with the goals and objectives of activities assisted under the Act, the City of Tulsa will take the following steps to minimize the direct and indirect displacement of persons from their homes:

- Coordinate code enforcement with rehabilitation and housing assistance programs.
- Evaluate housing codes and rehabilitation standards in reinvestment areas to prevent undue financial burden on established owners and tenants.
- Stage rehabilitation of apartment units to allow tenants to remain in the building/complex during and after the rehabilitation, working with empty units first.
- Arrange for facilities to house persons who must be relocated temporarily during rehabilitation.
- Adopt policies to identify and mitigate displacement resulting from intensive public investment in neighborhoods.
- Adopt policies which provide reasonable protections for tenants faced with conversion to a condominium or cooperative.
- Establish counseling centers to provide homeowners and tenants with information on assistance available to help them remain in their neighborhood in the face of revitalization pressures.
- Where feasible, give priority to rehabilitation of housing, as opposed to demolition, to avoid displacement.
- If feasible, demolish or convert only dwelling units that are not occupied or vacant occupiable dwelling units (especially those units which are “lower-income dwelling units” (as defined in 24 CFR 42.305).
- Target only those properties deemed essential to the need or success of the project.

### **Relocation Assistance to Displaced Persons**

City of Tulsa will provide relocation assistance for lower-income tenants who, in connection with an activity assisted under the [CDBG and/or HOME] Program[s], move permanently or move personal property from real property as a direct result of the demolition of any dwelling unit or the conversion of a lower-income dwelling unit in accordance with the requirements of 24 CFR 42.350. A displaced person who is not a lower-income tenant, will be provided relocation assistance in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 42 CFR Part 24.

### **Appeal Process:**

Any tenants and owners displaced from their residences as a consequence of a CDBG or HOME assisted activity has a right to appeal if the person believes that the City of Tulsa has failed to properly consider the person's application for assistance under this part. Such assistance may include, but is not limited to, the person's eligibility for, or the amount of, a payment required under §24.106 or §24.107, or a relocation payment required under this part.

#### Appeal Process

1. Appeal must be in writing within 60 days after receiving the determination on the person's claim and address to:  
City of Tulsa  
Capital Planning and Grants Administration Manager  
175 East 2nd Street Suite 480  
Tulsa Ok 74103
2. A person has a right to be represented by legal counsel or other representative in connection with his or her appeal, but solely at the person's own expense
3. City of Tulsa - Grants Administration shall permit a person to inspect and copy all materials pertinent to his or her appeal, except materials which are classified as confidential by City of

## City of Tulsa Grants Administration (GA) Policies

- Tulsa - Grants Administration. City of Tulsa - Grants Administration may, however, impose reasonable conditions on the person's right to inspect, consistent with applicable laws.
4. City of Tulsa - Grants Administration shall consider all pertinent justification and other material submitted by the person, and all other available information that is needed to ensure a fair and full review of the appeal.
  5. Promptly after receipt of all information submitted by a person in support of an appeal, City of Tulsa - Grants Administration shall make a written determination on the appeal, including an explanation of the basis on which the decision was made, and furnish the person a copy. If the full relief requested is not granted, City of Tulsa - Grants Administration shall advise the person of his or her right to seek judicial review of City of Tulsa - Grants Administration decision.
  6. City of Tulsa - Grants Administration official conducting the review of the appeal shall be either the head of City of Tulsa - Grants Administration or his or her authorized designee. However, the official shall not have been directly involved in the action appealed.

### **One-for-One Replacement of Lower-Income Dwelling Units**

The City of Tulsa will replace all occupied and vacant occupiable lower-income dwelling units demolished or converted to a use other than lower-income housing in connection with a project assisted with funds provided under the [CDBG and/or HOME] Program[s] in accordance with 24 CFR 42.375.

