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Community Development Staff

Tammy DeGannes, CD Director	(956) 427-8735
Brandy Garza, Compliance Coordinator	(956) 430-8144
Sylvia Flores, Administrative Tech II	(956) 427-8737
Ricardo Trevino, Housing Rehab Specialist	(956) 430-6601
Lucy Lopez, Accounting Specialist	(956) 430-6626
Elena Garza, Administrative Secretary	(956) 427-8735

Department Fax Number (956) 430-8122

Address

Physical:	502 E. Tyler	Mailing:	P.O. Box 2207
	Harlingen, TX 78550		Harlingen, TX 78551

SUBRECIPIENT AGREEMENTS

Completed Exhibits A-C should be submitted to the Community Development Department no later than by **September 26, 2003** for review. Approved agreements will be mailed on or around **October 21, 2003**. Agreements must be signed by an authorized individual, as determined by the agency's board of directors, and be returned no later than **Monday, November 3, 2003**.

Also, subrecipients must file with the Community Development Office the name of the person designated by the board of directors as the authorized individual. The CD Office must have the name of the authorized individual prior to requesting reimbursement. In order to designate the authorized individual, one of the following may be submitted:

1. Letter from the board of the authorized signature
2. A copy of the By-Laws indicating the official
3. A copy of the Board minutes where item was discussed and approved

RECORDS & REPORTS

In order to submit a request for reimbursement, the following documents are required:

I. REQUEST FOR REIMBURSEMENT

- A. “Request for CDBG Funds” form must be **completely** filled out and submitted with each request.
 - 1. Amount of Reimbursement
 - 2. Signature of Authorized Individual/Executive Director/Board President
 - 3. Beneficiary Data Public Service Agency – Income and Ethnicity Information: Information is intended to be a **cumulative and unduplicated count** of the number of beneficiaries served. This means that the numbers provided are indicative of a running total of individuals or households (counted once) who received assistance. This number is reported to HUD on an annual basis.
 - 4. Brief Description of Monthly Activities (using CDBG Funds)
- B. Copies of invoices, time sheets, cancelled checks (or bank statements), and supporting documents

II. PROCUREMENT PROCEDURES

Subrecipients are required to follow the stricter of the Subrecipient’s or City’s procurement procedures. To follow are the City’s procurement procedures for purchases:

- A. For purchases up to and including \$500, subrecipient must provide three to five verbal quotations.
- B. For purchases over \$500 but not exceeding \$24,999.99, subrecipient must provide three quotes on vendor letterhead, invoice or receipt and cancelled check;
- C. For purchases \$25,000 or more, subrecipient must hold a formal bid.

Subrecipients should contact Brandy Garza at (956) 430-8144 before any purchases are made.

III. ELIGIBILITY DOCUMENTATION

- ❖ Subrecipients may use the form entitled “Community Development Block Grant Program Application” or other any other application created by subrecipient that contains the requested beneficiary data.
- ❖ “Community Development Block Grant Program Application” must be completed by individual receiving services and have an original signature.

CDBG REIMBURSEMENT REQUEST

SUBRECIPIENT NAME:

ACTIVITY #

CONTACT NAME:

PHONE NUMBER:

REIMBURSEMENT
REQUEST FOR THE
MONTH OF:

GRANT BUDGET CATEGORIES	CDBG BUDGET FY 99-00	MONTHLY REQUEST	YEAR TO DATE	AVAILABLE BALANCE
FOOD	\$ 30,000.00	\$1,500.00	\$1,500.00	\$ 28,500.00
TOTAL	\$ 30,000.00	\$1,500.00	\$1,500.00	\$ 28,500.00

TOTAL AMOUNT REQUESTED

\$ 1500.00

I certify that, to the best of my knowledge, the data reported herein is correct and that all expenditures have been made in accordance with the grant conditions and that payment is due and has not been previously made.

AUTHORIZED SIGNATURE
DATE
6
REQUEST #

PUBLIC SERVICE AGENCY-INCOME, RACE AND ETHNICITY INFORMATION

TOTAL# HOUSEHOLDS OR PERSONS	LOW/ MODERATE INCOME	RACE								HISPANIC ORIGIN	FEMALE HEAD OF HOUSE
		WHITE	BLACK	ASIAN	INDIAN/ ALASKAN	NATIVE HAWAIIAN/ OTHER PACIFIC ISLANDER	ASIAN & WHITE	BLACK & WHITE	OTHER MULTI RACIAL		
140	100	135	3	1	0	0	0	1	0	135	57

ACCOMPLISHMENTS WITH MONTHLY REQUEST

SUMMARY:

CDBG Funds were used to purchase food for 140 persons. The food was distributed at our agency to eligible low-income families.

CDBG STAFF ONLY

ACCOUNT NUMBER

TAMMY DEGANNES, DIRECTOR

PLEASE PROVIDE THE FOLLOWING ATTACHMENTS:

- 1.) ITEMIZED SUMMARY OF REIMBURSEMENT
- 2.) CANCELLED CHECK COPIES OR BANK STATEMENT WITH COPIES OF CANCELLED CHECKS
- 3.) ALL COPIES OF INVOICES
- 4.) ALL TIMESHEETS AND/OR MILEAGE LOGS

TIME AND ATTENDANCE RECORD

The Time and Attendance Record must be submitted along with the employee's time card and cancelled check.

- ❖ Please note that time cards must also be submitted for **salaried** employees, if reimbursement is requested.

The City's Time and Attendance Record must be completed and signed by the employee and the executive director. Only original submissions of the City's Time and Attendance Record will be accepted.

- ❖ The Time and Attendance Record should **only** show the amount of time **spent** with **eligible Harlingen residents**.
- ❖ The only employees who are eligible for reimbursement are those employees who have **direct contact** with the beneficiaries. Only time spent with the beneficiaries' cases can be reimbursed.
- ❖ Generating reports and other administrative activities, such as filing, answering phone calls, and faxing, are **not eligible** for reimbursement.
- ❖ Other ineligible activities include fund raising, paying bad debt, overtime, penalty and taxes.

