

City of Middletown
Department of Planning, Conservation and Development
Community Development Block Grant Program

CDBG Policy & Procedures Manual



2014
Version 1

Table of Contents

CDBG Program Overview	3
CDBG National Objectives	3
CDBG Eligible Activities	3
Ineligible Activities	4
CDBG Spending Restrictions	4
CDBG Spending Timeliness	5
Income Restrictions	6
Presumed Benefit	6
Fair Market Rents	7
CDBG Assist and Number of Housing Units Requirements	7
CDBG Benefit/Affordability Timeframe Requirements	7
Fair Housing Plan	8
Funding requests from faith-based organizations	10
Middletown's CDBG Program Organizational Structure	11
Citizen Participation Plan	13
Encouragement of Citizen Participation	13
Citizen Advisory Committee	13
Responding to Citizen Comments, Views and Objections	15
Availability of Records	16
Middletown' CDBG Calendar	18
Consolidated Plan Adoption	21
Annual Action Plan	22
Program Amendments	25
Consolidated Annual Performance and Evaluation Report	26
Application Process	28
Application Evaluation Criteria	28
Environmental Review Record	31
City Contracting and Purchase Order Process	33
Insurance Requirements	33
Procurement Policies	36
Section 3- Women and Minority Owned Businesses	37
Davis-Bacon Wage Rates	40
Check Request	42
Contract Extensions	43
Reporting Accomplishments	44
Documenting Income	44
Monitoring	46
Other Policies And Information	48
Administration and Activity Delivery Costs	48
Lead-Based Paint	49
Conflict of Interest	49
Retention of Records	50
Section 133 Audit Requirements	50
Program Income	51
Federal Cash Transaction Report	52
City of Middletown Accounting Line-Item Numbers	52
Appendix	54

CDBG Program Overview

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

CDBG National Objectives

1. At least 70% of the program participants must have low or moderate income as defined by HUD.
2. The project must eliminate slum and blight as defined by HUD.
3. Meet an urgent need designated as an emergency by the City of Middletown Common Council.

CDBG Eligible Activities

1. Acquisition of real property for any public purposes other than the general conduct of government.
2. Disposition of property acquired with Community Development Block Grants funds.
3. Acquisition, construction, rehabilitation, or installation of public facilities and improvements carried out by the City or other public or private nonprofit entities. Generally, this does not apply to new construction.
4. Public services (limited to 15% of the City's total CDBG entitlement) which are directed toward improving the community's public services and facilities, including, but not limited to, those concerned with employment, welfare reform, child care, health, drug abuse, education, job training assistance, recreational needs, crime prevention, or energy conservation.
5. Removal of architectural barriers, which restrict the mobility of elderly and/or persons with disabilities. All publicly and privately owned buildings and facilities are eligible for funding.
6. Rehabilitation and preservation for:
 - a. Low and moderate-income owner-occupied houses.
 - b. Low and moderate-income public housing.
 - c. Publicly owned non-residential buildings and improvements otherwise eligible for assistance.
 - d. Publicly or privately owned historic properties.
 - e. Commercial or industrial facility for job creation or retention
 - f. Public Facilities
 - g. Affordable housing or mixed income housing
 - h. Low and moderate-income senior housing
 - i. Businesses that agree to hire, retain and/or serve low and moderate-income persons

7. Activities designed to create or retain jobs. All jobs created within the applicant's program are required to be permanent and at least 51 percent of the total must be for persons of low and moderate income.

CDBG Ineligible Activities

The following activities may not be assisted with CDBG funds:

1. Buildings for the general conduct of government. This includes operating and maintenance expenses. Exceptions are operation and maintenance associated with public service activities, interim assistance, and CDBG program staff.
2. General government expenses except to carry out the CDBG program.
3. Political or religious activities.
4. Construction equipment.
5. Fire protection equipment unless part of a public facility.
6. Personal furnishing or property.
7. Food not related to direct service delivery to clients.
8. Furnishings that are not integral structural fixtures.
9. New housing construction except for land acquisition and other specific circumstances.
10. Income payments and other subsistence payments made to individuals or a family.

CDBG Spending Restrictions

Public Service Cap

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

Current year entitlement amount:		_____	
+			+
Previous year program income received:		_____	
=			=
Amount to calculate public service cap:		_____	
x 0.15			x 0.15
Total maximum amount for public service programs:		_____	

Planning and Administration Cap

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

Current year entitlement amount:		_____	
+			+
Current year program income expected:		_____	
=			=
Amount to calculate administration cap:		_____	
x 0.2 =			x 0.2 =
Total maximum amount for administration:		_____	

Low and Moderate Income Benefit Requirement

At least 70% of the City of Middletown's non-administration CDBG spending is required to benefit low and moderate income people. The 70% threshold should be exceeded each year to maintain compliance, however HUD rules allow grantees to use spending during a fixed three-year period to calculate

The benefit should be either 51% of client participants, 51% of household participants, 51% of housing units assisted, 51% of an area's residents or 51% employees in jobs created or retained. The low and moderate income benefit requirement is calculated by:

Entitlement amount in year 1, year 2 and year 3:	-	-
Administration budget allocation in year 1, year 2 and year 3:	=	=
Amount to calculate minimum Low & Mod benefit spending:		
x 0.7 =	x 0.7 =	x 0.7 =
Total minimum required amount for Low & Mod benefit spending:		
3-year total amount spent on Low/Mod Area benefit programs:	+	+
+	+	+
3-year total amount spent on Low/Mod Limited Clients benefit programs:		
+	+	+
3-year total amount spent on Low/Mod Jobs benefit programs:		
+	+	+
3-year Total amount spent on Low/Mod Housing benefit programs:		
=	=	=
3-year total amount to be applied to Low/Mod benefit calculation:		

CDBG Spending Timeliness

HUD requires the City of Middletown to use the CDBG funds it receives in a timely manner. HUD determines if Middletown is spending down its CDBG entitlement in a timely manner by checking to see what the unspent balance is on July 3 of each year. HUD requires the amount of unspent funds to be no more than 150% of the entitlement amount for the current year.

The best method to review the City of Middletown's timeliness is to refer to IDIS program report number 56.

IDIS - PR56	U.S. Department of Housing and Urban Development Office of Community Planning and Development Integrated Disbursement and Information System	DATE: 06-04-12 TIME: 11:54 PAGE: 1							
Current CDBG Timeliness Report Grantee : MIDDLETOWN, CT									
PGM YEAR	PGM YEAR START DATE	TIMELINESS TEST DATE	CDBG GRANT AMT	--- LETTER OF CREDIT BALANCE --- UNADJUSTED	ADJUSTED FOR PI	DRAW RATIO UNADJ	ADJ	MINIMUM DISBURSEMENT TO MEET TEST UNADJUSTED	ADJUSTED
2010	09-01-10	07-03-11	454,428.00	565,606.61	700,600.85	1.24	1.54		
2011	09-01-11	07-03-12	380,276.00	572,433.31	615,613.04	1.51	1.62	2,019	45,199

Income Restrictions

At least 51% of the program's participants must be low and moderate income as determined by HUD income limits for Metropolitan Hartford Statistical Area. To determine if a client qualifies as low or moderate income, household size must be determined first, followed by the total income of the households. If the total household income falls below the 80% of median income, the client can be counted towards the 51% required participation of low and moderate income residents. If the client falls below 50% or Clients above this threshold may participate in a CDBG funded activity if these participants comprise no more than 49% of the total participants. However, programs should be designed to ensure the maximum participation by low and moderate income persons.

FY 2012 Income Limits

Area Median Income for Middletown town \$87,700

Household Size

1	2	3	4	5	6	7	8
Extremely Low (30%) Income Limits							
\$18,450	\$21,050	\$23,700	\$26,300	\$28,450	\$30,550	\$32,650	\$34,750
Very Low (50%) Income Limits							
\$30,700	\$35,100	\$39,500	\$43,850	\$47,400	\$50,900	\$54,400	\$57,900
Low (80%) Income Limits							
\$45,500	\$52,000	\$58,500	\$65,000	\$70,200	\$75,400	\$80,600	\$85,800

The following link will provide updated income limits:

<http://www.huduser.org/portal/datasets/il.html>

Presumed Benefit

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

<u>Presumed Benefit Category</u>	<u>Income Category</u>
Abused Children	Extremely Low Income
Battered Spouses	Low Income
Severely Disabled Adults	Low Income
Homeless Persons	Extremely Low Income
Illiterate Adults	Low Income
Persons with AIDS	Low Income
Migrant Farm Workers	Low Income
Senior Center Elderly	Moderate Income
Elderly- Non Senior Center Activity	Low Income

Fair Market Rents

Any CDBG activities involving rental housing must take steps to deed restrict these units to charging not more than fair market rents to be eligible for CDBG funds. Fair market rents are determined by the number of bedrooms a rental unit has.

Final FY2012 FMRs By Unit Bedrooms

Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
\$709	\$849	\$1,038	\$1,247	\$1,548

The following link will provide updated fair market rents:

<http://www.huduser.org/portal/datasets/fmr.html>

CDBG Assist and Number of Housing Units Requirements

Mixed income properties may be assisted provided that at least one unit is occupied by a low and moderate income household for two unit structure and at least 51% of the units are occupied in structures with three or more units. Structures with less than 51% of the units occupied by low and moderate income households may be assisted in a proportion no greater than the proportion of units. However structures with less than 20% of the units occupied by low and moderate income households may not be assisted with CDBG funds.

<u>Total Number of Housing Units</u>	<u>Number Affordable</u>	<u>CDBG Funding Level</u>
1	1	100%
2	1	100%
3	1	33%
3	2-3	100%
4	1	25%
4	2	50%
4	3-4	100%
5	1	20%
5	2	40%
5	3-5	100%
6	1	0%
6	2	33%
6	3	50%
6	4-6	100%

CDBG Benefit/Affordability Timeframe Requirements

CDBG that fund project must ensure that those activities continue to carry out the intended benefit for a minimum number years depending on the type of activity and the amount of funding allocated. The City of Middletown may determine longer benefit or affordability timeframes are need.

Homebuyer Projects

<u>Funds provided</u>	<u>Minimum Affordability Period</u>
Less than \$15,000	5 years
\$15,000 to \$40,000	10 years
More than \$40,000	15 years

Rental Housing Projects- Rehabilitation or Acquisition of Existing Housing

<u>Funds provided</u>	<u>Minimum Affordability Period</u>
Less than \$15,000	5 years
\$15,000 to \$40,000	10 years
More than \$40,000	15 years
Long-term Lease	15 years

Public Facilities- Acquisition, Rehabilitation, or Improvement

<u>Funds provided</u>	<u>Minimum Benefit Period</u>
Any Amount	5 years
Long-term Lease	15 years

Economic Development- Create or Retain Jobs

<u>Funds provided</u>	<u>Minimum Benefit Period</u>
Any Amount	2 years

Fair Housing Plan

According to the HUD Fair Housing Planning Manual, the broad objectives of Affirmatively Furthering Fair Housing can be interpreted to mean:

- Analyze and eliminate housing discrimination in the jurisdiction.
- Promote fair housing choice for all persons.
- Provide opportunities for racially and ethnically inclusive patterns of housing occupancy.
- Promote housing that is physically accessible to, and usable by, all persons, particularly persons with disabilities.
- Foster compliance with the nondiscrimination provisions of the Fair Housing Act.