Before entering into a contract committing City of Tulsa to provide funds for a project that will directly result in demolition or conversion of lower-income dwelling units, City of Tulsa –Grants Administration will make public by placing an ad in the City’s official newspaper and submit to HUD the following information in writing:

1. A description of the proposed assisted project;
2. The address, number of bedrooms, and location on a map of lower-income dwelling units that will be demolished or converted to a use other than as lower- income dwelling units as a result of an assisted project;
3. A time schedule for the commencement and completion of the demolition or conversion;
4. To the extent known, the address, number of lower-income dwelling units by size (number of bedrooms) and location on a map of the replacement lower-income housing that has been or will be provided. NOTE: See also 24 CFR 42.375(d).
5. The source of funding and a time schedule for the provision of the replacement dwelling units;
6. The basis for concluding that each replacement dwelling unit will remain a lower-income dwelling unit for at least 10 years from the date of initial occupancy; and
7. Information demonstrating that any proposed replacement of lower-income dwelling units with smaller dwelling units (e.g., a 2-bedroom unit with two 1-bedroom units), or any proposed replacement of efficiency or single-room occupancy (SRO) units with units of a different size, is appropriate and consistent with the housing needs and priorities identified in the HUD-approved Consolidated Plan and 24 CFR 42.375(b).

To the extent that the specific location of the replacement dwelling units and other data in items 4 through 7 are not available at the time of the general submission, City of Tulsa will identify the general location of such dwelling units on a map and complete the disclosure and submission requirements as soon as the specific data is available.

### **Replacement not Required Based on Unit Availability**

Under 24 CFR 42.375(d), the City of Tulsa may submit a request to HUD for a determination that the one-for-one replacement requirement does not apply based on objective data that there is an adequate



# City of Tulsa

## Grants Administration (GA) Policies

supply of vacant lower-income dwelling units in standard condition available on a non-discriminatory basis within the area.

### Definitions

**Lower-income affordable unit** is a unit having a market rent, including utility costs paid by the occupant, which does not exceed the applicable Fair Market Rent (FMR) for existing housing and moderate rehabilitation as established under the Section 8 existing housing program. An analysis must be completed to determine the market rent for each affected property. This provision pertains to all rental and non-rental residential properties.

**Occupied dwelling unit** is a unit that is lawfully occupied

**Vacant occupiable dwelling unit** is:

1. A dwelling unit which meets Section 8 Housing Quality Standards (HQS) (regardless of how long it has been vacant); or
2. A vacant unit that is in substandard condition that is suitable for rehabilitation (regardless of how long it has been vacant); or
3. A dilapidated unit, not suitable for rehabilitation which has been occupied (except by squatters) within three months before the execution of the agreement leading to demolition between the funds recipient and the property owner.

**Lower-income household** is a household where total income does not exceed the Section 8 lower income limit (80% of area median) as established by HUD.

**Standard condition** dwelling unit is a unit which meets HUD Section 8 HQS with no major defects in the structure and only minor maintenance is required. Such a dwelling will have the following characteristics: reliable roofs, sound foundations, adequate and stable floors, walls and ceilings, surfaces and woodwork that are not seriously damaged nor have pain deterioration, sound windows and doors, adequate heating, plumbing and electrical systems adequate insulation, and adequate water and sewer systems, and not overcrowded (defined in City of Tulsa Ordinance Title 55).

**Substandard condition dwelling unit** is a unit that does not meet HUD Section 8 HQS which includes lacking the following: complete plumbing, complete kitchen facilities, efficient and environmentally sound sewage removal and water supply, and heating source. In addition, the dwelling may be overcrowded (defined in City of Tulsa Ordinance Title 55).

**Substandard, but suitable for rehabilitation condition dwelling unit**, at a minimum, is a dwelling unit that does not meet HQS with some of the same features as a “substandard condition” dwelling unit. This unit is likely to have deferred maintenance and may have some structural damage such as a leaking roof, deteriorated interior surfaces, and inadequate insulation. A “substandard but suitable” dwelling unit however, has basic infrastructure (including systems for clean water and adequate waste disposal) that allows for economically and physically feasible improvements and upon completion of rehabilitation meets the definition of a “standard” dwelling unit. This unit must also be within a \$25,000 estimate for the complete rehab in order to qualify for the City of Tulsa’s Housing Rehab Program.

### Contacts

The Working in Neighborhoods Department Director is responsible for tracking the replacement of lower income dwelling units and ensuring that they are provided within the required period.

## City of Tulsa Grants Administration (GA) Policies

The Working in Neighborhoods Department Director is responsible for providing relocation payments and other relocation assistance to any lower-income person displaced by the demolition of any dwelling unit or the conversion of lower-income dwelling units to another use.