If this form is not completed properly, this portion of the request will not be reimbursed; however, the remainder may be processed. The incorrect portion will be returned to the subrecipient agency for corrections.

TIME AND ATTENDANCE SHEET

Employee Name _____ Job Title _____

Salary/Hourly Rate \$ _____ Pay Period _____ Week ending _____

DATE	CASE NUMBERS	WORK DESCRIPTION	CDBG HOURS	OTHER HOURS
Total Hours				

I certify to the best of my knowledge, that the hours reported herein are correct and CDBG hours worked provided services to primarily low income Harlingen residents.

Employee Signature Date

Director Date

MONTHLY MILEAGE REPORT

Mileage will be reimbursed if:

- A. Mileage is listed in the exhibits of the Subrecipient Agreements;
- B. Mileage is less than or equal to the City's mileage policy;
- C. Mileage is incurred visiting with eligible City of Harlingen beneficiaries;
- D. Mileage is signed by the employee and authorized by the director;
- E. Mileage request is accompanied by cancelled check;

ACCOUNTS PAYABLE

Request for Reimbursement must be submitted to the CD Office on or before the day listed in the deadline column in order to provide sufficient time for review prior to payment.

Deadline	Check Run
November 20, 2003	November 26, 2003
December 18, 2003	December 23, 2003
January 15, 2004	January 23, 2004
February 19, 2004	February 27, 2004
March 5, 2004	March 26, 2004
April 15, 2004	April 23, 2004
May 20, 2004	May 28, 2004
June 13, 2004	June 21, 2004
July 17, 2004	July 25, 2004
August 21, 2004	August 29, 2004
September 18, 2004	September 26, 2004

SUBRECIPIENT shall submit monthly requests on the attached form by the third (3rd) Thursday of every month beginning **November 20, 2003** for the Monthly Expenses incurred in October 2003. Reimbursement checks generally will be mailed out the following Friday. Monthly Requests received after the due date will not be processed until the following week and reimbursement checks will not be available until two weeks after the day of receipt.

FEDERALLY MANDATED REQUIREMENTS

The following documents are the regulations that the U.S. Department of Housing and Urban Development mandates to all entities utilizing HUD funds. When appropriate, the City will request documentation regarding these regulations. From these documents, the monitoring report is constructed.

The City of Harlingen “Community Development Block Grant Program Checklist” and the “Compliance Visit Report” are intended to provide the subrecipient with a description of the documents which should be in the beneficiaries’ files and information which will be required during monitoring visits.

Subrecipient Files must contain the following:

- 1. Application for Funding**
- 2. Subrecipient Agreement**
- 3. Correspondence to and from the Community Development Office**
- 4. Current Audit**
- 5. Expenditures**

Beneficiary Files must contain:

- 1. File for each person receiving services**
- 2. Eligibility Documentation**
- 3. Income Tax Form/Source Documentation**

OTHER PROGRAM REQUIREMENTS –24 CFR 570

SECTION

570.600	General
570.601	Public Law 88-352 and Public Law 90-284; affirmatively furthering fair housing; and Executive Order 11063.
570.602	Section 109 of the Act.
570.603	Labor Standards
570.604	Environmental Standards
570.605	National Flood
570.606	Relocation, displacement and acquisition
570.607	Employment and contraction opportunities
570.608	Lead –base paint
570.609	Use of debarred, suspended, or ineligible contractors or sub-recipient
570.610	Uniform administrative requirements and cost principles
570.611	Conflict of interest
570.612	Executive order 12372

General

- (a) This subpart K enumerates laws that the Secretary will treat as applicable to grants made under 106 of the Act, other than the grants to States made pursuant to section 106 (d) of the Act, for purposes of the Secretary's determinations under section 104 (e) (1) of the Act, including statutes expressly made applicable by the Act certain other statutes and Executive Orders for which the Secretary has enforcement responsibility. This subpart K applies to grants made under the Insular areas program in 570.405, with the exception of 570.612. The absence of mention herein of any other statute for which the Secretary does not have direct enforcement responsibility is not intended to be taken as an indication that, in the Secretary's opinion, such statute or Executive Order is not applicable to activities assisted under the Act. For Laws that the Secretary will treat as applicable to grants made to States under section 106 (d) of the Act for purposes of the determination required to be made by the Secretary pursuant to section 104 (e) (2) of the Act, see 570.487.
- (b) This subpart also sets forth certain additional program requirements which the Secretary has determined to be applicable to grants provided under the Act as a matter of administrative discretion.
- (c) In addition to grants made pursuant to section 106 (b) and 106 (d) (2) (B) of the Act (subparts D and F, respectively), the requirements of this Subpart K are applicable to grants made pursuant to sections 107 and 119 of the Act (subparts E and G, respectively), and to loans guaranteed pursuant to Subpart M.

570.600 Public Law 88-352 and Public Law 90-284: affirmatively furthering fair housing; Executive Order 11063.

- (a) The following requirements apply according to sections 104 (b) and 107 of the Act:
 - (1) Public Law 88-352, which is the title VI of the Civil Rights Act of 1964 (42 U.S.C 2000d et seq.), and implementing regulations in 24 CFR part 1.
 - (2) Public Law 90-284, which is the Fair Housing Act (42 U.S.C. 3601-3620). In accordance with the Fair Housing Act, the Secretary requires that grantees administer all programs and activities related to housing and community development in a manner to affirmatively further the policies of the Fair Housing Act. Furthermore, in accordance with section 104 (b) (2) of the Act, for each community receiving a grant under subpart D of this part, the certification that the grantee will affirmatively further fair housing shall specifically require the grantee to assume the responsibility of fair housing planning by conducting an analysis to identify impediments to fair housing choice within its jurisdiction, taking appropriate actions to overcome the effects of any impediments identified through that analysis, and maintaining records reflecting the analysis and actions in this regard.
- (b) Executive Order 11063, as amended by Executive Order 12259 (3 CFR, 1959-1963 Comp., p. 652; 3 CFR 1980 Comp., p. 307) (Equal Opportunity in Housing), and implementing regulations in 24 CFR part 107, also apply.