The City prepared its initial Analysis of Impediments to Fair Housing in 1996, and revised the plan in 2011. This report found 12 areas that will require action or further review in order to ensure that Middletown is complying in its efforts to affirmatively furthering fair housing:

- Administrative Policies and Programs;
- Zoning;
- Rental Market, Section 8 and Public Housing;
- Homeownership Opportunities;
- Banking Practices and Predatory Lending;
- Challenges facing Affordable Units;
- Cost-Burden and Employment;
- Land Resources and Site Selection;
- Environmental Constraints;
- Public Transportation;
- Regional Issues: and,
- Accessibility.

Through the compilation of data and information for its Analysis of Impediments to Fair Housing Choice, few incidences of discriminatory conditions were uncovered. The major actions which need to occur are those which build upon the City's current programs.

Actions to be taken over the next several years, as they relate to fair housing choice include:

- The City of Middletown will implement the recommendation of its Housing Study.
- The City should prepare and present a proposed licensing program for review in 2011.
- The City and the Middletown Housing Authority should meet on a quarterly basis to update each other on programs and develop areas for partnership.
- The City and local housing groups should meet to explore opportunities to create efficiencies and savings.
- The City of Middletown should work with local lenders to address the investment gap between wealthy and less wealthy sections of the City.
- The City of Middletown of Middletown will fund its Community Development Block Grant job programs.
- The City will use resources that it has available through a US EPA Brownfield grant will develop a database of sites that are appropriate for infill development.
- The City will continue to maintain the inventory of historic properties on its website to allow developers and property owners to know when they have a historic structure that it eligible for reuse and reduced zoning requirements.
- The City will use resources that it has available through a US EPA Brownfield grant to investigate sites for hazardous materials and provided the results to the owners and the public.
- The City of Middletown through its representation on the Middletown Area Transits will support expansion of services or collaboration with adjacent public transit systems to create services to meet economic opportunities.
- The City of Middletown will participate with the MidState Regional Planning Agency and where appropriate neighboring regional organizations to develop regional solutions to transportation problems.
- The City of Middletown will participate with the MidState Regional Planning Agency and where appropriate neighboring regional organizations to develop regional solutions to the affordable housing problems.

Through the compilation of data and information for its Analysis of Impediments to Fair Housing Choice, few incidences of discriminatory conditions were uncovered. The major actions which need to occur are those which build upon the City's current programs. Actions to be taken over the next several years, as they relate to fair housing choice include:

- The City of Middletown will implement the recommendation of its Housing Study.
- The City should prepare and present a proposed licensing program for review in 2011.
- The City and the Middletown Housing Authority should meet on a quarterly basis to update each other on programs and develop areas for partnership.
- The City and local housing groups should meet to explore opportunities to create efficiencies and savings.
- The City of Middletown should work with local lenders to address the investment gap between wealthy and less wealthy sections of the City.
- The City of Middletown of Middletown will fund its Community Development Block Grant job programs
- The City will use resources that it has available through a US EPA Brownfield grant will develop a database of sites that are appropriate for infill development.

- The City will continue to maintain the inventory of historic properties on its website to allow developers and property owners to know when they have a historic structure that is eligible for reuse and reduced zoning requirements.
- The City will use resources that it has available through a US EPA Brownfield grant to investigate sites for hazardous materials and provide the results to the owners and the public.
- The City of Middletown through its representation on the Middletown Area Transits will support expansion of services or collaboration with adjacent public transit systems to create services to meet economic opportunities.
- The City of Middletown will participate with the MidState Regional Planning Agency and where appropriate neighboring regional organizations to develop regional solutions to transportation problems.
- The City of Middletown will participate with the MidState Regional Planning Agency and where appropriate neighboring regional organizations to develop regional solutions to the affordable housing problems.

The entire 2011 City of Middletown Fair Housing Plan can be found at:
http://www.middletownplanning.com/documents/2011Analysis_of_Impediments.pdf

Funding requests from faith-based organizations

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

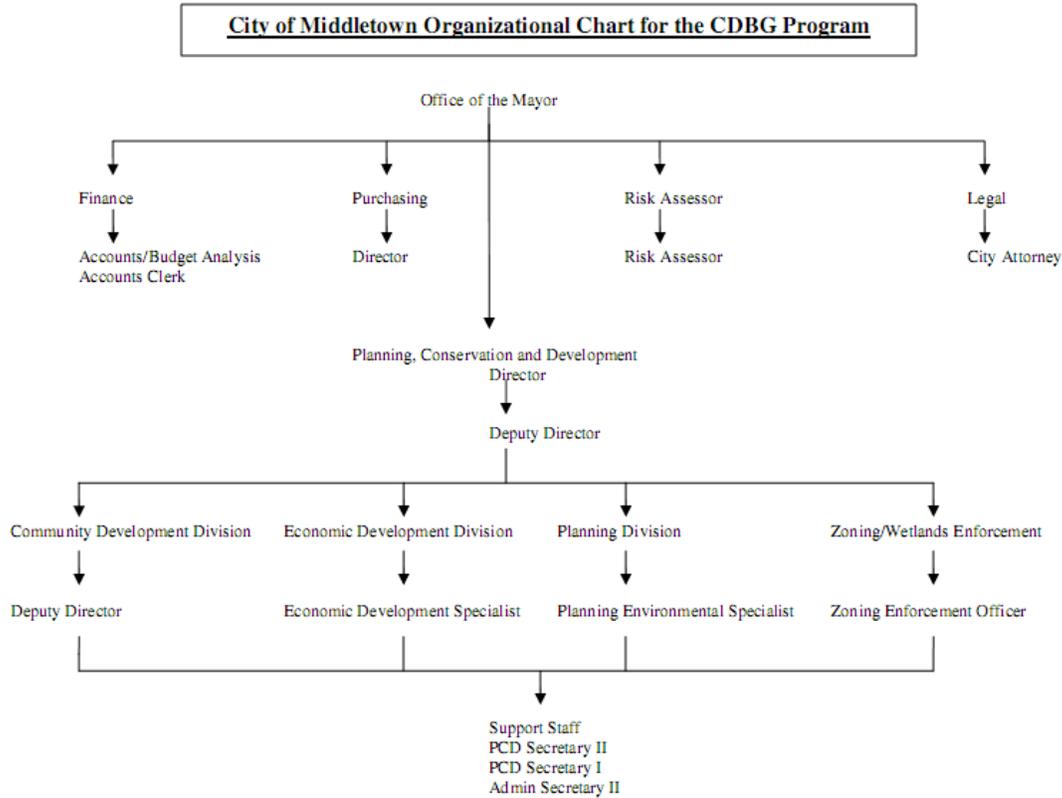
Broadly, the notice provides the following rules:

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

The complete guidelines can be found at:
http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_15282.pdf

Middletown's CDBG Program Organizational Structure

The City of Middletown's Community Development Block Grant program is Staff involved with the administration consists of six Departments coordinating efforts to comply with federal regulation under 24 CFR 570, 24 CFR 85, 24 CFR 91, OMB circular A-87 (2 CFR Part 225), OMB circular A-122 (2 CFR Part 230), OMB circular A-133 and other associated rules.



The following is a summary of the positions and responsibilities:

Mayor- Final approval for all financial request, and submissions to HUD.

- Approves and signs contracts with subrecipients;
- Approves check requests;
- Certifies the Environmental Review Record;
- Certifies Annual Action Plan, CAPER and Consolidated Plan;
- Nominates appointments to fill vacancies on the Citizens Advisory Committee

Deputy Director of Planning, Conservation and Development (Community Development Specialist)- Oversees the day-to-day activities of the Community Development Block Grant program for Middletown which includes the following:

- Handles drafting of contracts with subrecipients;
- Processing of check requests;
- Requests quarterly reports from subrecipients;
- Conducts NEPA review for all CDBG activities;
- Develops the Environmental Review Record;
- Drafts public notices required for the CDBG program, Annual Action Plan, ERR, CAPER and Consolidated Plan;

- Drafts narrative documents for the CDBG program, such as the Annual Action Plan, CAPER and Consolidated Plan;
- Staff to the Citizens Advisory Committee

PCD Secretary II- Provides administrative support for the Community Development Block Grant program for Middletown which includes the following:

- Processes check requests
- Process subrecipient contracts prior to review by Finance and the Purchasing Office
- Process Purchase Orders requests
- Processes any program income from outstanding loans.

PCD Secretary I- Provides administrative support for the Community Development Block Grant program for Middletown which includes the following:

- Processes check requests
- Process subrecipient contracts prior to review by Finance and the Purchasing Office
- Process Purchase Orders requests
- Handles mailing and phone contacts associated with Citizen Advisory meetings

Director of Planning, Conservation and Development- Provides oversight for the Community Development Block Grant program for Middletown which includes the following:

- Oversees the Deputy Director, PCD Secretary II, PCD Secretary I and the CDBG program
- Signs off on all subrecipient contracts
- Signs off on all subrecipient check requests

Accounts Clerk- Provides financial processing support for the Community Development Block Grant program for Middletown which includes the following:

- Process check requests
- Process Purchase Orders requests
- Review Contracts
- Establish new line-items

Accounts/Budget Analysis- Provides financial oversight for the Community Development Block Grant program for Middletown which includes the following:

- Reviews check requests
- Reviews Purchase Orders requests

City Attorney- Provides legal support for the Community Development Block Grant program for Middletown which includes the following:

- Contract review

City Purchasing Officer- Provides purchasing support for the Community Development Block Grant program for Middletown which includes the following:

- Reviews and approves Purchase Orders requests
- Reviews contracts with subrecipients

Citizen Participation Plan

The City of Middletown is a participating entitlement jurisdiction with the U.S. Department of Housing and Urban Development in receiving Community Development Block Grants (CDBG). As such, citizens, public agencies and other interested parties are guaranteed a role in the development and review of plans and performance reports and, further, shall have access to certain records and technical assistance. The Citizen Participation Plan sets forth those procedures.

Encouragement of Citizen Participation

The Plan will encourage:

- citizens, public agencies and other interested parties to participate in the development and review of the Consolidated Plan and its amendments, Annual Plan, Environmental Review Record and Consolidated Annual Performance and Evaluation Report.
- participation by low and moderate income persons living in slum and blighted areas and in areas where CDBG funds are proposed to be used and residents of predominantly low and moderate income neighborhoods.
- participation of all citizens of the City, including minorities and non-English speaking persons, as well as persons with disabilities.
- in conjunction with the Middletown Housing Authority (Authority), participation of residents in public and assisted housing developments in the process of developing and implementing the consolidated plan, along with other low income residents of targeted revitalization areas in which the developments are located. The City will provide information to the Authority about its Consolidated Plan activities related to its developments so that the Authority can make this information available at the annual public hearing required under the Comprehensive Gant Program.
- the Mayor and Common Council to designate target areas within the City which have 50% or more low to moderate income individuals.

Citizen Advisory Committee

The objective and purpose of the Citizen Advisory Committee of the City of Middletown, Connecticut shall primarily be to administer the citizen participation requirements of the Housing and Community Development of 1974, as amended, and Public Act No. 75-443, as amended. Further, it shall: prepare and recommend grant applications for CDBG funding to the Mayor and Common Council; monitor the progress of all funded programs; and; make recommendations to the Mayor and Common Council regarding the implementation of CDBG funded programs.

