

# COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

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## POLICIES AND PROCEDURES



# CONTENTS

<b>CDBG Policies and Procedures</b>	<b>pages 1-13</b>
<b>Appendix A: Citizen Participation Plan</b>	<b>pages 14-18</b>
<b>Appendix B: Notice of Funding Availability Announcement</b>	<b>pages 19-20</b>
<b>Appendix C: Application Package</b> (includes the NOFA and Applicant Guide)	<b>pages 21-40</b>
<b>Appendix D: Subrecipient Agreement</b>	<b>pages 41-54</b>

## **Introduction**

The Department of City Development serves as the designated administrator of the City of Sheboygan's Community Development Block Grant program. A program of the U.S. Department of Housing and Urban Development (HUD), CDBG offers uniquely flexible resources for community development. This manual applies to all CDBG projects and activities including Public Services, Planning, and Capital/Facility improvements.

## **Statement of Objective**

As an entitlement community, the City of Sheboygan receives an annual, formula-based allocation of CDBG funding from HUD. The primary objective of the CDBG program is to develop viable urban communities by providing decent housing, suitable living environments, and expanded economic opportunities for low- and moderate-income (LMI) persons.

## **Funding Restrictions**

HUD places certain restrictions on the City's use of CDBG funding. A maximum of 15% of the annual allocation can be spent on public services. Thus, up to, but not more than, 15% of CDBG funding will be distributed to eligible organizations for the purpose of providing public service programs that serve the very-low and low-income persons of Sheboygan.

No more than 20% of the appropriation can be spent on Administration and Planning for the time respective staff spend implementing the various aspects of the CDBG program. The annual allocation will include 20% of funds as an activity for the program year.

## **Agency Eligibility**

The following agencies are eligible to apply for funding from the CDBG Program:

1. All non-profit, 501(c)(3), tax exempt agencies which demonstrate adequate administrative capacity as part of the application process or through past performance.
2. Government Agencies
3. Neighborhood organizations - eligible if they are pursuing 501 (c)(3) nonprofit status.

Agencies must have a local board of directors or advisory board that governs the organization. The board must be of sufficient size to be representative of the diversity or the community served.

## **Criteria**

Applications shall be received by the Department of City Development for review to determine if the following criteria are met:

1. The agency has obtained 501(c)(3) status from the IRS. This does not apply if the agency is a government agency or for-profit/business that meets other application criteria.
2. The application must address a Local CDBG Funding Priority.
3. The application must propose a program or project listed as an eligible activity in HUD regulations at 24CFR 570.201-206.
4. The proposed activity must meet a National Objective of the CDBG program.
5. City staff and the Finance and Personnel Committee may include additional selection and scoring criteria.

## **Citizen Participation Plan**

The Citizen Participation Plan shall encourage resident engagement especially among lower income residents by providing citizens with reasonable and timely access to the local meetings and information; offering technical assistance; hosting public hearings; and establishing a grievance procedure.

The City of Sheboygan's Citizen Participation Plan is available under Appendix A of this manual.

## **Local CDBG Funding Priorities**

Every five years, the City will write a new Consolidated Plan for Housing and Community Development (Con-Plan) that will prioritize each eligible category as a high, medium, or low community need. The Con-Plan 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 Finance and Personnel committee in conjunction with department staff.

In the years that the Con-Plan is being written, the City will encourage public input in the form of surveys, focus groups and/or community consultation per the Citizen Participation Plan. The following list of priorities is derived from CDBG eligible activities per 24 CFR 570.201-206.

## **Housing Needs:** Elderly, Small Families, Large Families, Other

- |                            |                             |
|----------------------------|-----------------------------|
| a. Homebuyer Assistance    | e. Single-Unit Rental Rehab |
| b. Multi-Unit Rental Rehab | f. Multi-Unit Owner Rehab   |

- c. Energy Efficiency Improvements
- d. Code Enforcement

- g. Lead-Based Paint/Hazards
- h. Other Housing Needs

**Homeless Needs:** Families, Individuals, and Persons with Special Needs

- a. Counseling
- b. Emergency Shelters
- c. Permanent Housing
- d. Day Centers
- e. Transitional Shelters

**Public Facility Needs:**

- a. Senior Centers
- b. Parks and/or recreational facilities
- c. Neighborhood Facilities
- d. Child Care Centers
- e. Other Public Facilities
- f. Youth Centers
- g. Health Facilities
- h. Parking Facilities
- i. Street Improvements