570.602 Section 109 of the Act.

- (a) **Section 109 of the Act requires that no person in the United States shall on the ground of race, color, religion, national origin or sex, be excluded from participation in be denied the benefits of, or be subjected to discrimination under, any program or activity funded in**

whole or in part with community development funds made available pursuant to the act. For purposes of this section “ program or activity” is defined as any function conducted by an identifiable administrative unit of the receipt, or by any unit of government, subrecipient, or private contractor receiving community development funds or loans from the recipient. “Funded in whole or in part with community development funds” means that community development funds in any amount in the form of grants or proceeds from HUD guaranteed loans have been transferred by the recipient or a subrecipient to an identifiable administrative unit and disbursed in a program or activity. In subsection (b) of this section, “recipient” means recipient as defined in 24 CFR 1.2 (f).

(b) Specific discriminatory actions prohibited and corrective actions.

- (1) A recipient may not, under any program or activity to which the regulations of this part may apply, directly or through contractual or other arrangements, on the ground of race, color, religion, national origin, or sex:
 - (i) Deny any individual any facilities, services, financial aid or other benefits provided under the program or activity.
 - (ii) Provide any facilities, services, financial aid or other benefits which are different, or are provided in a different form, from that provided to others under the program or activity.
 - (iii) Subject an individual to segregated or separate treatment in any facility in, or in any other matter of process related to receipt of any service or benefit under the program or activity.
 - (iv) Restrict an individual in any way in access to, or in the enjoyment of, any advantage or privilege enjoyed by others in connections with facilities, services, financial aid or other benefits under the program or activity.
 - (v) Treat an individual differently from others in determining whether the individual satisfies any admission, enrollment, eligibility, membership, or other requirement or condition which the individual must meet in order to be provided any facilities, services or other benefit provided under the program or activity.
 - (vi) Deny and individual an opportunity to participate in the program or activities as an employee.
- (2) A recipient may not use criteria or methods of administration which have the effect of subjecting persons to discrimination on the basis of race, color, religion, national origin, or sex, or have the effect of defeating or substantially impairing accomplishment of the objectives of the program or activity with respects to persons of a particular race, color, religion, national origin, or sex.
- (3) A recipient, in determining the site or location of housing or facilities provided in whole or in part with funds under this part, may not make selections of such site or location which have the effect of excluding persons from, denying them the benefits of, or subjecting them to discrimination on the ground of race, color, religion, national origin or sex; or which have the purpose or effect of defeating or substantially impairing the accomplishment of the objectives of the Act and of this selection.
- (4) (I) In administering a program or activity funded in whole or in part with CDBG funds regarding which the recipient has previously discriminated against persons on the ground of race, color, religion, national origin, or sex, or if there is sufficient evidence to conclude that such discrimination existed, the recipient must make remedial affirmative action to overcome the effects of prior discrimination. The word “previously” does not exclude current discriminatory practices.
 - (ii) In the absence of discrimination, a recipient in administering a program or

activity funded in whole or in part with funds made available under this part, may take any nondiscriminatory affirmative action necessary to ensure that the program or activity is open to all without regard to race, color, religion, national origin or sex.

(iii) After a finding of noncompliance or after a recipient has a firm basis to conclude that discrimination has occurred, a recipient shall not be prohibited by this section from making any action eligible under subpart C to ameliorate an imbalance in services or facilities provided to any geographic area or specific group of persons within its jurisdiction, where the purpose of such action is to remedy prior discriminatory practice or usage.

(5) Notwithstanding anything to the contrary in this section, nothing contained herein shall be construed to prohibit any recipient from maintaining or constructing separate living facilities or restroom facilities for the different sexes. Furthermore, selectively on the basis of sex is not prohibited when institutional or custodial services can properly be performed only by a member of the same sex as the recipients of the services.

(c) Section 109 of the Act further provides that any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.) or with respect to an otherwise handicapped person as provided in section 504 of Rehabilitation Act of 1973 (29 U.S.C. 794) shall also apply to any program or activity funded in whole or in part with funds made available pursuant to the Act. HUD regulations implementing the Age Discrimination Act are contained in 24 CFR part 146 of the regulations implementing section 504 are contained in 24 CFR part 8.

[53 FR 34456, Sept.6, 1988, as amended at 60 FR 56916. Nov. 9, 1995]

570.603 Labor Standards.

(a) Section 110(a) of the Act contains labor standards that apply to non-volunteer labor financed in whole or in part with assistance received under the Act. In accordance with section 110(a) of the Act, the Contract Work Hours and Safety Standards Act (40 U.S.C. 327 et seq.) also applies. However, these requirements apply to the rehabilitation of residential property only if such property contains not less than 8 units.

(b) The regulations in 24 CFR part TO apply to the use of volunteers.

[61 FR 11477. Mar. 20. 1996]

570.604 Environmental Standards.

For purposes of section 104(g) of the Act, the regulations in 24 CFR part 58 specify the other provisions of law which further the purposes of the National Environmental Policy Act of 1969, and the procedures by which grantees must fulfill their environmental responsibilities. In certain cases, grantees assume these **environmental reviews**, decision making and action responsibilities by execution of grant agreements with the Secretary.

[61 FR 11477, Mar. 20.1996]

570.605 National Flood Insurance Program.

Notwithstanding the date of HUD approval of the recipient's application (or, in the case of grants made under subpart D of this part or HUD-administered small cities recipients in Hawaii, the date of submission of the grantee's consolidated plan, in accordance with 24 CFR part 91). Section

202(a) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4106) and the regulations in 44 CFR parts 59 through 79 apply to funds provided under this part 570.

[61 FR 11477. Mar. 20.1996]

570-606 Displacement, relocation, acquisition, and replacement of housing

(a) General policy for minimizing displacement. Consistent with the other goals and objectives of this part, grantees (or States or state recipients, as applicable) shall assure that they have taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, nonprofit organizations, and farms) as a result of activities assisted under this part.