A. Structure of Citizens Advisory Committee (CAC)

1. A community-wide CAC shall be appointed by the Mayor with the approval of the Common Council. The membership shall consist of fifteen (15) citizens of the City of Middletown.
2. Membership to the CAC should represent the following interest groups in order to advise in affairs of the Community Development Block Grant Program (CDBG) as authorized by the Housing and Community Development Act of 1974, as amended:

Common Council (one from each political party)	2
At-Large	2
Middletown Housing Authority	1
Planning and Zoning Commission	1
Low/Moderate Income	1
Elderly	1
Disabled	1
Census Tracts 5412, 5413, 5414	2
Census Tracts 5411, 5415, 5416, 5417	2
Census Tracts 5418, 5419, 5420, 5421, 5422	2

3. Terms - the term of the Common Council members shall run concurrently with the term of their office. The term of the remaining thirteen (13) members shall be as follows: four (4) shall serve for one (1) year; three (3) shall serve for two years; three (3) shall serve for three (3) years; and, three (3) shall serve for four (4) years. Thereafter, members shall be appointed annually to serve for four (4) years. Each member shall serve until his successor is appointed and has qualified and any vacancy shall be filled for the unexpired term.

4. In the event that any CAC member misses three (3) consecutive meetings and upon the recommendation of the Citizen Advisory Committee Chair person, the Mayor may remove that member and fill the vacancy. Generally, if any such member represents a specific interest group, he/she shall be replaced by a person representing the same group. Voluntary resignations shall be handled in a similar manner.

B. Organization of the CAC

1. The Committee shall select a Chair person, a Vice-Chair person and a Secretary. An annual organizational meeting for the purpose of electing officers shall be conducted each January.
2. Regular meetings of the CAC shall be held on the third (3rd) Wednesday of each month at 7:00 p.m. at a place specified with the City and Town Clerk.
3. The office of the CAC shall be with the Community Development Division of the Department of Planning, Conservation, and Development.

C. Role of the CAC

1. The CAC shall be responsible for encouraging of citizen participation, as required by the Plan, all citizens, public agencies and other interested parties including minorities, low/moderate income persons and non-English speaking persons, as well as persons with disabilities at its meetings.
2. The CAC shall be responsible for citizen participation prior to making recommendations to the Mayor and Common Council on the following items, including but not limited to:
 - a. The Five-year Consolidated Plan, including the identification of community development and housing needs and the setting of priorities.
 - b. Annual Action Plan of projects that are consistent with the Consolidated Plan.
 - c. The annual CDBG Program and CDBG budget.
 - d. Subsequent minor amendments and other significant changes/amendments to previously approved programs in the Consolidated Plan.
3. The CAC shall be responsible for recommending to the Mayor and Common Council, policy and methods of implementing CDBG projects.

4. The CAC shall participate in the preparation of the Consolidated Annual Performance and Evaluation Report (CAPER) by soliciting views concerning the effectiveness of various CDBG projects.
5. All meetings of the CAC shall be conducted in an open manner, with freedom of access to all interested persons. Dates, times and locations of all meetings shall be posted with the City and Town Clerk in a manner consistent with the Connecticut Freedom of Information Act, as amended.

Responding to Citizen Comments, Views and Objections

A. Program Recommendations, Requests and Objections

1. Recommendations, requests and/or objections may be submitted to the CAC for consideration from interested citizens, agencies and/or organizations at any time during the program year.
2. Written responses shall be made to these written recommendations, requests and/or objections within fifteen (15) working days of after a determination by the CAC at its special meeting or regular meeting date.
3. Additionally, written comments, requests, and/or inquiries which require a response to general information and/or clarification of the CDBG program can be handled by staff in the Community Development Division of the Department of Planning, Conservation and Development. The response time shall be within fifteen (15) working days of the receipt of the written comment, request and/or inquiry, where practicable.
4. All written responses to written recommendations, requests and/or objections shall state reasons for action taken or, in the case of staff response, shall make specific reference to pertinent sections of CDBG legislation.
5. Whenever practical, responses should be made prior to the end of the comment period as stated in the legal notice on the development of the Consolidated Plan, Annual Plan, Environmental Review Record and/or Consolidated Annual Performance and Evaluation Report for which the written recommendation, request and/or objection was offered.
6. Written recommendations, requests and/or objections not offered at officially called meetings of the CAC shall be addressed to the Community Development Division of the Department of Planning, Conservation and Development, Municipal Building, P.O. Box 1300, 245 deKoven Drive, Middletown, CT 06457, or sent electronically to the email of the staff of the CAC, for placement on the agenda for the next appropriate meeting.

B. Objections may also be made, in writing, to HUD. HUD will consider objections only on the following grounds:

1. The applicant's description of needs and objectives is plainly inconsistent with available facts and data; or
2. The activities to be undertaken are plainly inappropriate to meeting the needs and objectives identified by the applicant; or
3. The applicant does not comply with the requirements of HUD or other applicable laws; or
4. The application proposes activities which are ineligible.

Objections shall include identification and documentation of requirements not met and where data is objected to, new data shall be offered.

Objections to a particular application should be submitted within thirty (30) days of the publication of the combined Notice of Release of Funds and Finding of No Significant Impact.

C. Citizen Comment to Federal and State Agencies

1. HUD will consider citizen objections to the CDBG Program at any time.
2. Citizens may comment to HUD at any time concerning Middletown's failure to comply with any of the Citizen Participation Requirements of this Citizen Participation Plan.

D. Should the Community Development Division of the Department of Planning, Conservation, and Development, for whatever reason, not be handicapped accessible, a copy of the Citizen Participation Plan, the proposed and approved Consolidated Plan and Annual Plans and the most recent Consolidated Annual Performance and Evaluation Report shall be on file with the City and Town Clerk's Office.

E. Technical Assistance Shall be Offered to Facilitate Citizen Participation

1. Assistance shall be provided to citizen organizations, groups of low/moderate income persons, groups of residents in existing neighborhood target areas and nonprofit agencies who provide a service to low and moderate income individuals.
2. Assistance may be provided to citizens in organizing and operating neighborhood and project area organizations to carry out CDBG activities.
3. Requests for assistance shall be made, in writing, to the CAC, or Community Development Division of the Department of Planning, Conservation, and Development, specifying the type of assistance required and the reasons for assistance.
4. The extent of assistance offered shall be determined by the Mayor and Common Council. Such determination may be made at the recommendation of the CAC.
5. The Mayor and Common Council shall consider all the resources of the City and shall generally not overextend staff or budgets when offering assistance.
6. The specialist(s) selected to provide technical assistance shall be jointly selected by the City and the organizations and groups to be assisted.
7. Technical assistance may be either provided directly by the City or through arrangements with public, private or non-profit entities.

Availability of Records

A. The City will provide the Consolidated Plans, as adopted, substantial amendments, and the performance reports will be available to the public, including the availability of materials in a form accessible to persons with disabilities, non-English speaking residents, upon request where practical.

1. The City shall maintain records pertaining to the CDBG Program in the Municipal Building for a period of five years.
2. Documents on file with the Municipal Development Office shall include:
 - a. All mailings and promotional information.
 - b. Records of hearings and meetings of the CAC and Common Council.
 - c. All key documents, including prior Final Statements, letters of approval, grant agreements, the citizen participation file, performance reports,

- evaluation reports, Letters of Credit, other reports as required and the proposed and approved Final Statements for the current year.
 - d. CDBG regulations and issuances governing the program.
 - e. Other important program requirements such as contracting procedures, environmental policies, fair housing and other equal opportunity requirements and relocation provisions.
3. Documents on file with the Department of Finance shall include:
 - a. Copies of all construction contracts.
 - b. All financial data indicating expenditures of CDBG funds.
 4. All records shall be available for inspection between the hours of 8:30 a.m. and 4:30 p.m. during normal working days.
 5. Requests for copies of any available records shall be made, in writing, pursuant to established City policy. The current fee schedule for copying records shall be applicable.

Middletown' CDBG Calendar

1st Week of January- Public Notice of Availability of Funds- Notice must be published at least fifty (50) days before the public hearing in March for applicant presentations.

3rd Wednesday in January- Regular Citizens' Advisory Committee Meeting

Late January- 1st Seminar on CDBG application process

January 31st- Federal Cash Transaction quarterly report due. Submit to Hartford Office, HUD.

Early February- 2nd Seminar on CDBG application process

2nd Week of February- Applications Due- The applications should be due at least thirty (30) days prior to the public hearing in March for applicant presentations.

3rd Wednesday in February- Regular Citizens' Advisory Committee Meeting

3rd Wednesday in March- Regular Citizens' Advisory Committee Meeting- Public Hearing to allow applicants to present for five minutes and answer questions from the committee for five minutes.

March 31st- 2nd quarter accomplishment reports due from subgrantees.

3rd Wednesday in April- Regular Citizens' Advisory Committee Meeting- Committee discussed and votes on a recommendation for how the upcoming grant year funds should be allocated and forwards the recommendation to the Common Council.

April 15th- Semi-Annual Labor Standards Enforcement Report due. Submit to the Boston Office of Labor Relations, HUD.

April 20th- Deadline for Council Resolutions

April 30th- Federal Cash Transaction quarterly report due. Submit to Hartford Office, HUD.

1st Monday in May- Regular Common Council Meeting

2nd Week in May- Public Notice of Annual Plan Draft available for comment

3rd Wednesday in May- Regular Citizens' Advisory Committee Meeting- Distribute draft Annual Action Plan to committee members.

June- Decision letters are sent to applicant

3rd Wednesday in June- Regular Citizens' Advisory Committee Meeting- Public Hearing on Annual Action Plan

June 30th- 3rd quarter accomplishment reports due from subgrantees.

July 18th- Forty-five (45) days before the start of the grant year (September 1st), submit Annual Action Plan to Hartford Field Office of U.S. Department of Housing and Development (HUD). Hand deliver an original and three copies.

3rd Wednesday in July- Regular Citizens' Advisory Committee Meeting

July 31st- Federal Cash Transaction quarterly report due. Submit to Hartford Office, HUD.

1st Week of August- Public Notice that Environmental Review Record is available for public comment.

3rd Week of August- Hold a training seminar for subgrantees. Distribute CDBG contracts at seminar.

3rd Wednesday in August- Regular Citizens' Advisory Committee Meeting

August 31st- Last day of the grant year.

September 1st- First day of the grant year. Submit Notice of Release of Funds and Finding of No Significant Impact to HUD.

2nd Week of September- Public Hearing Notice that draft Consolidate Annual Performance Evaluation Report (CAPER).

2nd Week of September- Perform Monitoring Visits to three subgrantees from the previous grant year (one public service, one public facilities and one other type of project).

3rd Wednesday in September- Regular Citizens' Advisory Committee Meeting

September 15th- Annual Section 3 Report (Economic Opportunities for Low and Very Low Income Persons) due. Submit to the Hartford Field Office, HUD.

September 30th- 4th quarter accomplishment reports due from subgrantees.

October 15th- Semi-Annual Labor Standards Enforcement Report due. Submit to the Boston Office of Labor Relations, HUD.

October 15th- Annual Minority and Women Contractors Report due. Submit to the Hartford Field Office, HUD.

3rd Wednesday in October- Regular Citizens' Advisory Committee Meeting- Public Hearing on draft CAPER.

October 31st- Federal Cash Transaction quarterly report due. Submit to Hartford Office, HUD.

3rd Wednesday in November- Regular Citizens' Advisory Committee Meeting

November 29th- Ninety (90) days after the end of the grant year (August 31st), submit CAPER to Hartford Field Office of U.S. Department of Housing and Development (HUD). Hand deliver an original and three copies.

2nd Week of December- Revise CDBG application and Memo for upcoming CDBG grant year. Determine funds available for reprogramming.

3rd Wednesday in December- Regular Citizens' Advisory Committee Meeting

December 31st- 1st quarter accomplishment reports due from subgrantees.

