



**City of West Allis
City of West Allis Planning and Zoning Program**

**Operating Policies and Procedures
Community Development Block Grant Program
(CDBG)**

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The purpose of this document is to describe all the program policies, guidelines and procedures used in administration of the City of West Allis Community Development Block Grant (CDBG) entitlement program. The CDBG program is a flexible program that provides the city with resources to address a wide range of unique community development needs.

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Introduction.

The Planning and Zoning Program has been designated as the city agency to administer the U.S. Department of Housing and Urban Development Community Development Block Grant (CDBG) program. The CDBG program provides uniquely flexible resources for community development. This manual applies to all CDBG grants in areas of Administration and Planning, Public Services, Housing, Public Facilities/Improvements, and Economic Development activities and other regularly funded CDBG activities as determined by the Block Grant Committee and/or Common Council.

The purpose of the CDBG Policies and Procedures Manual will serve as a resource for the daily execution and management of the West Allis CDBG program.

1. Statement of Objective

The City of West Allis CDBG program provides annual grants from the entitlement funds received from the Department of Housing and Urban Development (HUD) on a formula basis to entitled cities and counties. The primary objective of the CDBG program is to develop a viable urban community by providing services, decent housing, suitable living environment, and by expanding economic opportunities, principally for low-moderate income persons (LMI).

2. Funding Restrictions

HUD places certain restriction of the City's CDBG funding. A maximum of 15% of the appropriation can be spent on public services. Thus, no more than 15% of the grant will be distributed to eligible organizations for the purpose of providing public service programs that will address the very low and low-income persons of West Allis.

A maximum of 20% of the appropriation can be spent on CDBG administration and planning activities. The yearly allocations shall include the maximum 20% amount of funds as an activity for that year.

3. Annual Appropriation

The annual appropriation is determined through estimation based on the current year entitlement award and the projected program income generated from economic and housing loans. The estimated amount is determined through consultation with the City's HUD representative and the City's Financial Department. Insight into the estimated entitlement award for the upcoming year is gained through publications/notices from NAHRO regarding Congressional actions on the CDBG program.

4. Administration

The City of West Allis Planning and Zoning Program will serve as the administrator of the CDBG program. Offices are located at 7525 W. Greenfield Avenue, West Allis, WI, 53214.

5. Application Process

Input - Prior to commencing the application process, the Planning and Zoning Program will host a public input session to gain insight into community needs or issues. This information is utilized to help prioritize activities in relationship to the Consolidated Plan Objectives.

Attachment I – Public Input Notice

Solicitation – Following the input session, a public notice will be published in the official community newspaper and City West Allis website outlining the process for the solicitation of CDBG funding request. The notice will be published during the month of July.

Application - The official application is generated and provided through the Planning and Zoning Office. The application is emailed to prior applicants and programs as well as posted on the City of West Allis website.

A. **Eligibility** - The following agencies are eligible to apply for funding from the CDBG program:

1. All non-profit, 501(c) (3), providing services to low-moderate income persons in West Allis. Administrative capacity must be demonstrated as part of the application process or by past performance).
2. Governmental agencies (i.e., West Allis Police Department)
3. Neighborhood Organizations – eligible only if structured as a non-profit 501(c) (3) or seeking status. Quasi-governmental agencies are eligible if administration capacity is demonstrated (i.e., Business Improvement District).
4. For-profit agencies/businesses that facilitate economic development by providing credit or loans, providing technical assistance, advice, and general business support services to micro-enterprises. Agencies must have a local board of directors or advisory board that governs the agency activity. The board must be of sufficient size to be representative of the diversity of the community served.

B. **Criteria** - Applications shall be received by the Planning and Zoning Program and reviewed by City staff for compliance with federal requirements and overall eligibility. The following are reviewed:

1. The applications are determined for organizational eligibility. The application must address a local CDBG funding priority identified in the Consolidate Plan and address concerns shared during citizen input.
2. The application must address a CDBG funding priority.
3. The proposed activity must meet a National Objective of the CDBG program.
4. The application must propose an activity that is listed as an eligible activity in HUD regulations at 24 CFR 570.201-206.
5. City Staff may include additional selection and scoring criteria in each solicitation for funding process.

C. Citizen Participation Plan - The Citizen Participation Plan shall encourage citizen participation (especially by persons with lower income), provide citizens reasonable and timely access to the local meetings and information, provide technical assistance, provide for public hearings, and provide a complaint procedure. The City of West Allis, Citizen Participation Plan is available under Appendix A of this manual.