### **9.11 Documentation and Record Keeping**

Grant recipients shall, whenever practicable, collect, transmit, and store Federal award-related information in open and machine readable formats rather than in closed formats or on paper. Records to be maintained include, but may not be limited to:

- Records providing a full description of each activity
- Records required for determining the eligibility of activities
- Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with program assistance, as applicable;
- Records documenting compliance with the fair housing and equal opportunity components of the programs;
- Financial records as required by CFR 200.333
- Other records necessary to document compliance

#### **9.11.1 Period of Retention**

Grant recipients shall, at a minimum, retain all financial records, supporting documents, statistical records, and all other records pertinent to their Grant Agreement for a retention period of four (4) years except where 2 CFR 200.333 requires a longer period. The retention period begins on the date of the submission of the City's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported on for the final time. HOME grant recipients should refer to the recordkeeping requirements listed in 24 CFR 92.508 as some records are required to be retained until five years after the affordability period terminates.

#### **9.11.2 Access to Records**

All records with respect to any matters covered by a Grant Agreement shall be made available to the Grantee, grantor agency, and the Comptroller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data.

# City of Tulsa Grants Administration (GA) Policies

## Chapter 10: Monitoring

### 10.1 Purpose

The purpose of monitoring is to develop an efficient and effective tool for avoiding problems and improving grant recipient's performance and to ensure compliance.

GA monitoring activities include, but are not limited to:

- Ensuring compliance with federal, state, and local laws and regulations and written agreement requirements
- Ensuring timely expenditure of grant funds and timely closeout of projects
- Tracking program/project performance
- Identifying necessary technical assistance

Monitoring is directed toward the following areas:

- **Program Performance** – Overall evaluation of grant recipient's structure, operations, management, efficiency, effectiveness, and compliance.
- **Financial Performance** – Determination that expenditure of allocated funds are made in accordance with written agreement requirements, systems are in place to properly document financial transactions, proper recordkeeping methods are in place, timeliness of expenditures and management of finances comply with established regulations.
- **Project Performance** – Compliance with federal and state regulations and written agreement requirements.

The monitoring process emphasizes positive feedback in addition to pointing out areas that need improvement. A dialogue process with grant recipients is encouraged so that GA staff develops an understanding of each grant recipient's perspective and establishes good communications.

Fiscal Compliance Staff and Grants Compliance Monitors may meet with grant recipients prior to written agreement execution. Meetings held with grant recipients, either in a group setting or individually help establish expectations for compliance with the written agreement requirements. Procedures for completing the required reporting are also reviewed.

### 10.2 Monitoring Plan/Schedule

An on-site monitoring schedule is prepared yearly using a risk analysis process that includes an examination of past performance and other criteria. A Risk Assessment Tool is used which provides a factor rating to determine which projects or agencies pose the highest risk. Agencies not monitored in several years may also be selected even if their risk factor is not high. Agencies having never received HUD funds may also be selected for a "wellness" visit to identify any potential risks and to offer technical assistance. HOME projects that are required by regulation to be monitored for multiple years are not required to have a Risk Assessment, but are also included on the yearly schedule. The Risk Assessment Tool includes the following categories to determine the amount of risk each project may have:

1. Recent Problems/Compliance Issues
2. Program/Project Specific Factors
3. Program Performance/Local Capacity
4. Program/Project Complexity

# City of Tulsa

## Grants Administration (GA) Policies

Projects that rate highly on the assessment tool will be prioritized for an on-site monitoring visit during the program year. Projects that do not receive a high risk rating may have an on-site monitoring at the discretion of GA management. Follow-up visits may be made, as necessary, based on findings during the initial visit.

Once the monitoring schedule is established, GA Compliance Monitors notify grant recipients of proposed dates for an on-site monitoring visit. GA Monitors may modify these dates to accommodate the Compliance Monitor's workload or grant recipient's schedule, if needed. On-site visits will generally be conducted by two staff members.

Due to time constraints, it is unlikely that all projects and/or grant recipients will have an on-site monitoring visit every year; however, GA maintains a close relationship with agencies and performs an on-going desk review of every project.

New grant recipients may receive a "wellness" visit during the first year of grant funding. During this on-site visit, GA staff will provide technical assistance that may include, but is not limited to:

- Regulatory programmatic requirements;
- Financial management systems requirements;
- Reporting and records maintenance requirements; and/or
- Grant recipient policies and procedures.

Wellness visits will identify any areas of risk which could lead to findings; however, no findings will be written up during a wellness visit. Once the risk has been reported to the grant recipient with identified corrective actions and technical assistance, a formal monitoring visit identifying findings may be required if deficiencies are not corrected.