Consolidated Plan Adoption

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

- Information that includes the amount of grant funds and program income it expects to receive.
- The range of activities that may be undertaken.
- The estimated amount that will benefit persons of low and moderate income.
- Set forth plans to minimize displacement of persons and to assist any person displaced, specifying the types and levels of assistance that will be made to persons displaced and by whom the assistance will come from.
- Publication of the proposed Consolidated Plan in a manner that affords all citizens a reasonable opportunity to examine its contents and submit comments.
- Publish the proposed Consolidated Plan or its Summary in the Hartford Courant. The Summary will describe the contents and purpose of the proposed Consolidated Plan and include a list of locations where copies of the entire proposed Consolidated Plan may be examined.
- The City will provide free copies of the proposed Consolidated Plan to citizens and groups that request it.
- Make copies of the proposed Consolidated Plan and Summary available at the Department of Planning, Conservation and Development, Russell Library, Town Clerks Office, Middletown Housing Authority, Middlesex Chamber of Commerce, Midstate Regional Agency, Community Action for Greater Middlesex County and Community Health Center.
- Provide a thirty (30) period for review and to receive comments from interested citizens, agencies and/or groups on the proposed Consolidated Plan.
- The City shall consider any comments or views of interested citizens, agencies and/or groups received in writing and/or orally at the public hearing, in preparation of the final Consolidated Plan. A summary of comments and views received and a summary of comments and views not accepted and the reasons therefore, shall be attached to the final Consolidated Plan. Public hearings will be held in venues accessible for those with disabilities. Upon request non-English speaking residents will be met in the case of a public hearing where a significant number of non-English speaking residents can be reasonably expected to participate, where practical.
- Provide a copy of the proposed Consolidate Plan and summary at www.middletownplanning.com.

The CAC shall conduct public meetings with interested citizens, agencies and/or groups and at least one public hearing prior to the development of the Five Year Consolidated Plan.

1. Meetings shall be held to encourage the submission of views and recommendations prior to the formulation of the Consolidated Plan.
2. There shall be a thirty (30) day review period from date of notice in the paper for interested citizens, agencies and/or groups to submit their comments.
3. Public meetings may be held at selected sites convenient to the residents of the City of Middletown, including the handicapped, with particular emphasis on participation by low and moderate income residents.
4. Following the conduct of the public hearing on the development of the Consolidated Plan, the City of Middletown must certify that the following assurances have been met:

- a. The City has prepared and followed a written Citizen Participation Plan that meets the requirements of the Federal Regulations.
 - b. The City of Middletown has provided adequate notices of public hearing as required by the Citizen Participation Plan.
 - c. The City of Middletown has held a hearing on the proposed Consolidated Plan before adoption of a resolution by the Common Council for submission to HUD.
5. The Consolidated Plan must be submitted to the HUD office for review and approval at least forty-five (45) days before the start of the City's program year which date is July 18. The City's program year is from September 1 to August 31.

Annual Action Plan

ANNUAL ENTITLEMENT PROGRAM

1. The CAC shall solicit views of all citizens, agencies and other interested parties, particularly low and moderate income persons, so as to enable them to be meaningfully involved in important discussions at various stages of the Entitlement Program and Annual Plan process.
2. The CAC shall determine, based on the Consolidated Plan, what portion of the Entitlement Funding will be:
 - a. Discretionary,
 - b. what funds will be set-aside for an request for proposals project, as described under number 4 of this section, and
 - c. what funds are were earmarked for previous commitments, such as Section 108 Loan repayments or multi-year projects.
3. Discretionary CDBG Funding- Upon notice from consultation with HUD on the amount of Entitlement funds that the City will receive, the CAC will schedule a public hearing to solicit proposals, through the application process, for the funds.
 - a. At least fifty (50) days prior to a public hearing, the City shall publish a notice in easily readable type in the legal section of the Middletown Press and Hartford Courant. The notice shall include the following information:
 - 1) The total amount of CDBG funds available to the City for all eligible activities.
 - 2) The range of activities that may be undertaken and the kind of activities previously funded in Middletown.
 - 3) The application process to be followed.
 - 4) The role of citizens in the program and process.
 - 5) A summary of other important program requirements.
 - 6) Date, time and place of hearing.
 - 7) Place to obtain additional information and assistance.
 - 8) Consideration of any amendments to the Five Year Consolidated Plan which is dated September 1 - August 31 and any amendments to the Citizen Participation Plan.
 - b. Technical assistance in developing proposals will be available to a group representative of low and moderate income persons.
 - c. The application shall be due to the City's Community Development Division of the Department of Planning, Conservation and Development at least thirty (30) days prior to the public hearing date. The purpose of this time frame is to give the CAC and staff sufficient time to review and justify approval of the applications. In evaluating each application, the following criteria should be used:
 - eligibility of the activity under CDBG
 - compliance with the CDBG national objective

- consistency with priorities and specific objectives established in the Consolidated Plan
- prior experience with CDBG
- Prior experience in the community
- prior experience in the type of project/activity being proposed
- organization administrative and financial capacity to carry out the proposed activity.

d. Prior to the public hearing, from date of advertisement in the paper to date that proposals are due, news media coverage shall be sought prior to a public hearing in order that additional program information may be publicized. Public service announcements/press releases on the availability of the Entitlement funds shall be placed in the Middletown Press, Hartford Courant and on the local radio station(s).

e. Whenever there is a significant number of low/moderate income persons and residents who may be affected by the CDBG program and who read a primary language other than English, all notices of public hearings and summaries of the basic information shall be produced in such language or languages and bilingual opportunities shall be offered at the public hearing. Such non-English announcements and notices shall be provided in cooperation with other community organizations.

f. Notices of public hearings shall be posted in the City of Middletown Town Clerk's Office.

g. Notice of public hearings shall be made available to organizations such as Middletown Housing Authority, Community Health Center and The Connection, Inc. for distribution into low/moderate income areas.

h. Public hearings will be held in venues accessible for those with disabilities.

i. Upon request non-English speaking residents will be met in the case of a public hearing where a significant number of non-English speaking residents can be reasonably expected to participate, where practical.

4. Request for Proposals

a. Request for Proposal can be either incorporated as part of the solicitation of proposed project as described in part 3 of this section.

b. The CAC can at any time of the year issue a request for proposals based on the following procedure:

i. At least thirty (30) days prior to a public hearing, the City shall publish a notice in easily readable type in the legal section of the Middletown Press and Hartford Courant. The notice shall include the following information:

1. The total amount of CDBG funds available through the request for proposal.
2. The range of activities that may be undertaken.
3. The application process to be followed.
4. The role of citizens in the program and process.
5. A summary of other important program requirements.
6. Date, time and place of hearing.
7. Place to obtain additional information and assistance.

ii. The application shall be due to the City's Community Development Division of the Department of Planning, Conservation and Development at least twenty-one (21) days prior to the public hearing date. The purpose of this time frame is to give the CAC and staff sufficient time to review and justify

approval of the applications. In evaluating each application, the following criteria should be used:

1. Capacity to meet the special requirements of the Request for proposal
2. Capacity to carry out the project and
3. eligibility of the activity under CDBG
4. compliance with the CDBG national objective
5. consistency with priorities and specific objectives established in the Consolidated Plan
6. prior experience with CDBG
7. organization administrative and financial capacity to carry out the proposed activity.
8. Prior experience in the community
9. prior experience in the type of project/activity being proposed

b. Prior to the public hearing, from date of advertisement in the paper to date that proposals are due, news media coverage shall be sought prior to a public hearing in order that additional program information may be publicized. Public service announcements/press releases on the availability of the Entitlement funds shall be placed in the Middletown Press, Hartford Courant and on the local radio station(s).

c. Whenever there is a significant number of low/moderate income persons and residents who may be affected by the CDBG program and who read a primary language other than English, all notices of public hearings and summaries of the basic information shall be produced in such language or languages and bilingual opportunities shall be offered at the public hearing. Such non-English announcements and notices shall be provided in cooperation with other community organizations.

d. Notices of public hearings shall be posted in the City of Middletown Town Clerk's Office.

DEVELOPMENT OF THE ANNUAL PLAN

Upon review of the proposals submitted at the public hearing for the Entitlement Program, the CAC may, at its discretion hold special meetings in order to discuss the proposals that were submitted. The CAC will then, at its next regular meeting, make recommendations to the Common Council of funding allocations for the Entitlement Program. Upon approval of the Common Council, staff in the Community Development Division of the Department of Planning, Conservation, and Development will prepare the Annual Plan for the current year. Amendments to the Consolidated Plan will also be included in the submission of the Annual Plan to HUD.

The Annual Plan shall include:

- Form Application - Standard Form 424
- Federal and Other Resources Available
- Activities to Be Undertaken
- Geographic Distribution
- Homeless and Other Special Needs Activities
- Other Actions:
 - Address obstacles in meeting underserved needs, such as foster and maintain affordable housing, remove barriers to affordable housing, evaluate and reduce lead-based paint hazards, reduce the number of poverty level families, develop institutional structure and enhance

- coordination between public and private housing and social service agencies and foster public housing improvements and resident initiatives.
- Reference to the annual revisions of the action plan prepared for the CDBG funds expected to be available during the program year including any program income that will have been received before the start of the next program year and that has not yet been programmed.
- Amendments to the Consolidated Plan.

The Annual Plan is due at HUD no less than forty-five (45) days before the start of the City's program year which date is July 18 each year. An advertisement shall be published in the Hartford Courant no later than the 17th day of June stating that a draft of the Annual Plan is available for review. This will provide a thirty (30) day period for review and to receive comments from interested citizens, groups and/or agencies on the proposed Annual Plan Consolidated amendments. The City shall consider any comments or views of citizens, agencies and/or groups received in writing and/or orally at the public hearing, in preparation of the final Annual Plan. A summary of comments and views received and a summary of comments and views not accepted and the reasons therefore, shall be attached to the final Annual Plan. Public hearings will be held in venues accessible for those with disabilities. Upon request non-English speaking residents will be met in the case of a public hearing where a significant number of non-English speaking residents can be reasonably expected to participate, where practical.

Prior to submitting the combined notice of Release of Funds and Finding of No Significant Impact to HUD, an Environmental Review Record (ERR) must be completed on each activity that is identified in the Annual Plan. CDBG funds cannot be spent prior to approval from HUD on a Release of Funds.

Upon completion of the ERR, an legal notice will be placed in the Hartford Courant stating that the ERR is available for review and that comments are encouraged from interested citizens, agencies and/or organizations for a period of fifteen (15) days.

Program Amendments

PROGRAM AMENDMENTS

Prior to making any additions, deletions, or changes to the Community Development Block Grant Program Consolidated Plan, the following determination will be made on the amendment:

1. If the proposed change is a minor amendment defined as an amendment to the program that costs less than 10% of the total current year grant and only affects an activity previously described in the Consolidated Plan and Annual Plans.

OR

If the proposed change is a substantial amendment when

- a) the amendment makes changes in its allocation priorities or a change in the method of distribution of funds;
- b) the amendment carries out an activity, using funds from any program covered by the consolidated Plan (including program income), not previously described in the action plan; or
- c) the amendment changes the purpose, scope, location or beneficiaries of an activity.

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

1. Minor Amendment

The staff of the Community Development Division of the Department of Planning, Conservation and Development will seek an approval from the CAC; and, subsequent to the CAC's decision, a final approval shall be sought from the Common Council for any minor amendment to the City's Entitlement Program and will be noted in the Annual Plan.