(b) Relocation *assistance for displaced persons at URA levels.* (1) A displaced person shall be provided with relocation assistance at the levels described in, and in accordance with the requirements of 49 CFR part 24, which contains the government-wide regulations implementing the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. 4601-4655).

(2) *Displaced person.* (i) For purposes of paragraph (b) of this section. The term "*displaced person*" means any person (family, individual, business, nonprofit organization or farm) that moves from real property, or moves his or her personal property from real property, permanently and involuntarily, as a direct result of rehabilitation, demolition or acquisition for an activity assisted under this part. A permanent involuntary move for an assisted activity includes a permanent move from real property that is made:

(A) After notice by the grantee (or the state recipient, if applicable) to move permanently from the property, if the move occurs after the initial official submission to HUD (or the State, as applicable) for grant, loan, or loan guarantee funds under this part that are later provided or granted.

(B) After notice by the property owner to move permanently from the property, if the move occurs after the date of the submission of a request for financial assistance by the property owner (or person in control of the site) that is later approved for the requested activity. .

(C) Before the date described in paragraph (b)(2)(i)(A) or (B) of this section, if either HUD or the grantee (or State, as applicable) determines that the displacement directly resulted from acquisition, rehabilitation, or demolition for the requested activity.

(D) After the "initiation of negotiations" if the person is the tenant-occupant of a dwelling unit and any one of the following three situations occurs:

(1) The tenant has not been provided with a reasonable opportunity to lease and occupy a suitable decent, safe, and sanitary dwelling in the same building/ complex upon the completion of the project, including a monthly rent that does not exceed the greater of the tenant's monthly rent and estimated average utility costs before the initiation of negotiations or 30 percent of the household's average monthly gross income: or

(2) The tenant is required to relocate temporarily for the activity but the tenant is not offered payment for all reasonable out-of-pocket expenses incurred in connection with the temporary

relocation, including the cost of moving to and from the temporary location and any increased housing costs, or other conditions of the temporary relocation are not reasonable; and the tenant does not return to the building/ complex; or

(3) The tenant is required to move to another unit in the building/complex, but is not offered reimbursement for all reasonable out-of-pocket expenses incurred in connection with the move.

(ii) Notwithstanding the provisions of paragraph (b)(2)(i) of this section, the term "*displaced person*-" does not include:

- (A) A person who is evicted for cause based upon serious or repeated violations of material terms of the lease or occupancy agreement. To exclude a person on this basis, the grantee (or State or state recipient, as applicable) must determine that the eviction was not undertaken for the purpose of evading the obligation to provide relocation assistance under this section;
 - (B) A person who moves into the property after the date of the notice described in paragraph (b)(2)(i)(A) or (B) of this section, but who received a written notice of the expected displacement before occupancy.
 - (C) A person who is not displaced as described in 49 CFR 24.2(g)(2).
 - (D) A person who the grantee (or State, as applicable) determines is not displaced as a direct result of the acquisition, rehabilitation, or demolition for an assisted activity. To exclude a person on this basis, HUD must concur in that determination.
- (iii) A grantee (or State or state recipient, as applicable) may, at any time, request HUD to determine whether a person is a displaced person under this section.
- (3) Initiation of negotiations. For purposes of determining the type of replacement housing assistance to be provided under paragraph (b) of this section, if the displacement is the direct result of privately undertaken rehabilitation, demolition, or acquisition of real property. The term "initiation of negotiations" means the execution of the grant or loan agreement between the grantee (or State or state recipient, as applicable) and the person owning or controlling the real property.
- (c) Residential anti-displacement and relocation assistance plan. The grantee shall comply with the requirements of 24 CFR part 42, subpart B.
 - (d) Optional relocation assistance. Under section 105(a)(11) of the Act, the grantee may provide (or the State may permit the state recipient to provide, as applicable) relocation payments and other relocation assistance to persons displaced by activities that are not subject to paragraph (b) or (c) of this section. The grantee may also provide (or the State may also permit the state recipient to provide, as applicable) relocation assistance to persons receiving assistance under paragraphs (b) or (c) of this section at levels in excess of those required by these paragraphs. Unless such assistance is provided under State or local law, the grantee (or state recipient, as applicable) shall provide such assistance only upon the basis of a written determination that the assistance is appropriate (see, e.g., 24 CFR 570.201(i), as applicable). The grantee (or state recipient, as applicable) must adopt a written policy available to the public that describes the

relocation assistance that the grantee (or state recipient, as applicable) has elected to provide and that provides for equal relocation assistance within each class of displaced persons.

- (e) Acquisition of real property. The acquisition of real property for an assisted activity is subject to 49 CFR part 24, subpart B.
- (f) Appeals. If a person disagrees with the determination of the grantee (or the state recipient, as applicable) concerning the person's eligibility for, or the amount of, a relocation payment under this section, the person may file a written appeal of that determination with the grantee (or state recipient, as applicable). The appeal procedures to be followed are described in 49 CFR 24.10. In addition, a low- or moderate income household that has been displaced from a dwelling may file a written request for review of the grantee's decision to the HUD Field Office. For purposes of the State ADDING program, a low- or moderate-income household may file a written request for review of the state recipient's decision with the State.
- (g) Responsibility of grantee or State. (1) The grantee (or State, if applicable) is responsible for ensuring compliance with the requirements of this section, notwithstanding any third party's contractual obligation to the grantee to comply with the provisions of this section. For purposes of the State CDBG program, the State shall require state recipients to certify that they will comply with the requirements of this section. (2) The cost of assistance required under this section may be paid from local public funds, funds provided under this part, or funds available from other sources. (3) The grantee (or State and state recipient, as applicable) must maintain records in sufficient detail to demonstrate compliance with the provisions of this section.

(Approved by the office of Management and Budget under OM13 control number 2506--0102)

[61 FR 11477. Mar. 20. 1996., as amended at 61 FR 51M. Oct. 3. 1996]

570-607 Employment and contracting opportunities.