### **10.3 Desk Monitoring Process**

The Monitor performs a desk monitoring of project compliance on a quarterly basis, at minimum, as outlined below.

#### **10.3.1 File Review and Documentation**

GA performs year-round desk review to verify that the grant recipient is operating in accordance with the written agreement and applicable laws and regulations, as well as to ensure that the project file contains all of the required documentation. File documentation may be retained as a hard copy, electronic copy or both. Each hard copy file will contain a "File Index" checklist that identifies the documents and location within the file.

Desk monitoring is conducted to review the following:

1. Program/Activity Reports – GA reviews monthly or quarterly reports which recipients are required to submit. The review ensures the report is correct, complete, and in accordance with the requirements outlined in the written agreement including stated performance measures. These reports verify that the agency's project is proceeding as planned. GA, in some cases, may request source documentation to substantiate reports. Problems or concerns are addressed either through technical assistance, or on-site monitoring.

## City of Tulsa Grants Administration (GA) Policies

2. Request for Funds – GA reviews requests for funds for compliance with the most current applicable OMB Circular requirements and for eligibility under the program regulations. Requests must be accompanied by supporting documentation for all charges. Examples of documentation may include:

- Timesheets and payroll records for wages and fringe charges
- Itemized receipts of items purchased
- General Ledger reports to verify expenditures were paid or properly accrued
- Budget vs. Expenditure rates
- Bank statements

3. Single Audits – Public agencies or non-profit organizations that expend \$750,000 or more in Federal funds during the fiscal year must have an independent audit performed, consistent with the Single Audit Act of 1984. These audits should be performed by an Independent Public Accountant (IPA) or Certified Public Accountant (CPA) and in accordance with Generally Accepted Accounting Principles (GAAP).

If a Single Audit is required for an agency, the audit report is due to the City within thirty (30) days after the grant recipient receives the audit report or nine (9) months after the end of the fiscal year end date, whichever comes first.

**See:** Procedure for Single Audits for required documentation.

### 10.4 On-Site Monitoring Activities

#### 10.4.1 Pre-Monitoring

##### Grant Recipient Notification

1. GA develops the annual monitoring schedule and notifies the grant recipient that an on-site visit will be conducted.
2. Monitor contacts the grant recipient at least 14 working days prior to the proposed date to verify the date for the on-site visit.
3. Monitor sends a **Notification Letter** at least 10 working days prior to the on-site visit that includes:
  - Confirmation of date, time, and duration of visit
  - Description of the information that will be reviewed during the visit
  - Time period the review will cover
  - Office space needed during visit
  - HUD GA Monitoring Tools that will be used in the monitoring process
  - Which staff members need to be available during the visit (Executive Director, Project Manager, Board Chair, other staff as appropriate)
  - List of documents needed for pre-monitoring desk review and on-site review

##### Desk Review

GA staff will review documents requested in the notification letter in advance of the monitoring visit which may include:

## City of Tulsa Grants Administration (GA) Policies

- List of program participants or other program records
- Written Accounting Policies and Procedures
- Chart of Accounts (applicable to HUD funded project)
- General Ledger
- Payable and Receivable Ledgers
- Cash Receipts and Disbursements Journals
- Most recent A-133 audit or audited financials, if applicable and not already provided

### 10.4.2 On-Site Process:

1. Entrance Conference: An entrance conference is held at the beginning of the monitoring visit with key representatives of the grant recipient's organization to ensure there is a clear understanding of the purpose, scope and schedule of the monitoring visit.
2. Documentation, data gathering and analysis: GA will use HUD guidelines as monitoring tools, the written agreement and information from pre-monitoring as a guide for what needs to be monitored. The information gathered will serve as the basis for conclusions to be included in the monitoring letter.
3. Personally Identifiable Information: When reviewing client files as part of the monitoring process, GA staff will keep all personally identifiable information confidential. Staff will not leave files unattended. Whenever possible, all electronic data should use unique codes for participant data rather than client names when transmitted to or from GA. Under no circumstances should any participant's social security numbers be transmitted electronically.

### 10.4.3 Post-Monitoring Activities

**Exit Conference:** An exit conference will be scheduled no later than ten (10) working days after the on-site visit with key grant recipient representatives to:

- Present preliminary results of the monitoring visit
- Provide opportunity for grant recipient to respond to potential non-compliance or possible deficiencies
- Secure additional information from grant recipient to clarify/support their position
- Allow grant recipient to report any steps in progress to correct any deficiencies

Exit notes will be provided to the grant recipient at least one business day before the scheduled exit conference.