2. Substantial Amendment

The staff of the Community Development Division of the Department of Planning, Conservation and Development will, pursuant to the Community Development Block Grant Regulations (24 CFR 91.105 and 24 CFR Part 570), undertake the following amendment process for any proposed substantial amendment to the Consolidated Plan:

- a. Provide a reasonable notice of public hearing on the proposed amendment to the Consolidated Plan by publishing a legal notice in the Hartford Courant.
 - 1) The notice shall provide a description of the amendment.
 - 2) Be published at least thirty (30) days prior to the public hearing.
 - b. Allow citizens, agencies and/or groups the opportunity to comment on the proposed amendment in writing and/or verbally at a public hearing which will be held by the CAC. . Public hearings will be held in venues accessible for those with disabilities. Upon request non-English speaking residents will be met in the case of a public hearing where a significant number of non-English speaking residents can be reasonably expected to participate, where practical.
 - c. Consider interested citizens, agencies and/or groups' comments when finalizing the proposed amendment.
 - d. Seek approval from the Citizen Advisory Committee on the proposed activity(ies) which comprise the proposed amendment; and, seek subsequent approval from the Common Council.
 - e. Forward a descriptive amendment to the Consolidated Plan on the adopted amendment with a signed transmittal letter signed by the Mayor to the HUD.
3. Changes that do not require Common Council approval and may be approved only by the CAC are minor amendments such as:
- minor additions or changes of the scope of services in a contract which is not a substantial amount of allocated funds and which would require a contract amendment and not a line item change;
 - extensions to the time of performance of approved activities;
 - change of language in an executed contract for an approved activity.

Consolidated Annual Performance and Evaluation Report

CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT

1. The Consolidated Annual Performance and Evaluation Report (CAPER), which is a requirement of HUD pursuant to 24 CFR Part 91, is due for submission at HUD within ninety (90) days of the close of the City's program year which is the 29th day of November each year. The purpose of the CAPER is to provide HUD with necessary information to assess the City's ability to carry out its programs in compliance with applicable regulations and requirements; provide information necessary for HUD to report to Congress; and, provide the City with an opportunity to describe its program achievements its interested citizens, agencies and/or groups.

2. An advertisement shall be published in the Hartford Courant no later than the 14th day of November stating that a draft of the CAPER is available for review. This will provide a fifteen (15) day period for review and to receive comments from interested citizens, agencies and groups on proposed CAPER. The City shall consider any comments or views of citizens, agencies and/or groups received in writing and/or orally in preparation of the final CAPER. A summary of comments and views received and a summary of comments and views not accepted and the reasons therefore, shall also be attached to the final CAPER.

3. The City shall consider any comments or views of citizens, agencies and/or groups received in writing and/or orally at the public hearing, in preparation of the CAPER. The public hearing time and location will be included in the advertisement mentioned in part 2 of this section regarding the CAPER. A summary of comments and views received and a summary of comments and views not accepted and the reasons therefore, shall be attached to the final Annual Plan.

Application Process

The application process is as follows:

1st Week of January- Public Notice of Availability of Funds- Notice must be published at least fifty (50) days before the public hearing in March for applicant presentations.

Late January- 1st Seminar on CDBG application process

Early February- 2nd Seminar on CDBG application process

2nd Week of February- Applications Due- The applications should be due at least thirty (30) days prior to the public hearing in March for applicant presentations.

3rd Wednesday in March- Regular Citizens' Advisory Committee Meeting- Public Hearing to allow applicants to present for five minutes and answer questions from the committee for five minutes.

3rd Wednesday in April- Regular Citizens' Advisory Committee Meeting- Committee discussed and votes on a recommendation for how the upcoming grant year funds should be allocated and forwards the recommendation to the Common Council.

April 20th- Deadline for Council Resolutions

1st Monday in May- Regular Common Council Meeting

June- Decision letters are sent to applicant

Application Evaluation Criteria

The part of the City of Middletown's Citizens' Advisory Committee evaluation process includes scoring the applications on a 100 point scale. The questions are divided between staff questions, can award a maximum of 35 points, and Committee questions that can award a maximum of 65 points.

The scoring system is starting point for the award decision. Other factors such as the presentation to the committee, funds available for allocation affect the ultimate decision.

Staff Questions

Project addresses a priority cited in the Consolidated Plan for Housing and Community Development, 2010-2015. If addresses Priority One= 10 points; if addresses Priority Two= 8 points; if addresses Priority Three= 6 points ; if no priority need addressed = 0 points.

Project implements one or more of the objectives cited in the Consolidated Plan for Housing and Community Development, 2005-2010. If addresses:

Community Development Objective= 10 points

Rental Housing Objective= 8 points

Owner Housing Objective= 8 points
Lead-Based Hazards Objective= 8 points
Fair Housing Objective= 8 points
Economic Development Objective= 6 points
Homeless Objective= 4 points
Special Needs Objective= 4 points
Public Facilities Objective= 4 points
Public Service Objective= 4 points
Infrastructure Objective= 2 point

Cost of proposed project will be shared between CDBG and other sources.
Score 10%-25%= 1 point; 26%-50%= 2 points; 51%-75%= 3 points; 76%-100%= 4 points; 101% and greater= 5 points (must show commitment letters.)

Application is complete. If yes = 5 points; if no = 0 points and the application shall be rejected.

Project meets basic eligibility criteria as established by HUD. If yes = 5 points; if no = 0 points and proceed no further.

Committee Questions

Project clearly benefits primarily Middletown residents. If nature of the project is such that only Middletown residents will be served = 5 points; if not, but applicant makes a case that the concern will be addressed with earmarking = 3; if it seems likely that Middletown CDBG funds will be spent on non-Middletown residents = 0.

Project clearly shows direct or indirect benefit to low/mod persons. Score from 0, 3, or 5, with 5 representing highest direct benefit and 0 representing no benefit.

Proposed project addresses the needs of groups presumed to be beneficiaries such as the homeless, public housing residents and the handicapped. If yes = 5; if no = 0.

Likely community impact of the project, relative to its size, is: high = 25 points, medium = 15 points, low = zero points.

Organization Capacity, is: very capable= 10, moderately capable= 5, not capable=0.

Project Specific Questions

Construction/Rehab

Organization has site control. If currently in control of site = 15 points; if option to control or binder = 8 points; if the project has no control over a site = 0

Public Service

Proposal clearly identifies how program will be sustained financially after one year of CDBG funding. If future funding is secured = 15; if a viable strategy for future funding has been identified = 8; if future funding is not seriously addressed = 0

Economic Development

Proposal clearly identifies how the proposal will be made available to Middletown residents. If the proposal does address clearly how it will be made available = 15; if the proposal does address how it will be made available, but not sufficiently = 8; if the proposal does not address how it will be made available = 0.

Planning

Proposal clearly identifies how this study will then be followed by an actual project that will be implemented and benefit Middletown residents. If the proposal does address clearly how the study will be carried through to implementation = 15; if the proposal does address how the study will be carried through to implementation but not sufficiently = 8; if the proposal does not address how the study will be carried through to implementation = 0

Environmental Review Record

Prior to any action may commence on a CDBG activity; staff must compile an environmental review record and make determination about the impact on the environment.

Activities fall into five categories that require different levels of review, public notification and HUD review.

58.34(a) Exempt Activities

The following activities require only a written determination of the exemption in the environmental review record:

1. Environmental and other studies; resource identification; plans and strategies;
2. Information and financial services;
3. Administrative and management activities;
4. Public services that have no physical impact or result in physical change;
5. Inspections and testing;
6. Purchase of insurance;
7. Purchase of tools;
8. Engineering, design or training;
9. Technical assistance or training;
10. Temporary or permanent improvements limited to protection and restoration to control or arrest effects from disasters; and,
11. Payment of principal and interest on loans made or guaranteed by HUD.

58.35 Categorical Exclusions (b) Excluded Activities

The following activities require a written determination of the exclusion with documentation in the environmental review record:

1. Tenant based rental assistance;
2. Supportive services such as health care, day care, housing placement, etc.;
3. Operating costs, maintenance, utilities, furniture and equipment;
4. Economic development activities such as equipment purchase, inventory financing, interest subsidy, operating expenses not associated with construction or expansion;
5. Activities to assist homeownership of existing or "new dwelling units not assisted with Federal funds"; and,
6. Affordable housing pre-development "soft" costs.

58.35 Categorical Exclusions (a) Excluded Activities

The following activities require a written determination of the exclusion with documentation in the environmental review record, a complete statutory checklist, 7 day Notice of Intent to Request Release of Funds and HUD approval:

1. Acquisition, repair, improvement, reconstruction or rehab of public facilities other than building without change in use or increase in size or capacity by more than 20 percent;
2. Projects to remove material and architectural barriers that restrict handicap access;
3. Rehabilitation of buildings: i) in case of residential if a) unit density not increased by more than 20 percent, b) does not change use from residential to non-residential, and c) cost of rehab less than 75% of total cost of replacement after rehab; ii) in case of non-residential if a) facilities are in place will not change in

- size or capacity by more than 20 percent, and b) the activity does not involve a change in land use;
4. Individual action on a 1-4 family dwelling or project of 5 or more units on scattered sites if more than 2,000 feet apart or not more than 4 units on one site;
 5. Acquisition, disposition of existing structure or acquisition of vacant land where use will remain unchanged

58.36 Environmental Assessment (EA)

Required for all other activities that are not considered exempt or categorically excluded and that do not require the completion of an Environmental Impact Statement. Environmental Assessments require a written determination with documentation in the environmental review record, a complete statutory checklist, a complete environmental assessment checklist, a complete Finding of No Significant Impact (FONSI), a 15 day combined Notice of FONSI and Notice of Intent to Request Release of Funds and HUD approval.

58.37 Environmental Impact Statement Determination (EIS)

Required when activity is determined to have potential significant impact on environment Contact HUD to determine the complete required process under the following circumstances:

1. Project provides a site or sites for, results in construction of, hospitals or nursing homes containing 2,500 or more beds;
2. Project removes, demolishes, converts, results in construction of or installation of or substantially rehabs, 2,500 or more housing units or housing sites;
3. Project would provide additional water and sewer capacity to support 2,500 or more new housing units or comparable development.

City Contracting and Purchase Order Process

The contract process is length and involved, and can take as long as two months to complete. The City cannot expend funds until a contract has been executed and a purchase order has been issued.

The steps below show you the review that contracts go through before you can begin your project or request any funds.

Step 1- After your organization has received an award, your CDBG Administrator begins to customize the contract that your program will have to adhere to.

Step 2- The contracts are returned to the CDBG administrator and the CDBG administrator contacts your organization in order set up a meeting where the head of your organization and two witnesses can sign six (6) copies of the contract for your project.

Step 3- The City Attorney's office checks the contracts for legalities.

Step 4- The Risk Manager's Office checks to see if the project has the appropriate level of insurance and will contact your organization to produce certificates of insurance.

Step 5- The contracts are sent to the Finance department to check for the funds approved requisitions.

Step 6- The contracts are sent to the Purchasing office to get the Director of Finance and the Mayor's signature. After which the Purchasing office will encumber the funds and do a Purchase Order and send one copy to the following places:

- Your Organization
- The City Attorney
- The Finance Department
- The CDBG Administrator
- The Purchasing Department
- The Mayor

Step 7- When you receive your copy of the contract and the purchase order (see next page for sample), you are ready to begin your project and request funds. This mailing can be consider your "Notice to Begin Project".

Insurance Requirements

The City of Middletown requires that all subgrantees have insurance coverage for the life of any CDBG contract in amounts cited below.