D. Local CDBG Funding Priorities

Every three to five years the city will write a new Consolidated Plan (ConPlan) for HUD that prioritizes the objectives of the program. The ConPlan will also establish specific program objectives expressed in measurable units such as housing units or numbers of clients served. CDBG funding priorities will be determined by the Mayor and City Common Council based on a recommendation by the citizen block grant committee and citizen participation. Years that a ConPlan is written, input from the City's strategic planning activities, City committees including the Block Grant Committee, and community consultation will be sought per the CDBG Citizen Participation Plan. The annual solicitation process will specifically request proposals to address identified funding priorities and program objectives.

E. National Objectives

CDBG program regulation require that any activity funded meet at least one of the program's three national objectives. A national objective is met if it can be determined and documented that the activity:

1. Provides direct benefit to LMI person through the following:
 - area benefit activities
 - limited clientele activities
 - housing activities
 - job creation and retention activities

2. Aids in the prevention or elimination of slum or blight through the following:
 - a. *Activities on an area basis* – an activity will be considered to address slum and blight on an area basis if it: can be shown that the area meets the definition of slum and blight, and has a substantial number of deteriorating buildings, and the assisted activity addresses one or more of the conditions that contribute to the deterioration of the area.

 - b. *Activities on a spot basis* – activities which eliminate specific conditions of blight or physical decay on a spot basis located in a slum and blighted area which meets this objective.

6. Applications

- A Applications must address at least one CDBG eligible activity, per CFR 570.201-206 as described above. The City currently uses the 2000 U.S. Census low-to-moderate income neighborhoods for determining eligibility of low-to-moderate area (LMA) activities.
- B. Proposed performance objectives: list proposed service goals and objectives. Objectives must be measurable, with outcome indicators that directly affect the problem that the service was designed to address, not simply a count of numbers served. Each proposed objective should have at least one measurable indicator.
- C. Applications must include a detailed description of an agency's qualifications for managing the proposed program. There must be program staff that has experience managing a problem like that for which CDBG funds are being requested. There must also be experience on staff or on the board for providing financial management of grant funds as required by the City in its reporting to HUD.
- D. An agency must show that preliminary commitments for leveraging funds are being obtained and that CDBG funds are not the sole source of funding for eligible activity. 5. Evaluation results or the success in meeting goals and objectives measures will be one of the key determinants when considering renewal of funding for the next CDBG funding cycle.

7. Procedure for Allocation Process

- 1. Public notice announces the beginning of the CDBG Applications at the beginning of the **July (Attachment II -Solicitation)**.
- 2. Application is posted on the City's website and emailed to prior applicants or parties that have expressed interest. Applications will only be accepted during the period advertised.
- 3. Applications are reviewed for eligibility by City staff (**Attachment III-Sample Application**).
 - a. Does the applicant qualify as an organization?
 - b. Does the activity/program qualify?
- 4. As necessary, interview appointment between city staff and potential subrecipients are arranged to further discuss eligible applications.
- 5. Staff will jointly make final recommendations on funding allocations through a proposed CDBG budget which will be forwarded to the Mayor, Block Grant Committee, and Common Council in September to coincide with the City's budget process. The Annual Action Plan will be submitted to the public for comments in September.

6. Staff recommendations are reviewed and discussed by the Block Grant Committee (**Attachment IV-Sample Quarterly Report**).

a. Block Grant Committee will meet two times in the month of August/September.

- First meeting reviews currently funded activities and status of program goals.
- Second meeting adopts a recommendation for the upcoming fiscal year's annual plan. The recommendation is forwarded to Common Council for adoption.

c. A Public Hearing is conducted before the Block Grant committee (second meeting) to discuss the funding recommendation and goals of the Annual Plan. Programs are allowed to share program information and answer any questions.

d. The City's Capital Improvement Program may identify additional City needs or funding requests to address issues that may develop on an annual basis or in need of funding.

e. No applications will be considered for funding after adoption of the CDBG budget unless a request is initiated by the Common Council and follows our Citizen Participation Plan.

7. City of West Allis Common Council reviews the Block Grant Committee recommendation and makes final recommendation and approvals (**Attachment V-Resolution**)

8. Preliminary award notices are issued to successful applicants. This is generally done through email.

9. City staff performs Environmental Reviews on each activity to determine if the project/program will levy any adverse effects on the environment.