**Public Service Needs – 15% Cap on Spending**

- a. Senior Services
- b. Handicapped Services
- c. Youth Services
- d. Transportation Services
- e. Substance Abuse Services
- f. Battered & Abused Services
- g. Crime Awareness
- h. Fair Housing/Tenant Counseling
- i. Child Care Services
- j. Health Services
- k. Abused & Neglected Services
- l. Mental Health Services
- m. Employment Training
- n. Other public service needs

**Non-residential Historic Preservation Needs**

**Economic Development Needs** (Follows the Policies and Procedures Manual for the Economic Development Revolving Loan Fund)

**National Objectives**

CDBG Program regulations require that all funded activities meet at least one of the program’s three national objectives. A national objective is considered met if it can be determined and documented that the proposed program:

**A. Provides direct benefit to low- and moderate-income persons** through the following activities.

1. **Area Benefit Activities-** an activity in which the benefit is available to all residents in a particular area, where at least 51% are low- and moderate-income persons.

In order to be consistent and determine the service area for City managed projects, the following criteria are to be used for Area Benefit Activities:

a. ***Street Improvement***

Definition

Street Improvement shall mean asphalt reconstruction, curb and gutter ADA improvements, storm sewer, sanitary sewer, street lighting, streetscaping (examples include but are not limited to benches, garbage cans, street art, and flags.)

Service Area

The service area will be considered the entire neighborhood within a quarter mile radius of the project site.

b. ***Parks and Other Public Green and Recreation Spaces***

Definition

A park, green space or recreation space shall be defined as landscaped public spaces of limited size primarily for possible recreation needs of all ages but with designated active areas. Could include but is not limited to open lawn area, landscaping, picnic areas, drinking fountains, paths or nature walks, area for field or court games with possible seating for spectators, off-street parking, and lighting.

Service Area

The service area will be considered the entire neighborhood within a quarter mile radius of the public space.

2. **Limited Clientele Activities-** an activity which benefits limited clients, at least 51% of whom are low- and moderate-income persons.

The following criteria are to be used to determine eligibility as a Limited Clientele Activity

- a. Benefit a clientele who are generally presumed to be principally low- and moderate-income persons. Activities that exclusively serve a group of persons in any one or a combination of the following categories may be presumed to benefit persons, 51 percent of whom are low- and moderate-income: abused children, battered spouses, elderly persons, adults meeting the Bureau of the Census' Current Population Reports definition of "severely

disabled,” homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers; or

- b. Require information on family size and income so that it is evident that at least 51 percent of the clientele are persons whose family income does not exceed the low- and moderate-income limit; or
- c. Have income eligibility requirements which limit the activity exclusively to low- and moderate-income persons; or
- d. Be of such nature and be in such location that it may be concluded that the activity's clientele will primarily be low- and moderate-income persons.

- 3. **Housing Activities**- an eligible activity carried out for the purpose of providing or improving permanent residential structures, which will be occupied by low- and moderate-income persons when completed.
- 4. **Job creation**- an activity designed to create or retain permanent jobs where at least 51% positions, computed on a full-time equivalent basis, are held by low- and moderate-income persons. This is further outlined in the City of Sheboygan’s Economic Development Loan Program Policies and Procedures Manual.

**B. Aids in the prevention or elimination of slum or blight** through the following:

- 1. **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.
- 2. **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.

**C. Is designated to meet community development needs having a particular urgency** and is designed to alleviate existing conditions which pose a serious and immediate threat to the health and welfare of the community, which are of recent origin or which recently became

urgent. (In practice, this category is reserved for natural disasters and extraordinary circumstances.)

## **Applications**

1. Applications must address at least one CDBG eligible activity, under CFR 570.201-206 as described above. The City will use the most recent U.S. Census data to identify low-to-moderate income neighborhoods for the purpose of determining eligibility for low-to-moderate area (LMA) activities.
2. Proposed performance 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.
3. Applications must include a detailed description of an agency's qualifications for managing the proposed program. The agency must have staff and board members with experience in financial oversight and program management.
4. An agency must show that preliminary commitments for the leveraging of CDBG funds have been obtained or are actively being pursued. CDBG funds are not to be the sole source of funding for an eligible activity.
5. Monitoring results and/or an agency's success in meeting goals and objectives will serve as a key determinant when considering funding renewal in subsequent CDBG program years.

## **Procedures**

The City will make all possible efforts to ensure that the community is made aware of the availability and purpose of the Community Development Block Grant Program.

1. In February, the City will post release the "Notice of Funding Availability," posting in the local newspaper of record as well as the City's website, social media channels and in its e-newsletter.

The NOFA announcement in English, Spanish and Hmong can be found in Appendix B.

