

City of Fort Wayne
Grants Management Policies
For CDBG/HOME/ESG

Table of Contents

Tax Credit Support Letters.....	2
CDBG and HOME funds	3
Subsidy Limits	4
CDBG Funds: Program Income.....	6
Definitions.....	7
Criteria for National Objectives: Housing Activities.....	8
Rehabilitation/New Construction: Specifications and Inspections.....	9
Reporting Requirements: CDBG and HOME Funds.....	11
Definitions.....	14
Contract Compliance	15
Service Requests	16
Definitions.....	17
Health and Hospital Orders.....	21
Appendix: Forms	23

Tax Credit Support Letters

Policy

- Requests for tax credit project support letters must be made no less than two weeks prior to the tax credit application deadline.
- A copy of the tax credit project application must accompany requests.

Purpose

- Ensure adequate and thoughtful explanation of tax credit projects.

Implementation

- Requests for support letters will be directed to the Community Development Projects Team.

Controls

- The Division of Community Development will coordinate all tax credit support letters.

CDBG and HOME Funds

Policy

- CDBG funds priority: the repair of owner-occupied homes and emergency home repairs.
- HOME funds priority: rehabilitation and new construction of rental housing units.
- All award recipients must secure support letters from applicable and recognized neighborhood organization or community development corporation within 30 days of award. Failure to receive support may result in cancellation of award.
- Awarded funds must be under contract by the award recipient with subrecipient by December 1 the funding year. Funds not under contract are subject to loss at the discretion of the City.

Purpose

- Maximize the effective utilization of CDBG and HOME funds.
- Ensure community organizations support overall revitalization programs.
- Promote extraordinary development through increasing the number of quality housing units in Fort Wayne.

Implement

- Community Development Block Grant eligible activity:
 - Repair of owner-occupied homes and emergency home repairs.
 - Homeownership-acquisition, rehabilitation and new construction
- HOME eligible activity:
 - Low-income housing receiving tax credits.
 - Homeownership-acquisition, major rehabilitation and new construction.

Controls

- The RFP process and the internal review of funding requests will give priority to those projects requesting funding which are in compliance with the stated priorities for each funding source.

Subsidy Limits CDBG and HOME Funds

Policy

- The City will not award CDBG and HOME funds to housing projects that exceed maximum average subsidy limits.
- Recipients of CDBG and HOME funds must spend money within established timeframe. Failure to meet timeframe may result in the cancellation of the award or the loss of future awards.

Purpose

- Maximize the effective utilization of CDBG and HOME funds.
- Increase the number of quality housing units in Fort Wayne.

Implementation

- Community Development Block Grant Funds
 - Maximum CDBG funding for an owner-occupied home repair or emergency home repair - \$15,000 per single-family dwelling.
 - Maximum CDBG funding for acquisition, rehabilitation, sales project - \$35,000 per single-family dwelling.
 - Maximum CDBG funding for new construction - \$35,000 per single-family dwelling.
 - Maximum funding for direct homeownership assistance may not exceed 15,000 per unit.
 - Administrative waiver from the City of Fort Wayne will be required for any project exceeding the subsidy limits stated above.

- HOME Funds
 - Maximum HOME funding for a low income housing tax credit project - \$15,000 per single-family dwelling.
 - Maximum HOME funding for a homeownership-new construction project will be \$22,5000 per single-family dwelling.
 - Maximum HOME funding for acquisition, rehabilitation, sales project - \$25,000 per single-family dwelling.
 - Administrative waiver from the City of Fort Wayne will be required for any project exceeding the subsidy limits stated above.

Controls

- The RFP process and the internal review of funding requests will give priority to projects requesting funding which are in compliance with the stated priorities for each funding source.
- Upon completion of the project, the total amount of subsidy used divided by the number of single family dwelling units completed with any City subsidy shall not exceed the subsidy limits stated above.

CDBG Funds Program Income

Policy

- Award recipients of CDBG funds will return program income to the City on an annual basis.
- At the discretion of the City, program income may be retained by the recipient with the written permission of the Director of Community Development. The income will be treated as additional CDBG funds subject to all applicable requirements governing the use of CDBG funds.

Purpose

- To ensure compliance with federal reporting requirements while allowing flexible funds use.

Implementation

- At any time during the contract year, award recipients must submit a written request to the Director of Community Development to retain program income realized. Such request shall contain proposed specific use of the income.
- Award recipient must complete a program income form and submit with the final quarterly report.

Controls

- Administrative approval by the Director of Community Development.
- Submittal of program income form with final quarterly report.

Definitions

Program Income

Income received by the award recipient or a sub-recipient directly generated from the use of CDBG funds, including, but not limited to, the following:

1. Proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG funds;
2. Proceeds from the disposition of equipment purchased with CDBG funds;
3. Gross income from the use or rental of real or personal property acquired by the recipient with CDBG funds, less costs incidental to generation of the income;
4. Gross income from the use of rental or real property, owned by the recipient or by a sub-recipient, that was constructed or improved with CDBG funds, less costs incidental to generation of the income;
5. Payments of principal and interest on loans made by using CDBG funds;
6. Proceeds from sale of obligations secured by loans made with CDBG funds;
7. Interest earned on program income pending its disposition; and
8. Funds collected through special assessments made against properties owned and occupied by households not of low and moderate income, where the assessments are used to recover all or part of the CDBG portion of a public improvement.