Grantees shall comply with:

- (a) Executive Order 11246. as amended by Executive Orders 11375, 11478, 12086, and 12107 (3 CFR, 1964-1965 Comp., p.339; 3 CFR. 1966-1970 Comp., p. 694; 3 CFP_ 1966-1970 Comp., p. 803; 3 CFR, 1978 Comp., p. 230: and 3 CFR, 1978 Comp., p. 264) (Equal Employment Opportunity) and the implementing regulations at 41 CFR chapter 60; and
- (b) Section 3 of the, Housing and -Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR part 135.

[61 FR S209. Feb. 9. 1996]

570.608 Lead-based paint.

- (a) *Prohibition against the use of lead based paint.* Section 401(b) of the Lead Based Paint Poisoning Prevention Act (42 U.S.C. 4931(b)) and regulations in 24 CFR part 35. subpart B apply to residential structures constructed or rehabilitated with assistance provided under this part 570.

(b) *Notification of hazards of lead-based paint poisoning.* (1) The Secretary has promulgated requirements regarding notification to purchasers and tenants of HUD-associated housing constructed prior to 1979 of the hazards of lead based paint poisoning at 24 CFR part 35, subpart A, This paragraph is promulgated pursuant to the authorization granted in 24 CFR 35.5(c) and supersedes with respect to all housing to which it applies, the notification requirements prescribed by subpart A of 24 CFR part 35. (2) **For properties constructed prior to 1978**, applicants for rehabilitation assistance provided under this part and tenants or purchasers of properties owned by the grantee or its subrecipient and acquired or rehabilitated with assistance provided under this part shall be notified:

- (i) That the property may contain lead-based paint;
- (ii) Of the hazards of lead-based paint;
- (iii) Of the symptoms and treatment of lead-based poisoning;
- (iv) Of the precautions to be taken to avoid lead-based paint poisoning (including maintenance and removal techniques for eliminating such hazards);
- (v) Of the advisability and availability of blood lead level screening for children under seven years of age; and
- (vi) That in the event lead-based paint is found on the property, appropriate abatement procedures may be undertaken.

(c) *Elimination of lead-based paint hazards.* The purpose of this paragraph is to implement the provisions of section 302 of the Lead-Based Paint Poisoning Prevention Act, 42 U.S.C. 4822. by establishing procedures to eliminate as far as practicable the hazards due to the presence of paint which may contain lead and to which children under seven years of age may be exposed in existing housing which is rehabilitated with assistance provided under this part. The Secretary has promulgated requirements regarding the elimination of lead-based paint hazards in HUD-associated housing at 24 CFR part 35, subpart C. This paragraph is promulgated pursuant to the authorization granted in 24 CFR 35.24(b)(4) and supersedes, with respect to all housing to which it applies, the requirements prescribed by subpart C of 24 CFR part 35.

(1) *Applicability.* This paragraph applies to the rehabilitation of applicable surfaces in existing housing which is assisted under this part. The following activities assisted under the Community Development Block Grant program are not covered by this paragraph:

- (i) Emergency repairs (not including lead-based paint-related emergency repairs);
- (ii) Weatherization;
- (iii) Water or sewer hook-ups;
- (iv) Installation of security devices;
- (v) Facilitation of tax-exempt bond issuance's which provide funds for rehabilitation;

(vi) Other similar types of single-purpose programs that do not include physical repairs or remodeling of applicable surfaces (as defined in 24 CFR 35.22) of residential structures; and

(vii) Any non-single purpose rehabilitation that does not involve applicable surfaces (as defined in 24 CFR 35.22) that does not exceed \$3,000 per unit.

(2) Definitions

Defective paint surface." Paint on applicable surfaces that is cracking, scaling, chipping, peeling or loose.

"Elevated blood lead level or EEL." Excessive absorption of lead, that is, a confirmed concentration of lead in whole blood of 25 g g/dl (micrograms of lead per deciliter of whole blood) or greater.

. "Lead-based paint surface." A paint surface, whether or not defective, identified as having a lead content greater than or equal to 1 Mg/CM².

(3) *Inspection and testing-(i) Defective paint surfaces.* The grantee shall inspect for defective paint surfaces in all units constructed prior to 1978 which are occupied by families with children under seven years of age and which are proposed for rehabilitation assistance. The inspection shall occur at the same time the property is being inspected for rehabilitation. Defective paint conditions will be included in the work write-up for the remainder of the rehabilitation work. *(ii) Chewable surfaces.* The grantee shall be required to test the lead content of chewable surfaces if the family residing in a unit, constructed prior to 1978 and receiving rehabilitation assistance, includes a child under seven years of age with an identified EEL condition. Lead content shall be tested by using an X-ray fluorescence analyzer (XRF) or other method approved by HUD. Test readings of 1 Mg/CM² or higher using an XRF shall be considered positive for presence of lead-based paint. *(iii) Abatement without testing.* In lieu of the procedures set forth in paragraph (c)(3)(ii) of this section, in the case of a residential structure constructed prior to 1978, the grantee may forgo testing and abate all applicable surfaces in accordance with the methods set out in 24 CFR 35.24(b)(2)(ii).

(4) *Abatement actions.* *(i)* For inspections performed under §570.608(c)(3)(i) and where defective paint surfaces are found, treatment shall be provided to defective areas. Treatment shall be performed before final inspection and approval of the work. *(ii)* For testing performed under §570.608(c)(3)(ii) and where interior chewable surfaces are found to contain lead-based paint, all interior chewable surfaces in any affected room shall be treated. Where exterior chewable surfaces are found to contain lead-based paint, the entire exterior chewable surface shall be treated. Treatment shall be performed before final inspection and approval of the work. *(iii)* When weather prohibits repainting exterior surfaces before final inspection, the grantee may permit the owner to abate the defective paint or chewable lead-based paint as required by this section and agree to repaint by a specified date. A separate inspection is required.

(5) *Abatement methods.* At a minimum, treatment of the defective areas and chewable lead-based paint surfaces shall consist of covering or removal of the painted surface as described in 24 CFR 35.24(b)(2)(ii).