The application package including the NOFA and applicant guide is available to view in Appendix C.

2. Public Service agencies will utilize the City's application system, available at <https://portal.neighborlysoftware.com/sheboyganwi/participant>.



Staff will mail a paper copy of the application package to agencies upon their request.

3. Applications will only be accepted during the period of time advertised and must be received by the due date.
4. Deadlines, policies and procedures, priorities, identified community needs, and other pertinent information will be included in the NOFA. The Strategic Fiscal Planning Committee will conduct a review of request during January/February. All proposals submitted will be receive a consistent review and discussion based on the criteria.
5. 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.

### **Review Process**

The CDBG review process for applications consists of three layers:

#### **1. *City Development Staff***

- a. City Development staff conduct an Eligibility Review of all applications. Under this review, staff will determine:
  - i. If the organization is a non-profit or has submitted an application for 501(c)(3) status with the IRS;
  - ii. If the organization is qualified for-profit agency or business;
  - iii. The program meets a national objective; and
  - iv. The program addresses an eligible CDBG activity.

If the program meets all criteria (a-d), the proposal will be considered eligible for consideration of funding.

- b. Staff will provide committee members with a report of all eligible organizations, initial award recommendations, and a list any agency which was determined to be ineligible.
- #### **2. *Finance and Personnel Committee***
- a. The committee will discuss potential funding for agencies and may choose to further review applications, ask questions of staff, or request an interview with agency leadership.
  - b. Members of the committee develop and finalize a proposed CDBG budget to refer to the Common Council.
- #### **3. *Common Council***
- a. Council will discuss the proposed budget in an open meeting, allowing for citizen input on the budget recommendations.
  - b. Following Council vote approving the proposed budget, activities will be incorporated into an Annual Action Plan and released for public input, per the Citizen Participation Plan.

- c. The Common Council is responsible for making the final decisions regarding program funding. If the approved funding level is different than the proposed budget, a revised budget is prepared and follows the Citizen Participation Plan requirements.

### **Criteria for Decision-Making**

Proposals will be critiqued in three areas: program, management, and finances. The staff comments accompanying the proposal will summarize the proposal in each of these areas, specify any staff questions or concerns in relation to the proposals, and summarize any comments from the review or citizen participation activities. This criterion should be used for public service activities as well as public facilities and neighborhood improvement eligible activities.

The following review criteria are used in final funding decisions made by the Common Council:

1. **Program** - consistency with CDBG guidelines, responsiveness to community needs as identified in the latest Consolidated Plan, documented need in Sheboygan, documented impact and effectiveness of program, clear objectives and measure of performance.
2. **Management** - capable and qualified staff, demonstrated administrative capacity, appropriate fiscal controls, and a knowledgeable and involved board.
3. **Finances**- overall-cost effectiveness of program, reasonableness of costs for services, need for CDBG funding, ability to leverage CDBG funding with other sources, efforts toward self-support, and plans for future funding.

### **Contract Procedures**

After HUD allocates funds, the City initiates the following contract process:

1. Common Council approves a transfer of appropriations in the current year's budget to accept CDBG funds.
2. The grant agreement between the City and HUD is finalized.
3. To ensure that the City of Sheboygan is not contracting with vendors who have been suspended or debarred from doing business with the federal government, Department of Planning and Development staff will check SAM.gov. Should a contractor be debarred or suspended, the City will not award a contract to them.
4. Staff completes an Environmental Review within HEROS.gov.

Most public service activities are classified as exempt and the review occurs without further action required. However, applicants should note

that projects with certain characteristics may require a consultant study as part of the environmental review process and should budget for them accordingly and allow additional time in the project milestones for completion. Such characteristics include, but are not limited to limited to:

- a. Project is within a Federal Emergency Management Agency (FEMA) 100-year floodplain
- b. Project is, or is eligible for, local, state, or federal historic or landmark registers
- c. Project is located within 3,000 feet of a toxic site or solid waste landfill
- d. Project has exposure to significant airport or highway noise or
- e. Project affects endangered species that are listed or proposed for listing under the Endangered Species Act (ESA).

Applicants are encouraged to consult CDBG staff prior to submitting an application if there is concern regarding a project's need for a consultant study. A portion of the funds awarded will be used to procure any required studies. Consideration for this expense should be given in the preparation of the project budget.

On the date the CDBG application is submitted, the entire project is subject to the federal environmental review requirements of the National Environmental Policy Act (NEPA). These requirements are in addition to any local requirements that may be imposed under the State Environmental Policy Act (SEPA). Costs associated with NEPA review are the responsibility of the applicant, even if the NEPA review results in a determination that the project is not eligible for CDBG funding. Environmental review costs are eligible CDBG expenditures.