Criteria for National Objectives

Housing Activities

Policy

- Where new housing activities being assisted are located in the Neighborhood Revitalization Strategy Area as described in the Consolidated Plan, funds may be used to assist certain households whose incomes exceed 80 percent of the median income for Fort Wayne, with the written permission of the Director of Community Development.

Purpose

- At anytime during the contract year, the award recipient may submit a written request to the Director of Community Development describing the specific nature of assistance to a household exceeding the income limit. Such request shall contain a description of the total project cost, funding sources, including private funding and program income projected or realized, and disposition process followed for all structures in the project.
- Requests described above will be assessed per the award recipients' contract performance in addition to project merit.

Controls

- Administrative approval by Director of Community Development.

Rehabilitation/New Construction

Specification and Inspections

Policy

- The City of Fort Wayne requires projects awarded CDBG and HOME dollars to adhere to the Building Codes promulgated by the State of Indiana.
- Award recipients assume all liability for construction related activities.

Purpose

- Specification
 - Award recipients will prepare project budget and work specifications. All new work shall be in compliance with the building codes promulgated by the State of Indiana.
 - City inspectors will review budget and specifications to ensure compliance with Indiana State Building Code. City inspectors shall offer non-binding recommendations on the appearance of existing conditions that are not code compliance issues, e.g. knob and tube wiring mixed with Romex is a code compliance issue, the existing plaster wall or whether a wood floor should be stained or carpeted is not a code compliance issue. Inspectors will either sign-off on budget, based on pricing software used by the City, and specifications or request changes and will do so within five (5) business days of receiving budget and specifications.
 - After City inspectors give approval of budget and specifications, actual bids received within ten percent may be accepted without further City approvals.

- Award recipients and contractors will hold final, preconstruction review. The City inspector will attend this meeting. Homeowner may also attend the preconstruction review. Award recipients and City inspector will establish a draw schedule. The schedule will have a maximum of three draws.
- Interim Inspections
 - Interim inspections may be requested by award recipients, contractors, city inspector or homeowners.
 - Requested parties must meet for inspection within two (2) business days of request.
 - Interim draws agreed to at the pre-construction meeting will be paid within 15 business days or receipt with no inspection approvals required by the City. Draw requests not properly submitted or lacking required information will be returned to award recipients for corrections.
- Final Inspections
 - Award recipients contact City inspector and arrange inspection of final product.
 - City inspector must meet for inspection within two (2) business days of request.
 - City inspector inspects final product to ensure project completed in compliance with agreed upon written specifications. It is anticipated that no work beyond what was contained in written specifications will be required.
 - If a project is determined by inspector not to meet agreed upon specifications and/or Indiana State Building Code, inspectors will present their findings and requirements in writing to award recipients within 48 hours of inspection.

- If any requests/requirements for changes made by inspector are contested, award recipients and inspector will meet with a representative of the City to resolve the dispute. Contractors and homeowners may attend the meeting. Otherwise, contractors will be given 15 business days to correct violations.

Controls

- Completion Certificate
- Payment approval by City inspector.
- City inspector will submit quarterly reports to Grants Analysis Committee. Grants Analysis Committee will review quarterly reports. These reports will describe all contested issues upon which judgments regarding disputed issues have been made. The report will identify the rationale for the judgments, and make specific observations and recommendations for process enhancement.

Reporting Requirements

CDBG and HOME Funds

Policy

- Award recipients must meet all federal, state and local reporting requirements within the timeframe identified in the award documents.
- Failure to submit timely reporting documents may result in the cancellation of the award or the loss of future funding.
- Additional recipient reporting requirements will be requested in writing with a submission date clearly designated.

Purpose

- To ensure recipients comply with all federal, state and local reporting requirements on a timely basis.

Implementation

- Community Development Block Grant Funds
 - Claims Submission
 - Submit on corporation letterhead the following information:
 - Claimant information: contractor name and address;
 - Nature of claim: contract number, date, description of expenses, amount;
 - Certification: contractor name, date of claim, director's or authorized representative's signature with appropriate title.
 - Submit an accounting report. Sample of report and instructions are found in the appendix.