The grant recipient will be informed during the exit conference that additional documentation regarding any unresolved issues may be submitted to GA within fifteen (15) calendar days from the date of the conference. The documentation will be reviewed by the monitor and may help to resolve any issues before the Initial Determination Letter is sent.

# City of Tulsa

## Grants Administration (GA) Policies

### **10.5 Monitoring Correspondence**

All monitoring letters must be reviewed, approved, and signed by GA Management before being sent to the grant recipient. All correspondence becomes a permanent, written record in the grant recipient's project file and in GA's Monitoring Folder in the year the monitoring was performed.

- Initial Determination Letters will contain a listing of findings and/or concerns. Findings will be qualified by outlining the condition, criteria, cause, effect and corrective action. Listed Concerns will also outline the condition, criteria, cause, effect and a recommended course of action. Initial Determination Letters will be sent to grant recipients no later than forty-five (45) calendar days after the Exit Conference. This letter will request a response from the grant recipient within thirty (30) calendar days. A request for an extension from the grant recipient must be submitted in writing prior to the response deadline stated in the Initial Determination Letter. In general, no more than one (1) thirty (30) day extension will be granted.
- If no findings are present, a Final Determination Letter will be sent no later than ten (10) calendar days after the Exit Conference.
- If findings or concerns have been identified, the grant recipient will have 30 days in which to submit correction action documentation.
- Final Determination Letters will restate the findings and concerns from the Initial Determination Letter and will identify whether the finding or concern is considered closed or open depending on the response and documentation received from the grant recipient. Final Determination Letters will be sent no later than thirty (30) calendar days after receipt of the response to the Initial Determination Letter from the grant recipient. If no response to the Initial Determination Letter is received before the deadline, one follow-up reminder will be sent to the grant recipient on or before the due date. A Final Determination Letter will be sent no later than five (5) business days from the date the response was due to GA.
- A Final Determination Letter with open findings will remind the agency that until the findings are resolved it may be ineligible to apply for future HUD funding or that its existing written agreement may be terminated.

### **10.6 Follow-Up Activities**

GA staff will follow-up and work with grant recipients on any Concerns and Findings documented in the Initial Determination Letter to help resolve the identified issues. Monitors work closely with recipients to correct compliance issues so that findings may be closed. Technical assistance is provided, within reason, when needed.

### **10.7 Repayment of Funds**

If findings identify questioned costs that are subsequently disallowed during the monitoring process, GA shall require the grant recipient to repay the disallowed cost or submit an installment plan in writing within sixty (60) days of receipt of the notice of disallowance. If the grant recipient does not agree to repay the disallowed costs in a lump sum payment by the date specified, or begin and continue repayment under an installment plan approved by GA, appropriate action, such as suspension of any current or future written agreement payments, referral to City legal for further actions, or any other appropriate actions necessary, could be taken to recover the disallowed costs. GA will work with both the grant recipient and HUD to resolve any issues in dispute prior to taking legal action.

City of Tulsa  
Finance Department  
Grants Administration (GA)

## Chapter 11 - Grievances and Appeals

The City of Tulsa treats subrecipients, partners, and the public interested or involved with the programs it manages fairly and consistently. In the event a person believes they have been treated unfairly or inconsistently, the following process is in place to grieve the situation.

### 11.1 Grievances

All grievances must be submitted in writing within ten (10) calendar days from the date the alleged discrimination or unjust/unfair treatment occurred. Grievances will receive a response within ten (10) working days from the receipt of the written grievance. Two types of grievances may be filed as stated below.

1. For matters related to discrimination regarding race, color, sex, age, religion, political beliefs, national origin, ancestry, age, or disability, submit grievance in writing by one of the following methods:

**By Mail:**

Human Rights Department  
City of Tulsa  
175 E Second Street, 6<sup>th</sup> Floor  
Tulsa, Oklahoma 74103

**By Email:** [HumanRightsRec@cityoftulsa.org](mailto:HumanRightsRec@cityoftulsa.org)

**By Fax:** 918-596-7826

2. For matters related to unjust/unfair treatment regarding the oversight/administration of grant programs, submit grievance in writing to:

**By Mail:**

Department of Finance  
Attn: Finance Director  
City of Tulsa  
175 E Second Street, 15<sup>th</sup> Floor  
Tulsa, Oklahoma 74103

### 11.2 Appeals

The appeal process to a grant related grievance shall follow Tulsa Revised Ordinance Title 12, Chapter 8 – U.S. Department of Housing and Urban Development Grants. These appeals cover any person or organization aggrieved, where it is alleged there is an error in any order, requirement, decision, determination, or action made by the city official or employee in the allocation, disbursement, accounting, or payment of funds to an applicant awarded funds.