(6) *Funding for inspection, testing and abatement.* Program requirements and local program design will determine whether the cost of inspection, testing or abatement is to be borne by the

owner/developer, the grantee or a combination of the owner/developer and the grantee.

(7) *Tenant protection.* The owner/developer shall take appropriate action to protect tenants from hazards associated with abatement procedures. Where necessary, these actions may include the temporary relocation of tenants during the abatement process. The owner/developer shall notify the grantee of all such actions taken.

(8) *Records.* The grantee shall keep a copy of each inspection and/or test report for at least three years.

(9) *Monitoring and enforcement.* HUD field office monitoring of rehabilitation programs includes reviews for compliance with applicable program requirements for lead-based paint. The CPD, Field Monitoring Handbook which currently includes instructions for monitoring lead-based paint requirements will be amended as appropriate. In cases of noncompliance, HUD may impose conditions or sanctions on grantees to encourage prompt compliance.

(10) *Compliance with other program requirements, Federal, State and local laws.*

(i) *Other program requirements* To the extent that assistance from any of the programs covered by this section is used in conjunction with other HUD program assistance which have lead based paint requirements which may have more or less stringent requirements, the more stringent requirements will prevail.

(ii) *HUD responsibility.* If HUD determines that a State or local law, ordinance, code or regulation provides for lead-based paint testing or hazard abatement in a manner which provides a level of protection from the hazards of lead-based paint poisoning at least comparable to that provided by the requirements of this section and that adherence to the requirements of this subpart would be duplicative or otherwise cause inefficiencies. HUD may modify or waive the requirements of this section in such manner as may be appropriate to promote efficiency while ensuring such comparable level of protection.

(iii) *Grantee responsibility.* Nothing in this section is intended to relieve any grantee in the programs covered by this section of any responsibility for compliance with State or local laws, ordinances, codes or regulations governing lead-based paint testing or hazard abatement.

(iv) *Disposal of lead-based paint debris.* Lead-based paint and defective paint debris shall be disposed of in accordance with applicable Federal, State or local requirements. (See e.g., 40 CFR parts 260 through 271.)

[53 FR 34456. Sept. 6. 1988: 53 FR 41330, Oct. 21. 1 M. as amended at 61 FR 11481. Mar. 20. 1996]

570.609 Use of debarred, suspended or ineligible contractors or sub-recipients.

The requirements set forth in 24 CFR part 5 apply to this program.
[61 FR 5209. Feb. 9.1996]

570.610 Uniform administrative requirements and cost principles.

The recipient, its agencies or instrumentality's, and sub-recipients shall comply with the policies, guidelines, and requirements of 24 CFR part 95 and OMB Circulars A-87, A-110 (implemented at 24 CFR part 94), A-122, A-133 (implemented at 24 CFR part 45), and A-128 (implemented at 24 CFR part 44), as applicable, as they relate to the acceptance and use of Federal funds under this part. The applicable sections of 24 CFR parts 94 and 85 are set forth at S 570.502.

[60 FR 56916, Nov. 9, 1995]

570.611 Conflict of interest.

(a) *Applicability.* (1) In the procurement of supplies, equipment, construction, and services by recipients and by sub-recipients, the conflict of interest provisions in 24 CFR 85.36 and 24 CFR 94.42, respectively, shall apply.

(2) In all cases not governed by 24 CFR 85.36 and 94.42, the provisions of this section shall apply. Such cases include the acquisition and disposition of real property and the provision of assistance by the recipient or by its sub-recipients to individuals, businesses, and other private entities under eligible activities that authorize such assistance (e.g., rehabilitation, preservation, and other improvements of private properties or facilities pursuant to §570.202: or grants, loans, and other assistance to businesses, individuals, and other private entities pursuant to §570.203, 570.204, 570.455, or 570.703(i)).

(b) *Conflicts prohibited.* The general rule is that no persons described in paragraph (c) of this section who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted under this part, 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 or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to a CDBG-assisted activity, or with respect to the proceeds of the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter. For the UDAG program, the above restrictions shall apply to all activities that are a part of the UDAG project, and shall cover any such financial interest or benefit during, or at any time after, such person's tenure.

(c) *Persons covered.* The conflict of interest provisions of paragraph (b) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the recipient, or of any designated public agencies, or of sub-recipients that are receiving funds under this part.

(d) *Exceptions.* Upon the written request of the recipient, HUD may grant an exception to the provisions of paragraph (b) of this section on a case-by-case basis when it has satisfactorily met the threshold requirements of (d)(1) of this section, taking into account the cumulative effects of paragraph (d)(2) of this section.

(1) *Threshold requirements.* HUD will consider an exception only after the recipient has provided the following documentation:

(i) A disclosure of the nature of the conflict accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and

(ii) An opinion of the recipient's attorney that the interest for which the exception is sought would not violate State or local law.

(2) Factors to *be* considered for exceptions. In determining whether to grant a requested exception after the recipient has satisfactorily met the requirements of paragraph (d)(1) of this section, HUD shall conclude that such an exception will serve to further the purposes of the Act and the effective and efficient administration of the recipient's program or project, taking into account the cumulative effect of the following factors, as applicable:

(i) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project that would otherwise not be available;

(ii) Whether an opportunity was provided for open competitive bidding or negotiation'.

(iii) Whether the person affected is a member of a group or class of low- or moderate-income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;

(iv) Whether the affected person has withdrawn from his or her functions, or responsibilities, or the decision making process with respect to the specific assisted activity in question-;

(v) Whether the interest or benefit was present before the affected person was in a position as described in paragraph (b) of this section;

(vi) Whether undue hardship will result either to the recipient or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and

(vii) Any other relevant considerations.

[60 FR 56916. Nov.9.1995]

570.612 Executive Order 12372.

(a) General. Executive Order 12372, Intergovernmental Review of Federal Programs, and the Department's implementing regulations at 24 CFR part 52, allow each State to establish its own process for review and comment on proposed Federal financial assistance programs

(b) Applicability. Executive Order 12372 applies to the CDBG Entitlement program and the UDAC program. The Executive Order applies to all activities proposed to be assisted under UDAC, but it applies to the Entitlement program only where a grantee proposes to use funds for the planning or construction (reconstruction or installation) of water or sewer facilities. Such facilities include storm sewers as well as all sanitary sewers, but do not include water and sewer lines connecting a structure to the lines in the public right-of-way or easement. It is the responsibility of the grantee to initiate the Executive Order review process if it proposes to use its CDBG or UDAC funds for activities subject to review.