10. An Annual Action Plan, which highlights proposed CDBG-funded activities for the upcoming program year, is submitted to HUD through Milwaukee County as the Consortium Chair. A public comment is conducted prior to HUD's approval of the Annual Action Plan. **Attachment VI - Plan.**

11. Upon approval from HUD, CDBG contracts are executed between the City of West Allis and the sub recipients. **Attachment VII – HUD Contract.**

12. Sub recipients are contracted following execution of the City's grant contract with HUD. **See Appendix B – Sub recipient Agreement.**

13. Subrecipients complete semi-annual accomplishments/beneficiary forms to track activities throughout the CDBG program year. The reports must be submitted to the Department of Development within 30 days of June 30 and December 31.

14. Upon CDBG Program Year completion, citizens are asked for public comment on the Consolidated Annual Performance and Evaluation Report (CAPER), which is completed by the City of West Allis and submitted to HUD.

8. Plans

Annual Plan: The annual plan is submitted no earlier than November 15 of the preceding fiscal year. The plan describes actions taken during the program year to:

- A. address obstacles to meeting underserved needs
- B. foster and maintain affordable housing
- C. remove barriers to affordable housing
- D. evaluate and reduce lead-based paint hazards
- E. the number and type of families that will benefit from the proposed activity

9. Citizen Participation Plan

A single, five-year Consolidated Plan will establish goals that annual Action Plans will specify funding for. Regulations for the Plans require that citizens be encouraged to participate in their development. This Citizen Participation Plan states how the city will seek citizen involvement in the preparation of the Plans, amendments to the Plans, and performance reports concerning activities under the Plans.

This Citizen Participation Plan will be made public by a notice published in official paper of the City and City website. This Plan will be available for review in the offices of Planning and Zoning. Citizens and other interested parties will be advised that comments on the Citizen Participation Plan will be received at a hearing before the Common Council to be held in September of each year. Written comments will also be accepted.

A copy of **Citizen Participation Plan** is attached as **Appendix A**.

10. General Project Descriptions:

Administration: CDBG funds may be used to pay reasonable program administration costs and carrying charges related to the planning and execution of community development activities assisted in whole or in part with funds provided under the CDBG program. Also, funds may be used to studies, analyses, data gathering, preparation of plans, and identification of actions that implement plans.

Public Services: Funds may be allocated to provide public services (including labor, supplies, and materials) provided that the following is met:

- a new service or a quantifiable include in the level of service above that which has been provide by or behalf of the unit of government
- a service that provides outreach to low-moderate income individuals and elderly

Housing Rehabilitation: CDBG funds may be used to finance the rehabilitation of any publicly or privately owned residential property, including the conversion of non-residential property for housing.

Economic Development: Funds may be used to retain or create employment opportunities for low-moderate income persons. Economic development activities include:

- assistance to help micro-enterprise initiatives such as business consultations, technical assistance, business education, and business start-up.
- assistance to provide for-profit entities in the form of loans to purchase real estate, equipment, etc.

Public Improvements/Facilities: CDBG funds may be used by the grantee or other public entity for acquisition, construction, reconstruction, rehabilitation, or installation of public improvements or facilities. Public facilities and improvements include, but not limited to parks and playgrounds, streetscaping, senior center improvements, exterior maintenance program. Code enforcement activities that include the payment of salaries and overhead costs directly related to the enforcement of local codes.

Redevelopment: CDBG funds may be used to address slum and blight properties. Redevelopment will address and implement the financial techniques and strategies to foster investment that improves the vitality of a property while enhancing the overall neighborhood.

Contingency: Unprogrammed funds to address activity budget or project expense increases and projects that may arise during the program year

11. Contract Procedures.

Usually, by late Summer or early fall, the city receives its official CDBG allocation and a grant agreement between the City and HUD is finalized. As soon as this occurs, the City prepares a standard contract for each of the selected sub-recipients outlining the roles, responsibilities, and obligations of the City and the sub-recipient. Copies are forwarded to appropriate parties for signature. The Contracts are signed by the sub-recipient, the Mayor, the City Clerk and approved and signed by the City Attorney. Fully executed copies of the contract(s) are then referred to the sub-recipients for their files. **See Appendix B – Sample Sub recipient Agreement.**

12. Competitive Procurement.

Agencies that use CDBG funds to purchase goods or services, including consultant services and construction services, must select the vendor, consultant or construction firm based on a competitive process. Agencies shall take all necessary affirmative steps to assure that minority and women's business enterprises are used when possible.