**By Mail:**

Hearing Officer  
City of Tulsa  
Court Administration  
600 Civic Center  
Tulsa, OK 74103



City of Tulsa  
Finance Department  
Grants Administration (GA)

An appeal to the City Council may be taken by any person or organization aggrieved where it is alleged there is an error in any order, requirement, decision or determination made by the Hearing Officer.

To appeal, a Notice of Appeal shall be taken within ten (10) days from the date of the issuance of the notice of the decision of the Hearing Officer. Said Notice of Appeal shall specify the name and mailing address of the Appellant and specify the grounds thereof and be delivered to:

**By Mail:**  
City Clerk  
City of Tulsa  
City Hall  
175 East 2<sup>nd</sup> Street, Suite 260  
Tulsa, OK 74103

# City of Tulsa

## Grants Administration (GA) Policies

### Chapter 12 - Integrated Disbursement and Information System (IDIS)

#### 12.1 General Information

The Integrated Disbursement and Information System (IDIS) online system is a required reporting tool used by the Office of Community Planning and Development (CPD) within the Department of Housing and Urban Development (HUD) to track use of federal funds. IDIS online is a real-time, web-based computer application that provides financial disbursement, tracking, and reporting activities for the CPD formula grant programs. IDIS online enables GA to drawdown program funds and report on the activities and accomplishments outlined in the City's Consolidated Plan.

The following City personnel are assigned to work in IDIS:

- GA fiscal staff is responsible for set up, funding, voucher creation, reconciliation, and closeout.
- Accounting staff may create vouchers and is responsible for drawdown activities.

The Administration Manager reviews the list of those authorized to work in the system and the appropriate permissions for access. Review and updates to this work group are conducted at least once per year.

#### 12.2 Procedures and Training

The following resources are utilized to ensure HUD reporting compliance (<https://www.onecpd.info/idis>):

- IDIS User Manual
- IDIS Training Manuals
- HUD Exchange Tools
- Updates announced on the HUD website

GA staff attends applicable training to ensure the City has current information on reporting and system requirements.

#### 12.3 Project Set Up

Projects will be set up based on the Consolidate Plan Goal types or as required by HUD guidance. One additional project for Administration will also be set up.

#### 12.4 Activity Set Up and Funding

Activities will be set up in IDIS upon approval of the annual plan. The Administration Manager will designate staff responsibilities regarding this process. Staff will ensure appropriate selection of matrix code, national objective, and performance objective and outcome. The selection of national objective will prompt the accomplishment type. The one accomplishment type that best fits the activity will be selected.

Upon receipt of an executed written agreement, the Grants Fiscal Compliance staff will fund the activity, according to the executed written agreement. Staff will complete the Contract Status Report to include the IDIS number.

GA will fund activities according the HUD guidance. Beginning with Program Year 2015, activities are funded on a grant specific basis. The Administration Manager will review available funds in IDIS and ensure that the oldest funds are committed to activities first. Careful attention will be given to activities funded with prior year funds to avoid an amendment to the Annual Plan.

## City of Tulsa Grants Administration (GA) Policies

### **12.5 Reporting Accomplishments**

Compliance Monitors will submit project monthly progress reports to the Fiscal staff monthly upon receipt from subrecipient. Fiscal staff will update activities with the beneficiary and accomplishment data upon receipt. .

### **12.6 Program Income**

Program income (PI) received by the City of Tulsa must be receipted into IDIS upon verification of deposit in the City's accounting system. PI must be used to fund CDBG or HOME activities prior to expending entitlement funds. The type of program, current program year, fund source, fund type, activity number, amount and description must be entered. A receipt number is generated by IDIS. Staff logs the PI receipt into the appropriate spreadsheet for tracking purposes.

Program income will be receipted in the program year it is received, regardless of when it may have been generated. Modification to program income receipts should be limited and should not be made after the end of a program year. Exceptions to this shall be authorized and approved by the Administration Manager.