- Quarterly Reporting
 - Submit CDBG quarterly report that consist of the following forms:
 - Cover sheet;
 - Contractor/Subcontractor Activity Summary;
 - Structures Completed Summary;
 - Direct Benefits Summary;
 - Rehabilitation Activities; and
 - Funds Analysis. Sample forms are found in appendix.
- HOME Funds
 - Claims Submission
 - Submit on corporation letterhead the following information:
 - Claimant information: contractor name and address
 - Nature of claim: contract number, date, description of expenses, amount;
 - Certification: contractor name, date of claim, director's or authorized representative's signature with appropriate title.
 - Completion Reports
 - Award recipients seeking final reimbursement must submit to the Compliance Monitor the following completed forms:
 - Owner-occupied rehabilitation or first-time homebuyers projects:
 - Financial Structure of Project

- Household Characteristics, Appraised Value, and Initial Purchase Price
- Rental projects:
 - Financial Structure of Project
 - Household Characteristics, Rent and Utility Information
 - Affirmative Marketing/Fair Housing Plan
- Compliance Monitor will complete the First Amendment to the Declaration of Covenants. Award recipient representative will be notified to personally execute Amendment.
- Compliance Monitor will submit Project Completion Report to HUD.
- Annual Re-certification
 - Rental projects must be re-certified annually to verify tenant incomes, rents, and affirmative marketing activity are in compliance. Re-certification occurs on the anniversary date of project completion for the period of affordability. Annual re-certification information required:
 - Copy of the current Standard Lease Agreement;
 - Proof that property insurance and taxes are paid;
 - Tenant household size, composition and rent paid;
 - Tenant income verification;
 - (for projects with five (5) or more units) Affirmative Marketing procedures and copies of all advertisements, brochures, etc.

- Projects with 25 or more units requires:
 - Annual physical inspection to ensure compliance with all building, fire, health and hospital codes.
- Projects with less than 25 units require:
 - Inspections at two year intervals

Controls

- Recipients failing to meet any of these reporting requirements, will be given written notification of such failure.

Definitions

Affordability

Cost of housing unit can be met by an individual whose income does not exceed 80 percent of median family income.

Community Development Block Grants (CDBG)

The CDBG program was created in 1974 and is overseen by the Federal Department of Housing and Urban Development (HUD), with local administration by entitlement communities. CDBG can be used for a variety of purposes, but must meet one of these national objectives:

- Principally benefit low and moderate income persons.
- Aid in the prevention or elimination of slum and blight.
- Meet other community development needs having a particular urgency.

Claim

A reimbursement request for expenses incurred by an award recipient.

Claimant

An award recipient of either CDBG or HOME funds.

Contractor

A company with whom an award recipient has contracted for completion of work.

Corporation

A legal entity under which an award recipient acts.

HOME

The HOME program was created in 1990 and is overseen by HUD. HOME affirms the commitment to provide decent, safe and affordable housing and to alleviate the problems of excessive rent burdens, homelessness and deteriorating housing stock. HOME empowers local

governments to design and tailor affordable housing strategies to address local needs and housing conditions. HOME strives to meet both the short-term goal of increasing the supply of availability of affordable housing, and the long-term goal of building partnerships between State and local governments and private and nonprofit organizations and strengthening their capacity to meet the housing needs of low- and very low-income residents.

Quarterly

The time period covering the following four intervals: January through March; April through June; July through September; and October through December.

Contract Compliance

Policy

- Award recipients must comply with contractual terms set forth in award contracts.
- Failure to comply with award contract may result in cancellation of award or loss of future funding.

Purpose

- To ensure quality programs.

Implementation

- Award contracts will include quantifiable requirements.

Controls

- The submission of timely reports will verify compliance with contractual requirements.

Service Requests

Policy

- Service requests/problems concerning CDBG, HOME and ESG programs must be submitted in writing by the Award Recipients to the Compliance Monitor.

Purpose

- To ensure problems/requests are accurately documented with plan of action identified through to resolution.

Implementation

- Written service requests must contain the following:
 - Date
 - Name of Award Recipient
 - Address of Award Recipient
 - Phone number of Award Recipient
 - Job site address
 - Problem/Request
 - Define actions taken to date by Award Recipient to bring resolution.
 - Define ultimate resolution method and estimated date.
 - Identify commitments/procedures to prevent repeat complaints.
 - Funding source
 - Signature of Award Recipient Representative

Controls

- Copy of written service request/problem
- Database that allows for tracking and follow up.

Definitions

Community Development Block Grant (CDBG)

The CDBG program was created in 1974 and is overseen by the Federal Department of Housing and Urban Development (HUD), with local administration by entitlement communities. CDBG can be used for a variety of purposes, but must meet one of these national objectives:

- Principally benefit low and moderate income persons.
- Aid in the prevention or elimination of slum and blight.
- Meet other community development needs having a particular urgency.

Compliance Monitor

Member of the grants management team responsible for overseeing program compliance.

Emergency Shelter Grant

The program is designed to help improve the quality of emergency shelters and transitional housing for the homeless, to make available additional shelters, to meet the costs of operating shelters, to provide essential social services to homeless individuals, and to help prevent homelessness.

HOME

The HOME program was created in 1990 and is overseen by HUD. HOME affirms the commitment to provide decent, safe and affordable housing and to alleviate the problems of excessive rent burdens, homelessness and deteriorating housing stock. HOME empowers local governments to design and tailor affordable housing strategies to address local needs and housing conditions. HOME strives to meet both the short-term goal of increasing the supply of availability of affordable housing, and the long-term goal of building partnerships between State

and local governments and private and nonprofit organizations and strengthening their capacity to meet the housing needs of low- and very low-income residents.