13. Davis-Bacon Federal Labor Standards Provisions.

Capital projects that utilize CDBG funds for construction may be subject to Federal labor standards provisions including Davis-Bacon wage rates. These regulations require that construction contractors paid with CDBG funds pay a required wage that is typically higher than those paid for projects that are not federally assisted. To see examples of these wage rates, refer to www.gpo.gov/davisbacon/. All construction work is covered even in instances where only a small portion of the work is actually paid for with CDBG funds.

14. Environmental Review

Please see **Appendix C – Environmental Review Process**

15. Lead-Based Paint. Projects must comply with regulations regarding lead-based paint poisoning prevention. These requirements prohibit the use of lead-based paint and require elimination of immediate lead-based paint hazards in residential structures and notification of the hazards of lead-based paint poisoning to purchasers and tenants of residential structures constructed prior to 1978.

16. Local requirements

A CDBG award in no way affects or influences local land use or building permit requirements or processes.

16. Reporting for Disbursement of Funds.

The City will provide an upfront payment or monthly/quarterly payments for the purposes and amount specified in the contract upon receipt of required documentation from the agency.

17. Monitoring:

At least once every two years, City staff will conduct an on-site monitoring. Monitoring of the Community Development Block Grant programs and subrecipients partners is not just a regulatory process or a fact-finding mission. Rather, it involves effective communication and cooperative, problem-solving relationships between programs and the City.

The Planning and Zoning Program monitors all CDBG and HOME programs. Each program shall be recertified annually as part of the monitoring process. The review for recertification will include, among other things, a review of program capability such as staff and facilities, performance measurement in relationship to goals and objectives, review of financial statements and review of past and current projects.

When the City awards a grant, the Planning and Zoning Program a schedule for each program the includes:

- A. Desk Monitoring (i.e., client eligibility, property eligibility, appropriate funding levels for the activity, compliance with program requirements (i.e., prevailing wage, environmental review, etc.)
- B. Performance Reports (i.e., semi-annual, and annual)
- C. Annual On-site reviews (performance measurement, measurable outcomes, questions, national objectives, outreach, etc.)

These three items combine to provide a clear and timely picture of each subrecipient's progress.

18. Inadequate Performance and Non-compliance

If a sub-grantee/sub-recipient or its CDBG funded activity is found to be in non-compliance with terms stipulated in the contract, funding may be withheld until compliance is achieved. If compliance cannot be achieved, funding may be terminated. Additionally, funding may be

withheld from any agency which does not submit required reports in a timely manner. Disbursement will recommence with acceptable reporting procedures.

If program performance is found to be substantially inadequate for the stated objectives, the agency may be required to submit a written explanation for the variance. Inadequate program performance may adversely affect future CDBG funding requests to the city.

An agency may appeal a decision to terminate funding based on information not available to the City at the time of the decision. An appeal must be submitted in writing with documentation included, which justifies or substantiates the appeal. City staff will review the appeal in conjunction with the City legal department. If appropriate, meetings will be arranged between the city and the agency to determine the most appropriate course of action.

19. Section 3

Projects that are awarded \$200,000 or more in CDBG and/or other funds from HUD may be required to comply with Section 3 regulations at 24 CFR Part 135. These regulations require that a minimum of 30% of new positions generated because of the project be filled by low-and-moderate-income persons. **Appendix D – Section 3**

20. MBE/WBE Requirements

The goal of the MBE/WBE Programs is to assure that minority business enterprises (MBE) and woman business enterprises (WBE) are given the opportunity to participate in contract and procurement for supplies, construction, equipment, and services under the CDBG program. Prime Contractors working on federally funded projects shall ensure MBE/WBEs are fully made aware of contracting opportunities practicable through outreach and recruitment activities. For Indian Tribal, State, and local Government recipients, this will include placing MBE/WBEs on solicitation lists and soliciting them whenever they are potential sources.

21. Equal Opportunity

Sub-grantees with 25 or more employees shall track national origin and race of each of their employees and provide this information as part of the application process to the City.

22. Reporting for Disbursements of Funds

Agencies are requested to submit their invoices and documentation following the reporting period. Documentation should consist of any or all these items:

1. Completed Reimbursement Form that aligns with the contracted budget. See **Attachment VIII** - Reimbursement Form.
2. Invoices and documentation of appropriate expenses for purposes outlined in the agency's application and contract:
 - a. Staff salary and benefits
 - b. Copy of canceled payroll check
 - c. Copy of payroll
 - d. Copy of insurance bill
3. Any program reporting that is required to be completed for clients served by the CDBG program.