Program income in the form of repayments to, or interest earned on, a revolving loan fund shall be substantially disbursed from the fund before additional cash withdrawals are made from the U.S. Treasury for the same activity.

### **12.7 Drawdown of Funds**

To ensure timely expenditure reporting, funds shall be drawn at least monthly. It is the goal of GA to ensure funds are drawn by the 25<sup>th</sup> of each month. To ensure funds drawn are accounted for in the correct year, the prior period box shall be checked, for CDBG activities, during the close out period when applicable.

Beginning in Program Year 2015, Grant Based Accounting is required for HUD funds. Activities are funded in a specific grant year and will automatically draw from the grant year identified. Pre-2015 funds in IDIS will continue to be drawn on the FIFO basis.

GA will ensure the appropriate IDIS number is included in the Expend Draw worksheet before creating vouchers. GA will create the vouchers and send Expend Draw worksheet and Voucher information to Grants Accounting for the drawdown of funds.

GA staff may, in rare cases, approve the drawdown. In order to maintain an effective system of checks and balances, this will be an exception and should occur only as necessary.

### **12.8 Activity Completion**

Activities are completed in IDIS after funds are expended, drawn and accomplishments are entered. Activities ending at the close of the program year will be completed in IDIS within fifty (50) days after the end of the program year. Activities that are finished during the program year will be completed in IDIS within five (5) days of receipt of final performance report or within thirty (30) days after the final draw, whichever occurs later. Date of closing in IDIS will coincide with the completion date of the activity. An exception is during the close out period in which the completion date will correspond with the end of the program year.

Chapter 12: IDIS

Revised: October 2015

Page 2 of 4

# City of Tulsa

## Grants Administration (GA) Policies

### **12.9 Reports**

IDIS generates a multitude of reports that are utilized by GA to ensure accuracy and timeliness of data entry and accomplishment data. Reports are downloaded from IDIS on a quarterly basis for analysis of expenditures and accomplishments. Reports will be reviewed by GA management on a monthly basis.

### **12.10 IDIS Exceptions – Flags**

In an effort to ensure timely entry of data and completion of activities, a flag system has been created in IDIS. Flag rules are specific to the CDBG and the HOME programs. If flags are present, an orange banner with the number of flags will show upon IDIS log in. IDIS flags shall be reviewed, discussed and addressed.

#### **12.10.1 - CDBG Flags**

A flag is generated when there is a long-standing open activity, which means:

- No draws for 12 months or more; or
- No accomplishments and 80% drawn.

An explanation and remediation plan must be entered in IDIS regarding the long-standing open activities. Fiscal staff will notify the Monitor of the IDIS flag. The Monitor will contact the agency that is conducting the flagged activity for an explanation. Fiscal staff will enter the explanation and remediation plan into IDIS. The Field Office will accept or reject the remediation plan.

Pending At-Risk activities are not flagged, but will be if not corrected. Activities in this category include:

- No draws for nine months;
- No accomplishments reported after two years and nine months;
- No accomplishments after 66% of funds have been drawn.

No action is required on these activities, but HUD is notifying that there is a potential issue if not resolved.

Currently, CDBG flags do not result in lock out of the system or inability to draw down funds.

#### **12.10.2 - HOME Flags**

Activities that fall into one of the following categories will be identified in IDIS and on the PR48 HOME Open Activities Report at 90 days and 30 days prior to the deadline.

- Activities in final draw status for more than 120 days – Staff will not be able to set up new activities or commit funds to activities (other than those in this category) until the activities identified are either completed or otherwise taken out of this status.
- Activities with infrequent draws – If no disbursement has been made in the previous twelve months, staff must enter a reason for lack of draws as well as a narrative

## City of Tulsa Grants Administration (GA) Policies

explanation of the status of the project. If a reason or narrative explanation is not entered, staff will not be able to set up new activities or commit funds to HOME activities.

- Activities considered involuntarily terminated before completion – IDIS will automatically terminate activities that are not completed within four years of the funding date. If this occurs, staff may be blocked from IDIS. The City must obtain an extension or waiver or cancel the project and repay the HOME investment.
- Activities funded with no draw in first twelve months – IDIS will automatically cancel activities that have been committed with no draws in twelve months. Upon IDIS cancellation, staff will release the sub-funded commitment.