[Code of Federal Regulations]
[Title 24, Volume 1, Parts 0 to 199]
[Revised as of April 1, 1999]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR85.42]

[Page 428-429]

TITLE 24--HOUSING AND URBAN DEVELOPMENT

PART 85--ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE, LOCAL AND FEDERALLY RECOGNIZED INDIAN TRIBAL GOVERNMENTS--Table of Contents

Subpart C--Post-Award Requirements

Sec. 85.42 Retention and access requirements for records.

(a) Applicability. (1) This section applies to all financial and programmatic records, supporting documents, statistical records, and other records of grantees or subgrantees which are:

(i) Required to be maintained by the terms of this part, program regulations or the grant agreement, or

(ii) Otherwise reasonably considered as pertinent to program regulations or the grant agreement.

(2) This section does not apply to records maintained by contractors or subcontractors. For a requirement to place a provision concerning records in certain kinds of contracts, see Sec. 85.36(i)(10).

(b) Length of retention period. (1) Except as otherwise provided, records must be retained for three years from the starting date specified in paragraph (c) of this section.

(2) If any litigation, claim, negotiation, audit or other action involving the records has been started before the expiration of the 3-year period, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular 3-year period, whichever is later.

(3) To avoid duplicate record keeping, awarding agencies may make special arrangements with grantees and subgrantees to retain any records which are continuously needed for joint use. The awarding agency will request transfer of records to its custody when it determines that the records possess long-term retention value. When the records are transferred to or maintained by the Federal agency, the 3-year retention requirement is not applicable to the grantee or subgrantee.

(c) Starting date of retention period—

(1) General. When grant support is continued or renewed at annual or other intervals, the retention period for the records of each funding period starts on the day the grantee or subgrantee submits to the awarding agency its single or last expenditure report for that period. However, if grant support is continued or renewed quarterly, the retention period for each year's records starts on the day the grantee submits its expenditure report for the last quarter of the Federal fiscal year. In all other cases, the retention period starts on the day the grantee submits its final expenditure report. If an expenditure report has been waived, the retention period starts on the day the report would have been due.

(2) Real property and equipment records. The retention period for real property and equipment records starts from the date of the disposition or replacement or transfer at the direction of the awarding agency.

(3) Records for income transactions after grant or subgrant support. In some cases grantees must report income after the period of grant support.

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Where there is such a requirement, the retention period for the records pertaining to the earning of the income starts from the end of the grantee's fiscal year in which the income is earned.

(4) Indirect cost rate proposals, cost allocations plans, etc. This paragraph applies to the following types of documents, and their supporting records: Indirect cost rate computations or proposals, cost allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable (such as computer usage chargeback rates or composite fringe benefit rates).

(i) If submitted for negotiation. If the proposal, plan, or other computation is required to be submitted to the Federal Government (or to the grantee) to form the basis for negotiation of the rate, then the 3-year retention period for its supporting records starts from the date of such submission.

(ii) If not submitted for negotiation. If the proposal, plan, or other computation is not required to be submitted to the Federal Government (or to the grantee) for negotiation purposes, then the 3-year retention period for the proposal plan, or computation and its supporting records starts from end of the fiscal year (or other accounting period) covered by the proposal, plan, or other computation.

(d) Substitution of microfilm. Copies made by microfilming, photocopying, or similar methods may be substituted for the original records.

(e) Access to records—

(1) Records of grantees and subgrantees. The awarding agency and the Comptroller General of the United States, or any of their authorized representatives, shall have the right of access to any pertinent books, documents, papers, or other records of grantees and subgrantees which are pertinent to the grant, in order to make audits, examinations, excerpts, and transcripts.

(2) Expiration of right of access. The rights of access in this section must not be limited to the required retention period but shall last as long as the records are retained.

(f) Restrictions on public access. The Federal Freedom of Information Act (5 U.S.C. 552) does not apply to records unless required by Federal, State, or local law, grantees and subgrantees are not required to permit public access to their records.

FREQUENTLY ASKED QUESTIONS

- ❖ When may I submit first request for payment?

Once the contract is signed and approved, you may submit a request for payment. Remember: any request for expenses incurred before October 1, 2003 cannot be reimbursed.

- ❖ Must I submit a monthly request for payment?

Yes. Whether or not any dollars are to be reimbursed, each subrecipient agency must submit a monthly request for reimbursement form along with a monthly performance report.

- ❖ What if I purchased something not listed on my exhibits?

The City cannot reimburse any purchase not specifically listed on your exhibits. If you know that you want to purchase something not listed on your exhibits, contact the Community Development Office to determine eligibility and the course of action needed to amend you exhibits. We will not amend the exhibits after you have made the purchase.

- ❖ What if I submit a request for payment without an original signature?

The City will not process your reimbursement if an original signature is not listed on the "Request for CDBG Funds" form. If a signature is missing from a Time and Attendance form, the rest of the completed packet will be submitted for reimbursement and the incomplete form will be mailed for corrections.

- ❖ How long will it take to receive my reimbursement check?

It is the subrecipient's responsibility to submit a correct reimbursement request. If the reimbursement is correct and complete, then the request will be paid according to the check run. Please refer to the Accounts Payable Schedule (Page 11).

- ❖ Can the City of Harlingen reimburse Executive Director or administrative positions?

No, unless the activities directly benefit the City's low and moderate-income residents, and expenses are approved as part of the written agreement.

- ❖ What if I forget to submit my monthly performance report?

The request for reimbursements will not be processed until the reports are submitted.