Workers' Compensation Insurance – The subgrantee shall provide Statutory Workers' Compensation Insurance, including Employer's Liability with limits of:

- \$100,000 Each Accident
- \$500,000 Disease, Policy Limit
- \$100,000 Disease, Each Employee

Commercial General Liability Insurance - The subgrantee shall carry Commercial General Liability insurance (Insurance Services Offices Incorporated Form CG-0001 or equivalent). A per occurrence limit of \$1,000,000 is required. The Aggregate Limit will be not less than \$1,000,000.

The City reserves the right to amend amounts of coverage required and types of coverage provided based on work or service to be performed. If the policy is written on a "claims-made" basis, the policy must be renewed for a minimum of two years from the completion of the CDBG contract.

Subgrantees must show proof of insurance coverage from an insurance company with an AM Best Rating of A- VIII or better licensed to write such insurance in the State of Connecticut and acceptable to the City of Middletown. The City of Middletown should be named as Additional Insured on the subgrantees insurance policy.

The insurer shall provide the City of Middletown with original completed Certificates of Insurance signed by an authorized representative of the insurance company prior to purchase order/contract issuance. Any time the insurance coverage is replaced by another insurance company or a policy is renewed, a certificate must be submitted to the City at least thirty (30) days prior to the expiration of each policy.

ACORD		CERTIFICATE OF LIABILITY INSURANCE		DATE (MM/DD/YYYY)	
PRODUCER		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.			
INSURED		INSURERS AFFORDING COVERAGE		NAIC #	
		INSURER A			
		INSURER B			
		INSURER C			
		INSURER D			
		INSURER E			
COVERAGES					
THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENTS, TERMS OR CONDITIONS OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.					
TYPE	DATE OF INSURANCE	POLICY NUMBER	DATE EXPIRES	POLICY EXPIRES	LIMITS
A	<input checked="" type="checkbox"/> GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> SOLE AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROSUIT <input type="checkbox"/> LOC				EACH OCCURRENCE \$ 1,000,000.00 SOLELY FOR THE POLICY \$ 50,000.00 MED EXP. (Any one person) \$ 5,000.00 PERSONAL & ADV INJURY \$ 1,000,000.00 GENERAL AGGREGATE \$ 1,000,000.00 PRODUCTS - COMP/OP AGG \$ 1,000,000.00 Fire Damage Limit \$ 50,000.00
	<input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				
	<input type="checkbox"/> GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY - EA ACC \$ AGG \$
	<input type="checkbox"/> EXCESS UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE \$ <input type="checkbox"/> RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$
	<input type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS LIABILITY ANY PROFESSIONAL SERVICE EXCLUSIVE OFFER FROM INSURER EXCLUDED E.L. DISEASE - POLICY LIMIT \$				E.L. EACH ACCIDENT \$ E.L. DISEASE - EA (POLICY) \$ E.L. DISEASE - POLICY LIMIT \$
OTHER					
DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS					
CERTIFICATE HOLDER LISTED AS ADDITIONAL INSURED					
CERTIFICATE HOLDER			CANCELLATION		
City of Middletown c/o Risk Manager 245 Barkover Drive Middletown, CT 06457			SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER SHALL endeavor to MAIL, OR BY WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.		
			AUTHORIZED REPRESENTATIVE _____ TITLE: _____ COMPANY: _____ ADDRESS: _____ PHONE: _____		

Subgrantees will be required that any any subcontractors and independent contractors hired by the subgrantee has appropriate level of insurance coverage and obtain Certificates of Insurance before subcontractors and independent contractors are permitted to begin work.

Subgrantees and all subcontractors and independent contractors and their insurers shall waive all rights of subrogation against the City of Middletown and its officers, agents, servants and employees for losses arising from work performed by each on this contract.

In some limited cases, at the discretion of the Risk Assessor, the City may execute an Indemnification & Subrogation Agreement. For example if a business has no employees and has no plans to hire employees, then workers' compensation may not be necessary.

Procurement Policies

For nonprofit organizations receiving CDBG funding, the procurement requirements at 24 CFR 84 apply, and any standards set by the City of Middletown that exceed federal requirements. CDBG assistance to for-profit entities, such as a small business, are not subject to procurement requirements.

The essence of good procurement can be summarized as follows:

- Seek competitive offers to obtain the best possible quality at the best possible price;
- Use a written agreement that clearly states the responsibilities of each party;
- Keep good, clear records; and,
- Have a quality assurance system that helps the grantee or sub-recipient get what it pays for.

Step 1) Check A-122 Circular (2 CFR Part 230)

Make sure that the items or services you wish to purchase are allowed by the Federal Government and if there are any special conditions that govern the purchase. You can do this by checking Attachment B- Selected items of Cost. This is a list of items that are can and cannot be purchased.

Step 2) Ensure that Federal Procurement Standards are followed. 24 CFR 84.40 dictates the following:

- Ensure that a conflict of Interest does not exist.
- Ensure to the maximum extent practical, open and free competition.
- To the greatest extent possible economic opportunities will be directed to low- and very low-income persons. (Requirement for awards over \$100,000)
- Avoid purchasing unnecessary items
- Preference to the extent practical and economically feasible selection of products that conserve natural resources and protect the environment
- Positive efforts shall be made to utilize small business, minority-owned, and women's business enterprises.
- Contracts will be made with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of proposed procurement.

Step 3) Solicit bids or prices from vendors.

To comply with HUD regulations you must at meet the minimum threshold: Document receipt of at least three (3) prices or rate quotations from qualified sources.

Use the following three methods:

- a) For purchases under \$7,500, contact three or more vendors for written quotes and select the lowest price or estimate. Document who was contact and when they were contacted.
- b) For purchases \$7,500 and over, use a more formal bid process that meets the following minimum standard:
 - 1) a scope of work document detailing the project and the type of good or service that is needed;
 - 2) how bids should be submitted;
 - 3) what the deadline for submissions is;
 - 4) advertise a bid notice in a publication of general circulation; and,
 - 5) mail a copy of the notice to appropriate vendors.

c) For purchases of any amount, use State Contracts or Cooperative Purchases:
https://www.biznet.ct.gov/SCP_Search/

Step 4) Ensure that a conflict of Interest does not exist.

A conflict would arise when any of the following has a financial or other interest in a firm selected for award:

- An employee, agent or officer of the grantee or sub-recipient;
- Any member of an employee's, agent's or officer's immediate family;
- Any employee's, agent's or officer's partner; or,
- An organization that employs or is about to employ an employee, agent, or officer of the grantee or sub-recipient.

Do not hire or do business with a person or firm where a conflict of interest exists. If you are unsure that a conflict of interest exists, seek an opinion from the City's Ethics Board.

Step 5) Determining whether Debarred Contractor(s) submitted a bid

The GSA's Lists of Parties Excluded from Federal Procurement or Non-procurement Programs (aka Debarred List) is available on-line at:

<http://www.epls.gov>

Print a hard copy of the search result and save it in your records. If you find that one of the bids received is from a person or company that is on the Debarred list may not do business with that person or company and the City will not reimburse business was conducted with this person or firm.

Step 6) Procurement Record keeping.

Make sure that all records and files for purchases include at least the following:

- a) Basis for selection
- b) Justification that the process was competitive or a justification for lack of competition.
- c) Basis for award cost or price

Section 3- Women and Minority Owned Businesses

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

1. Including qualified small and minority/women businesses on solicitation lists.
2. Assuring that small and minority/women businesses are solicited whenever they are potential sources.
3. When economically feasible, dividing total requirements into smaller tasks or quantities so as to permit maximum small and minority/women business participation.
4. Using the services and assistance of the Small Business Administration, the Office of Minority Business Enterprise of the Department of Commerce and the Community Services Administration as required.
5. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises.

6. If any subcontracts are to be let, requiring the prime contractor to take affirmative steps in 1 through 5 above.

Grantees shall take similar appropriate affirmative action in support of women's business enterprises.

Grantees are encouraged to procure goods and services from labor surplus areas.

Grantor agencies may impose additional regulations and requirements in the foregoing areas only to the extent specifically mandated by statute or presidential direction.

Definitions

Minority Business Enterprise

"Minority business enterprise" is a business in which minority group members own 51 percent or more of the company; or, in the case of a publicly-owned business, one in which minority group members own at least 51 percent of its voting stock and control management and daily business operations. For this purpose, minority group members are those groups of U.S. citizens found to be disadvantaged by the Small Business Administration pursuant to Section 8(d) of the Small Business Act. Such groups include, but are not limited to, Black Americans, Hispanic Americans, Native Americans, Indian tribes, Asian Pacific Americans, Native Hawaiian Organizations, and other minorities.

Women Business Enterprise

A women-owned small business concern is a small business that is at least 51% owned by one or more women. In the case of publicly owned businesses, at least 51% of the stock is owned by one or more women and the management and daily operations of the business are controlled by one or more women.

Small Business

A business that is independently owned and operated and which is not dominant in its field of operation and in conformity with specific industry criteria defined by the Small Business Administration (SBA).

Small Disadvantaged Business

A Small Disadvantaged Business is a small business that is at least 51% owned and controlled by a socially and economically disadvantaged individual or individuals.

Minority Newspapers

In addition to advertising in a newspaper of major circulation, you may also advertise in newspapers targeted to the minority community. This is no longer a DECD requirement, as long as the grantee is using the DAS website or another means of outreach to minority-owned businesses. Please note that If Minority participation drops, DECD retains the right to reinstate this requirement. Listed below are Newspapers targeted to the African-American and Latino communities.

LATINO

El Canillita
8 West Street Ste 206
Danbury, CT 06810

Phone: 203-798-2120
<http://www.elcanillita.com>

El Sol News
1 Bank Street Suite 304
Stamford, CT 06901
Phone: 203-323-8400
<http://www.elsolnews.com>

Fusion
11 Crown Street
Meriden, CT 06450
Phone: 203-317-2236
Email Address: dduran@fusion.com

Identidad Latina
P.O. Box 330295
West Hartford, CT 06133
Phone: 860-231-9891
Fax: 860-953-3591
Email Address: news@identidadlatina.com

La Voz Hispana De Connecticut
32 Elm Street
New Haven, CT 06510
Phone: 203-752-0218

AFRICAN-AMERICAN

Northeast Minority News, Inc.
3580 Main Street
Hartford, CT 06120
Phone: 860-249-6065

Inner City
50 Fitch Street
New Haven, CT 06515
Phone: 203-387-0354

Inquiring News
(Bridgeport, Hartford, New Haven, Waterbury, Springfield)
P.O. Box 400276
Hartford, CT 06140
Phone: 860-983-7587
Fax : 860-206-7587
Email Address: inqnews@aol.com

Davis-Bacon Wage Rates

The Davis-Bacon Act- The Davis-Bacon Act requires the payment of prevailing wage rates (which are determined by the US Department of Labor) to all laborers and mechanics on Federal government construction projects in excess of \$2,000. Construction includes alteration and/or repair, including painting and decorating, of public buildings or public works.

Step 1- Wage Decision

After you have been awarded a portion of Middletown's Community Development Block Grant, and before you begin construction work, you need to obtain a wage decision (Section One cover what this is). A listing of the current wage decisions can be found at this website:

<http://www.wdol.gov/Index.aspx>

Select Connecticut and hit the "Davis-Bacon search" button at the bottom of the screen.

