



## **CDBG/HOME/ADDI PROGRAM POLICY AND PROCEDURES MANUAL**

### **SUBJECT: CDBG PUBLIC SERVICES**

#### **PURPOSE**

The primary objective of Title I of the Housing and Community Development Act of 1974, as amended, is the development of viable urban communities. This is achieved by providing decent housing, a suitable living environment, and expanding economic opportunities. This activity meets the national objective of benefiting low and moderate-income persons.

This meets the 2010-2014 Consolidated Plan priority of setting aside up to 15% of the CDBG allocation of entitlement funds each year for public services benefiting persons who are low-and-moderate income.

#### **ELIGIBLE APPLICANTS**

Non-profit agencies with 501 (c) (3) designation, units of local government and related agencies, e.g. school districts, libraries, park districts.

#### **ELIGIBLE ACTIVITIES - Reference: 24 CFR 570. 201 (e)**

The CDBG regulations authorize up to a total of 15% of the County's total CDBG grant funds (plus 15% of prior year program income) to be used for public service projects for a wide variety of activities including, but not limited to the following:

- Employment services (e.g. job training)
- Crime prevention and public safety
- Child care
- Health services
- Substance abuse services (e.g. counseling and treatment)
- Fair housing counseling
- Education programs
- Energy conservation
- Services for senior citizens
- Services for homeless persons
- Welfare services
- Down payment assistance
- Recreational services

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

CDBG regulations recommend that in order to qualify for funding a public service be either a new service or a quantifiable increase in the level of an existing public service. The regulations do not

prohibit a grantee from continuing to provide funding to a CDBG-funded public service at the same or decreased level in subsequent years, however.

### **INELIGIBLE ACTIVITIES - Reference: 24 CFR 570.207 (4)**

The general rule is that CDBG funds may not be used for *income payments*. For purposes of the CDBG program, *income payments* means a series of subsistence-type grant payments made to an individual or family for items such as food, clothing, housing (rent or mortgage), or utilities. However, emergency grant payments made over a period of up to three consecutive months to the provider of such items or services on behalf of an individual or family are eligible.

## **REQUIREMENTS**

### General

- The project must benefit persons in the participating municipalities of the Dane County Urban County Consortium.
- Public service projects may qualify under the Low-and-Moderate Income (LMI) Benefit National Objective as either Area Benefit or Limited Clientele activities.
- To qualify as a Limited Clientele activity, a minimum of 51% of the persons served by the project must be low and moderate-income. Income level, household size, and other information must be documented by the Subrecipient on forms provided by the County.
- Under the Area Benefit criteria, the public service must be offered to all residents of an area where at least 51 percent of the residents are low-and-moderate income.
- Subrecipients that are directly funded under the CDBG program may not engage in inherently religious activities, such as worship, religious instruction or proselytization, as part of the program. If a Subrecipient conducts such activities, the activities must be offered separately, in time or location, from the CDBG-funded program, and participation must be voluntary for the beneficiaries of the CDBG-funded program.
- The project may not begin until the environmental review requirements at Part 58 are met and the County has given notice to proceed.

### Procurement

1. Subrecipients of County CDBG funding will comply with the procurement standards under 24 CFR 85.36 for governmental subrecipients and 24 CFR 84.40-48 for subrecipients that are non-profit organizations, including the requirements for bonding in procurement.
2. The Subrecipient is the responsible authority, without recourse to HUD or the County regarding the settlement of all contractual and administrative issues arising out of the procurement entered in support of the award or other agreement.
3. The Subrecipient must conduct all procurement in a manner to provide to the maximum extent practicable, open and free competition.
4. Subrecipients must maintain records to detail the significant history of procurement. These records include, but are not limited to: files on the rationale for selecting the method of procurement used, selection of the contract type, the contractor selection/rejection process, and the basis for the cost or price of a contract.
5. Pre-qualified lists of vendors/contractors, if used, must be current, developed through open solicitation, include adequate numbers of qualified sources, and must allow entry of other firms to qualify at any time.
6. Steps should be taken to assure that women and minority businesses are utilized when possible as the sources of supplies, equipment, and services.
7. Subrecipients must ensure that awards are not made to any party that is debarred or suspended or is otherwise excluded for or ineligible for participation in the Federal assistance programs under Executive Order 12549.
8. There must be written selection procedures for procurement transactions.
9. Subrecipients must not use costs plus a percentage of cost pricing for contracts.

10. Subrecipients must have protest procedures in place to handle and resolve disputes relating to their procurement and in all instances report such disputes to the County.
11. There must be a documented system of contract administration for determining the consistency of contractor performance.
12. Subrecipients must have a written code of conduct governing employees, officers, or agents engaged in the award or administration of contracts.

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