**APPROVED CDBG PROJECTS
29TH YEAR (2003-2004)**

RESOLUTION 03R-17

STATE OF TEXAS

COUNTY OF CAMERON

WHEREAS, pursuant to the laws of the United States of America, the United States Government has allocated to the City of Harlingen, Texas, the sum of \$1,175,000.00 in Community Development Block Grant funds (CDBG) for the 2003-04 Entitlement year and the City has identified an amount of \$59,576.00 in anticipated program income for a total CDBG amount of \$1,234,576.00; and

WHEREAS, the United States Government has additionally allocated the sum of \$427,655.00 in Home Investment Partnership Program funds (HOME) to the City as a Participating Jurisdiction for the Entitlement Year to be disbursed as set forth in the 2003-04 One Year Action Plan on a project-by-project basis, said funds constituting CDBG Funds and HOME Funds from the U. S. Department of Housing and Urban Development to the City of Harlingen; to be used by the City in the implementation and completion of Community Development Programs as specified in the application for said funds; and

WHEREAS, pursuant to the provisions attendant with such grant funds, the City Manager of Harlingen budgeted and programmed the expenditures of such funds for various approved projects and public works for the City of Harlingen, including public services and planning and management development; all to be funded from the aforesaid CDBG and HOME Grants, as being funds surplus and wholly in addition to all other revenues and sources of funds of the City of Harlingen for Fiscal Year 2003-04; said City Manager having submitted such budget and proposed expenditures of such funds to the Mayor and Elective Commission of the City of Harlingen; and

WHEREAS, the Community Development Advisory Board through public hearings, and the Mayor and Elective Commission having reviewed and considered such proposed budget and expenditures for the 2003-04 period as submitted by the City Manager, in the form of a budget to the public on May 7th, 2003 (through a public hearing); and

WHEREAS, the public hearing was held on the 7th day of May, 2003 at a regular scheduled City Commission meeting at 5:30 p.m. as posted, and said budget was discussed and all interested persons were given an opportunity to be heard on any matter relative thereto, and all interested persons were heard; and there being no other persons seeking to be heard with reference to any matter concerning said public hearing was closed on the 7th day of May, 2003; and

WHEREAS, prior to final adoption of the One Year Action Plan by the City Commission, an additional public hearing was held May 22nd, 2003 at the Harlingen Public Library Auditorium at 6:00 p.m. by the Community Development Advisory Board during the required 30 day comment period to obtain citizen comments; and

WHEREAS, upon receipt of the Request For Release of Funds and Removal of Grant Conditions from the U.S. Department of Housing and Urban Development, the City Manager of the City of Harlingen is authorized to execute subrecipient agreements for subrecipients approved in the 2003-04 One Year Action Plan as required by HUD; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF HARLINGEN:

That the Community Development Block Grant and HOME Funds Budget for the City of Harlingen, appropriating funds only for the programs set forth in the "CDBG and HOME Funds---2003-2004 Budget", in the total amount of \$1,692,231.00; a copy of said budget being attached as Exhibit "A" and more clearly identified within the CITY OF HARLINGEN ONE YEAR ACTION PLAN and the same is hereby adopted as the funds and expenditures listed under the 2003-2004 budget in connection with the receipt of the aforesaid CDBG and HOME funds, and the regulatory required budgeting and disposition thereof; all being separate and apart from the regular fiscal year budget of the City of Harlingen.

CONSIDERED AND ADOPTED this 18th day of June, 2003 at a regular meeting of the Elective Commission of the City of Harlingen at which a quorum was present and which was held in accordance with TEXAS GOVERNMENT CODE, TITLE 5, SUBTITLE A., CHAPTER 551, enacted by Acts 1993, 73rd Leg., ch. 268, S 1, effective September 1, 1993.

CITY OF HARLINGEN

BY: _____
C. Connie de la Garza, MAYOR

ATTEST

BY: _____
Sylvia R. Treviño, CITY SECRETARY

APPROVED AS TO FORM:

Brendan Hall, CITY ATTORNEY

EXHIBIT "A"
CDBG & HOME FUNDS
ONE YEAR ACTION PLAN
2003-2004

CDBG Allocation.....	\$1,175,000.00
HOME Allocation.....	\$ 427,655.00
Anticipated Program Income (Rehabilitation, Economic Development, HCDC).....	\$ 89,576.00

Combined Total Allocations..... \$1,692,231.00

PROPOSED PROJECTS

21 - General Administration	\$ 246,915.00
05A - Public Services (Senior) Amigos Del Valle	\$ 8,000.00
05D - Public Services (Youth) Girl Scouts	\$ 5,000.00
03I - Drainage Improvements (Northwest Area)	\$ 404,600.00
03K - Street Improvements (Northwest Area)	\$ 150,000.00
05 - Public Services (General) Ronald McDonald House	\$ 5,000.00
03K - Street Improvements - Lighting (NRSA)	\$ 10,000.00
05 - Public Services (General) Loaves & Fishes of the RGV	\$ 20,000.00
14 - Housing Rehabilitation Program & Administration	\$ 187,485.00
05D - Public Services (Youth) Planned Parenthood	\$ 3,000.00
05D - Public Services (Youth) Boy's & Girl's Club	\$ 90,000.00
05G - Public Services (Battered & Abused Spouses) Family Crisis Center	\$ 8,000.00
05N - Public Services (Abused & Neglected Children) CCCAC, Inc.	\$ 10,000.00
05N - Public Services (Abused & Neglected Children) CASA	\$ 9,000.00
05M - Public Services (Health) Dentists Who Care	\$ 18,000.00
 Total Treasury Funding	 \$ 1,175,000.00
 12 - HOME-Construction of Housing (HCDC-AHP/New Construction)	 \$ 388,000.00
12 - HOME-Administrative Support	\$ 12,000.00
14 - HOME-Housing Rehabilitation	\$ 27,655.00
Total HOME Funding	\$ 427,655.00
 12 - Construction of Housing (anticipated AHP-RL Program Income)	 \$ 30,000.00
14 - Housing Rehabilitation Program (anticipated RL program income)	\$ 59,576.00
Total Anticipated Program Income	\$ 89,576.00
 Total Anticipated Funding	 \$ 1,692,231.00