There are eight wage decisions:

CT020001 CT1 Building Construction projects, Heavy and Highway Construction
CT020002 CT2 Residential Construction Project
CT020003 CT3 Building Construction projects, Heavy and Highway Construction
CT020004 CT4 Building Construction projects, Heavy and Highway Construction
CT020005 CT5 Residential Construction Project
CT020006 CT6 Residential Construction Project
CT020007 CT7 Hopper Dredging Construction Projects
CT020008 CT8 All Dredging, except self-propelled hopper dredges

Once you have found the appropriate Wage Decision please inform the Middletown's CDBG administrator in writing, either letter or email, and print out a copy of the complete wage decision for your files.

If the work classification you need isn't on the wage decision, then you need to request an additional classification and wage rate. This process is usually very simple and you'll want to start right away. Basically, you identify the classification you need and recommend a wage rate for the Department of Labor to approve for the project. You make this request in writing to your contract administrator, who will pass the request to the HUD labor relations field staff. If you are going to request an additional classification and wage rate, you need to follow these four rules:

1. The requested classification is used by the construction contractors in the area of the project. (Within the county)
2. The work that will be performed by the requested classification is not already performed by another classification that is already on the wage decision.
3. The proposed wage rate for the requested classification "fits" with other wage rates already on the wage decision.
4. The workers that will be employed in the added classification, or the workers' representative, must agree with the proposed wage rate.

If an additional classification and wage rate is approved then the contractor must post the approval notice. If the additional classification and wage rate is declined, the Department of Labor will inform you in writing what classification and wage rate should be used for the work in question.

Step 2- Posting the Wage Decision

If you are the prime contractor, you will be responsible for posting a copy of the wage decision (or the Project Wage Rate Sheet) and a copy of a Department of Labor poster called Notice to Employees (Form WH-1321) at the job site in a place that is easily accessible to all of the construction workers employed at the project and where the wage decision and poster won't be destroyed by wind or rain, etc. The Notice to Employee poster is available on-line at HUDClips (www.hudclips.org/sub_nonhud/html/forms.htm) and can also be obtained in Spanish text through the contract administrator.

Step 3- Certified Payroll Reports

You'll need to submit a weekly certified payroll report beginning with the first week that your company works on the project and for every week afterward until your firm has completed its work. It's always a good idea to number the payroll reports beginning with #1 and clearly mark your last payroll for the project "Final."

Department of Labor form WH-347 (a sample is in Section 4) is the form that you need to use for Payroll Reports. The reverse side of the payroll report contains the certification language.

"No Work" payrolls may be submitted whenever there is a temporary break in your work on the project. If work will not be taking place for an extended period of time, then a short letter can be send stating when work will halt and when work will begin again. Therefore, no "No Work" payrolls will need to be submitted during this period. The prime contractor is responsible for the full compliance of all reports and the prime contractor is responsible for subcontractors on the contract and will be held responsible for any wage restitution that may be found due.

All payroll reports and any basic records such as time cards, tax records, evidence or fringe benefits payments must be retained for at least 3 years after the project is completed. These records must be made available for review to any authorized representative of HUD or the Department of Labor.

Check Request Policies

Step 1) The first step to getting your money is to make sure your organization has all of the necessary documentation. You need the following documentation:

- Coversheet explaining what is being reimbursed for which project (this is very important for those organizations that have more than one project open).
- An address as to where the check should be sent.
- Attachment A from your contract- Approval for Payment.
- Purchase Information Form
- Copy of your Purchase Order (See sample in section one)
- Any Invoices or Timesheets
- Other necessary forms, depending on type of request

Step 2) The CDBG administrator will review the check request and ask for any missing information or pass the request onto the appropriate people to process the request.

Check requests will be reviewed for the following:

- The check request will be compared to the terms of the contract;
- The check request will be compared to the Purchase Order to ensure that funds are coming from authorized encumbered sources;
- Review the check request against OMB Circular A-122 (2 CFR Part 230): Cost Principles for Non-Profits or OMB Circular A-87 (2 CFR Part 225): Cost Principles for Local Governments;
- Compared to previous payments to prevent duplication of payment; and,
- Invoices will be re-tallied to determine the requested amount is correct.

Step 3) The designated organization should receive payment in two to four weeks, if the check request is complete and all the information is correct.

Contract Extensions

HUD regulations only permit the City of Middletown to grant extension for certain types of projects. The City of Middletown cannot grant extensions for the following types of projects:

1. Public Service- HUD Codes 05-05T
2. Planning Projects- HUD Codes 20, 21A-21E

The CAC will consider extending and/ or making amendments to contracts on a case-by-case basis. The CAC will not consider amendments that significantly alter the scope of the project. The CAC will only consider extensions prior to the expiration of the contract. The following steps need to be completed to amend the contract:

Steps to extend or amend contracts:

- 1) Present discuss the proposal with the CDBG Administrator, who will then tell you if the extension or amendment is acceptable. Extensions and amendments will only be allowed if the contract is still valid.
- 2) Write a formal letter addressed to the Citizen's Advisory Committee, explaining the need for the changes in the contract, and why this situation has materialized. Please also create a timetable with exact dates as to when you complete your project. This must be submitted at least 7 days before a CAC meeting (2nd Wednesday of each month)
- 3) Present your proposed changes, and answer board question at the CAC meeting (3rd Wednesday of each month). The CAC meeting will approve or deny your proposal.
- 4) If your proposal is approved, the CDBG administrator will write the amendment and have the appropriate City departments review it.
- 5) If required, the CDBG administrator will contact you when the amendment or contract is ready for signing, and the CDBG administrator will obtain the necessary signatures from City officials.
- 6) The Finance department will update or reissue purchase orders.
- 7) The CDBG administrator will send you a letter notifying that the changes have been made and your organization can continue the activity and make check requests.

If you are unable to complete the project within the approved extended time period your organization will lose its CDBG funding.

Reporting Accomplishments

HUD requires that all grants record and report accomplishments by all grantees. The City of Middletown requires quarterly report

Step 1) Make sure you have a system set up to record participants income information, race information, household size. The form on page 6 is available for you to use or see if your existing record collection process documents all the necessary information. Public Service clients can self-certify the information they provide on the form.

Step 2) Performance Measurement

Every program and project has a customized performance measurement. Item 2 of the contract details what additional documentation is required. The purpose of this information is to see if there is an impact of the program or project that can measure actual improvement in people's lives or area.

Step 3) Submit summaries of the participant data on a quarterly basis.

The CDBG quarterly reports calendar is as follows:

September-November	Reports due December 31
December-February	Reports due March 31
March-May	Reports due June 30
June- August	Reports due September 30

Documenting Income

HUD requires documentation to verify income of households served. Different activities and status of income require different documentation standards. The charts below help determine what type of documentation is required. Using the Middletown Income Documentation Form can assist in complying with documentation requirements.

<u>Income Documentation Required</u>	<u>Self-Certification Allowed</u>
Business Assistance (Owner-eligible)	Public Service programs
Micro-assistance	Public Facility projects
Housing Rehabilitation Activities	Employees (hired or retained)
Homebuyer Assistance Activities	through Business Assistance

<u>Type of Income</u>	<u>Standard</u>	<u>Includes</u>
Stable Income	Three consecutive months of income documentation	Salaried workers, full or part-time workers with stable hours
Irregular Income	12 months of income documentation	Self-employed, teachers, seasonal workers
No Income	Careful assessment is required when an applicant states that they have no income. It is important to note if the household expenses are paid and current or if they remain unpaid. Review checking	

account statements that may show frequent deposits that may mean income.

The following location in Middletown are located in Census Blocks or Census Tracts that have greater than 70% of residents designated as low and moderate income. Anyone residing in these areas are "presumed low and moderate income status" authorized by Section 105(c)(4) for economic development projects.

Street	Eligible Addresses	Census Tract & Block
Alsop Avenue		5416, Block 1
Bridge Street		5411, Block 1
Broad Street	37 - 163	5416, Block 2
Casper Street		5411, Block 1
Catherine Street		5411, Block 1
Columbus Avenue		5411, Block 1
Court Street	1 - 241	5416, Block 1 & Block 2
DeKoven Drive	195 - 399	5416, Block 1
Erin Street		5411, Block 1
Erin Street Extension		5411, Block 1
Ferry Street		5416, Block 1
Glover Place		5416, Block 2
Green Street		5416, Block 1
Griffin Place		5411, Block 1
Grove Street		5411, Block 1
High Street	518 - 695	5411, Block 1
Johnson Street		5411, Block 1
Longworth Avenue		5416, Block 2
Main Street	578 - 728 (Even Numbers Only)	5416, Block 1
Main Street	130 - 575	5416, Block 1 & Block 2
Martin Luther King Drive		5416, Block 1
Mazzotta Place		5411, Block 1
Melilli Plaza		5416, Block 1
Miller Street		5411, Block 1
North Main Street		5411, Block 1
Pearl Street	12 - 164 (Even Numbers Only)	5416, Block 2
Pearl Street	250 - 265	5411, Block 1
Portland Street		5416, Block 1
Prospect Street	143 - 219	5411, Block 1
Ranger Avenue		5411, Block 1
Rome Avenue		5411, Block 1
Spring Street		5411, Block 1
Stack Street		5411, Block 1
St. John Street		5416, Block 1
Washington Street	27 - 160	5416, Block 1 & Block 2
Wetmore Place		5416, Block 2

Monitoring

After the end of the grant year, staff will monitor the City's CDBG program to help ensure compliance with all CDBG rules and regulations. Monitoring will include:

- 1) Performing a desk review of all programs;
 - i. Review the program file to ensure completeness and compliance
 1. Program Benefit
 2. Eligible Activities
 3. Nation Objective
 4. Environmental Review Record
 5. Contract
 6. Financial Documents
 7. Procurement
 8. Quarterly Reports
 9. Review Expenditures
 10. Other Relevant Documents
- 2) Performing a risk assessment of all programs using the following criteria:
 - i. CDBG Funding
 1. Less than \$5,000- 1 point
 2. \$5000-\$25,000- 2 points
 3. Greater than \$25,000- 3 points
 - ii. CDBG Experience
 1. At least three CDBG grants in the past 5 years- 1 point
 2. At least two CDBG grant in the past 5 years- 2 points
 3. One CDBG grant in the past 5 years- 3 points
 - iii. Timely Reporting Submissions
 1. No late reporting submissions- 1 point
 2. 1 late reporting submission- 2 points
 3. 2 or more late reporting submissions- 3 points
 - iv. Activity type
 1. Acquisition, Planning or Administration- 1 points
 2. Public Service- 2 points
 3. Economic Development or Construction- 3 points
- 3) Perform an On-Site Monitoring of programs that:
 - i. Monitor the three programs that receive the highest risk assessment score
 - ii. Monitor any programs where any problems or concerns become apparent during the course of the grant year.

On-Site Monitoring Process

1. Notification Letter will be sent a least week prior to visit. Will contain the following:
 - a. Confirm the dates and scope of monitoring visit
 - b. Provide a description of the information that will be reviewed.
 - c. Provide a list people that will be interviewed
 - d. Specify the expected duration of the monitoring visit.
2. Entrance Conference. This will provide an opportunity to provide a clear understanding of the purpose, scope and schedule of monitoring from the beginning.

3. Documentation and Data Acquisition. Will keep a clear record of the steps that were followed and the information reviewed. Following the Onsite Monitoring Visit Checklist (see attachment)
4. Exit Conference. Meet with the subrecipient and present tentative conclusions, request information to clarify any concerns, and suggest improvements. Inform them that a formal letter with final conclusion will be sent within 30 days.
5. Monitoring Letter. A formal letter either commending the subrecipient on a good job or detailing deficiencies along with regulation citations. Recommendations or requirements for improvements will be listed, and specifying possible consequences for failure to comply within a reasonable timeframe.
6. Report monitoring findings to the Citizens Advisory Committee.

Other Policies

Administration and Activity Delivery Costs

Reimbursement of the City's cost to oversee, management and activity delivery costs will be divided into two categories.

- 1) Administration- Costs that apply to the 20% administrative cost cap
 - a. Consolidate Plan (5-year Plan) development and submission
 - i. estimated 210 hours
 - ii. estimated cost \$10,000
 - b. Annual Action Plan development and submission
 - i. estimated 54 hours
 - ii. estimated cost \$3,000
 - c. Environmental Review Record development
 - i. estimated 40 hours
 - ii. estimated costs \$2,500
 - d. Consolidated Annual Performance Report development and submission
 - i. estimated 40 hours
 - ii. estimated costs \$3,000
 - e. Staffing the Citizens' Advisory Committee
 - i. estimated 60 hours
 - ii. estimated costs \$3,500
 - f. Other CDBG Program Administrative Requirements
 - i. estimates 200 hours
 - ii. estimated costs \$10,000
 - g. Services, supplies and materials for the CDBG Program Administration
 - i. Legal notices- \$2,500
 - ii. Paper- \$500
 - iii. Website- \$500

- 2) Activity Delivery- Costs that DO NOT apply to the 20% administrative cost cap
 - a. Contract development and execution

	<u>Time</u>	<u>Rate</u>	<u>Subtotal</u>
Deputy Director PCD	1	\$43.27	\$43.27
Director PCD	0.25	\$54.39	\$13.60
PCD Admin	0.5	\$23.27	\$11.64
Risk Manager	0.5	\$41.05	\$20.53
Deputy City Attorney	0.5	\$58.30	\$29.15
Finance	0.25	\$36.63	\$9.16
Purchasing	0.75	\$45.50	\$34.13
	<u>Total</u>		<u>\$161.46</u>

- b. Quarterly reporting compliance

	<u>Time</u>	<u>Rate</u>	<u>Subtotal</u>
Deputy Director PCD	1	\$43.27	\$43.27
	<u>Total</u>		\$43.27 per quarterly report \$129.81 4 quarterly reports

c. Reimbursement request processing

<u>Time</u>	<u>Rate</u>	<u>Subtotal</u>	
Deputy Director PCD	0.5	\$43.27	\$21.64
Director PCD	0.25	\$54.39	\$13.60
PCD Admin	0.5	\$23.27	\$11.64
Finance	0.25	\$36.63	\$9.16
Total			\$56.03 per check request \$168.08 average of 3 requests per year

The City's activity deliver cost is on average roughly \$500 per year per grant award. The City issues between 20 and 35 grants per year, therefore direct activity deliver costs run \$10,000 and \$17,500. The following summarizes that breakdown of activity deliver administrative costs.

Lead-Based Paint

Whenever CDBG funds are used to assist housing built before 1978 steps must be taken to address lead hazards, 24 CFR Part 35 and 40 CFR Part 745. The following requirements need to be addressed depending on the level of CDBG assistance to the activity:

<u>Level of CDBG Assistance</u>	<u>Required Activities</u>
Under \$5,000	Lead Hazard Notices to owner and tenants Lead Hazard Evaluation Lead Hazard Reduction- Repair Disturbed Paint
\$5,000 - \$25,000	Lead Hazard Notices to owner and tenants Lead Hazard Evaluation Lead Hazard Reduction- Interim Controls
Over \$25,000	Lead Hazard Notices to owner and tenants Lead Hazard Evaluation Lead Hazard Reduction- Abatement

Conflict of Interest

City employees and City officials are bound by federal law, 24 CFR 84.42 and 570.611, and the Ethics Ordinance of the City of Middletown that states:

No official or employee shall have a financial or personal interest, directly or indirectly, in any transaction with any City agency as to which he has the power to take or influence official action. A contract in violation of this section may be declared void at the option of the Common Council.

Subgrantees are bound by federal law, , 24 CFR 84.42 and 570.611, upon accepting a CDBG award and reiterated in the contract with the City of Middletown that states:

1. The [subgrantee] shall maintain a written code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.

2. No employee, officer or agent of the [subgrantee] shall participate in the selection, or in the award, or administration of, a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved.
3. No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG-assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or agreement with respect to the CDBG-assisted activity, or with respect to the proceeds from the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of one (1) year thereafter. For purposes of this paragraph, a "covered person" includes any person who is an employee, agent, consultant, officer, or elected or appointed official of the CITY, the [subgrantee], or any designated public agency.
4. All designated "Covered persons" shall:
 - a. ITEMS REQUIRING VOTING
The Covered Person shall include the following language in a motion during any vote or action taken concerning CDBG items:
"With this vote (or action) , each member represents that he or she has no conflict of interest with respect to any program, project, organization, or appropriation associated with this CDBG proposal."
 - b. ITEMS NOT REQUIRING VOTING
The Covered Person shall sign a "NO CONFLICT OF INTEREST" document which shall state:
"With my signature, I hereby represent that I have no conflict of interest with respect to any program, project, organization, or appropriation associated with this CDBG proposal."

Retention of Records

As a general rule records are to be retained for at least 5 years after last expenditure report is submitted (i.e., 5 years after submission of the Consolidated Annual Performance and Evaluation Report [CAPER] in which activity is reported as complete).

This applies to administrative records, financial records and project records. Records must also be accurate, complete and orderly.

Each activity should have a project or case file that includes:

- A full description of the activity, including the location, amount of CDBG funds budgeted, obligated, and expended.
- The provision under which the activity is eligible.
- Records demonstrating compliance with a national objective.
- Characteristics and numbers of beneficiaries.
- Determinations required for eligibility.
- The amount budgeted for the activities.
- Compliance with other program requirements; i.e., lead-based paint, fair housing, and equal opportunity, etc.
- Status of case/project.

Section 133 Audit Requirements

The federal government requires entitlement communities to determine if subgrantees are compliant with A-133 Audit requirements. In order to assess compliance the following review procedure should be performed before a contract can be executed.

1) Assessment, is an A-133 Audit review required:

a) The City of Middletown will require applicants to answer the following questions to determine if the applicant requires additional review.

18) OMB Circular A-133 Compliance

Did your organization expend more than \$500,000 in federal funds in your previous fiscal year?

Yes* _____ No _____

*If yes please submit a copy of your most recent audit that includes Federal Supplementary Reports. Your application will be incomplete without these documents.

b) The City of Middletown also requires a copy of their most recent audit. This document will be reviewed to see if more than \$500,000 in federal funds was expended.

c) The City of Middletown will search the federal audit clearinghouse to determine if the applicant requires a review to determine if OMB Circular A-133 has been complied with. The federal audit clearinghouse website is:
<https://harvester.census.gov/fac/>

2) If the applicant did expend more than \$500,000 in federal funds then the audit will be reviewed to see if it complies with A-133 audit requirements. Refer to A-133 Circular for the complete requirements.

3) Use the review checklist and conclusion statement to determine compliance.

4) If the organization does not comply with the A-133 audit requirements the City of Middletown will determine that are ineligible for CDBG funds until it is shown that they do comply with the requirements.

Program Income

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

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

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

The City of Middletown received program income at period intervals from outstanding loans in repayment and at random from loans that were deferred until transfer of the

property assisted. Program income must be deposited into one of two revenue line-items depending on the source of funds:

3960-14000-48200-0000-00000-0000-900 Loan Payments: Down Payment Assistance
3960-14000-48203-0000-00000-0000-900 Loan Payments: Residential Rehab

A new activity that is not either of the above, will need to have a new revenue line-item created.

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

Federal Cash Transaction Report

The Finance Department is required to submit HUD Form SF-425, Federal Cash Transaction report on a quarterly basis. The reporting periods are: January 1st through March 31st; April 1st through June 30st; July 1st through September 30th; and October 1st through December 31st.

The due dates for the quarterly reports are 30 days after the end of the quarter:

- April 30th
- July 31th
- October 31st
- January 31st

City of Middletown Accounting Line-items Numbers

The City of Middletown has 30 digit line-item separated into seven sections to identify financial accounts.

Fund	Department	Source	0000	Activity	Year	000
0000-	00000-	00000-	0000-	00000-	0000-	000

14000 is the number for the Department of Planning, Conservation and Development

57030 is the number for the Community Development Block Grant

Fund Numbers

3950 is for entitlement year 1995
----- is for entitlement year 1996
----- is for entitlement year 1997
----- is for entitlement year 1998
----- is for entitlement year 1999
3890 is for entitlement year 2000
----- is for entitlement year 2001
----- is for entitlement year 2002
3780 is for entitlement year 2003
3740 is for entitlement year 2004

----- is for entitlement year 2005
3700 is for entitlement year 2006
3790 is for entitlement year 2007
3200 is for entitlement year 2008
3205 is for entitlement year 2009
3215 is for entitlement year 2010
3216 is for entitlement year 2011
3217 is for entitlement year 2012
3218 is for entitlement year 2013
3219 is for entitlement year 2014
 is for entitlement year 2015
 is for entitlement year 2016
 is for entitlement year 2017
 is for entitlement year 2018
 is for entitlement year 2019
 is for entitlement year 2020
3940 is for miller bridge section 108
3960 is for revenue expenditure accounts

Typically, an activity has one line-item number matched up with one HUD number. However, through reprogramming, an activity may have multiple line-item numbers. The reason for the multiple line-item numbers is because the City of Middletown does not transfer funds from one fund to another.

Appendix

Appendix materials can be found at:

<http://www.middletownplanning.com/Committees/CAC/cdbg.html>

The following documents are posted at the site:

City Policies

CDBG Policies and Procedures Manual
Citizen Participation Plan
Fair Housing Plan and Analysis of Impediments
Procurement Manual
Purchasing Ordinance
Ordinance on Contracts
Finance Manual
Finance Ordinance
Ordinance on Funds
Ordinance on Capital Improvements
Ordinance on Investment
Ethics Ordinance
Drug-Free Workplace Policies
Subgrantee Guide to Getting and Using CDBG Funds
Subgrantee Guide to Davis Bacon

Federal Policies

24 CFR 570- Community Development Block Grants
24 CFR 85- Administrative Requirements for Local Governments
24 CFR 91- Consolidated Plan Submission
24 CFR 35- Lead-Based Paint
24 CFR 42- Acquisition and Relocation
OMB Circular A-87: Cost Principles for Local Governments (2 CFR Part 225)
OMB Circular A-110: Uniform Administrative Requirements for Grants and Agreements
OMB Circular A-122: Cost Principles for Non-Profits (2 CFR Part 230)
OMB Circular A-133: Audits of Local Government and Non-Profits
CPD Notice 03-09- Performance Measures
CPD Notice 04-10- Equal Treatment of Faith-based Organizations

Resources

HUD- Income Limits
HUD- Fair Market Rents
Federal Single Audit Clearinghouse
Department of Labor Wage Determinations
Excluded Parties List System
Environmental Review Requirements

Forms

Middletown Income Documentation Form

Procurement Method Memo Form

Contractor Information Form & Statement of Intent to Pay Prevailing Wage

Department of Labor Form WH-347- Certified Payroll Form

Check Request Form- Non-Construction Projects

Check Request Form- Construction Projects

After-school Scholarship Form

Small Business Start-up and Expansion Grant Form

Economic Development Underwriting Form

A-133 Audit Review Checklist