Until the NEPA review process is complete, no activity can take place on the project that may have an adverse environmental impact, or limit the choice of alternatives available on the site. This may include, but is not limited to, property acquisition, clearing, grading or other site preparation activities, construction activities or rehabilitation of existing structures. Taking any such action after the date a CDBG application is submitted will make the project ineligible for funding.

**Environmental review of projects must be completed prior to a CDBG contract being executed and prior to any work being undertaken at the site.**

5. When the Debarment search and Environmental Review is complete, staff

- a. prepares a Subrecipient contract for each of the selected public service agencies outlining the roles, responsibilities, and obligations of the City and the subrecipient.
- b. Copies are forwarded to appropriate parties for signature. The Contracts are signed by two representatives from the subrecipient agency and by the Mayor and City Clerk.
- c. A fully executed copy of the contract(s) is mailed to the subrecipient for their files.

See Appendix D for a draft copy of the agreement.

## **Compliance with federal standards, procedures and policies**

### ***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 ensure that minority and women's business enterprises are used when possible.

### ***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/](http://www.gpo.gov/davisbacon/). All construction work in excess of \$2,000 is covered even in instances where only a small portion of the work is actually paid for with CDBG funds.

### ***Insurance Requirements***

Agencies will be required to provide evidence of general liability and property insurance to the City of Sheboygan and list the City as an additional insured and as a loss payee under their policy. Minimum coverage amounts and additional insurance requirements apply.

### ***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.

### ***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 as a result of the project be filled by low-and-moderate-income persons.

### ***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 made aware of contracting opportunities to the fullest extent 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.

### ***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.

### ***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 of these items:

1. 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
2. Quarterly reports are required to be completed for clients served by the CDBG program.

### ***Monitoring***

At least once every two years, City staff conducts formal on-site monitoring. These visits are conducted more frequently if the Subrecipient is new or is

having difficulty meeting program requirements. Program staff also review quarterly reports, and analyze evaluation forms. HUD representatives may also make on-site visits as part of their monitoring visits to the City of Sheboygan. City staff may choose to make informal visits as needed.

### ***Inadequate Performance and Non-compliance***

If a sub-grantee/Subrecipient 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. In the event that compliance cannot be achieved, funding maybe terminated. Additionally, funding maybe withheld from any agency which does not submit required reports in a timely manner. Disbursement will recommence with acceptable reporting procedures.

1. 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.
2. 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.

### ***Local requirements***

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

# APPENDIX A

## City of Sheboygan Community Development Block Grant Program

### Citizen Participation Plan

#### **A. Background: Community Development Block Grant (CDBG) Program**

The Community Development Block Grant (CDBG) program was established by Congress in 1974 with the passage of the Housing and Community Development Act. The program provides funding for three (3) broad goals:

- 1) Decent housing;
- 2) A suitable living environment; and
- 3) Economic opportunities

These three (3) broad goals are primarily oriented to serve the needs of low and moderate income persons living within the city.

The city receives a regular annual allocation of CDBG funds from the U.S. Department of Housing and Urban Development (HUD). The CDBG funds are managed through the Consolidated Planning process, which identifies housing and community development needs, and identifies strategies to meet those needs. The process encourages citizens to participate in the Consolidated Planning process as outlined below.

#### **B. Introduction: Citizen Participation Plan**

The Citizen Participation Plan serves as the foundation for developing stronger citizen relationships throughout the City of Sheboygan. The City supports and encourages participation of citizens, community groups, and other interested agencies in both the development and evaluation of programs and activities funded with CDBG and included in the Consolidated Plan. Increased citizen and community involvement is an important component of understanding the needs in the City and developing appropriate strategies to address those needs.

The City of Sheboygan has adopted this Citizen Participation Plan in compliance with Section 104 (a)(3) of the Housing and Community Development Act of 1974 as well as 24 CFR 91.105, the federal regulations governing public participation in the Consolidated Planning process.

Copies of the Citizen Participation Plan are available in the City Development Department and on the City website.

#### **C. CDBG Policy and Administrative Oversight**

The City of Sheboygan's Department of City Development will provide planning and administrative oversight of the CDBG funded activities. Policy oversights including, but not limited to, approval of all housing loans, economic development project participation, and other financial assistance.

#### **D. Public Hearings**

Two (2) public hearings will be held each Program Year to provide opportunities for public participation at different stages of the CDBG Program Year and planning process.

- 1) The Annual Action Plan – Needs Assessment Public Hearing is held to identify community development needs and programs. The city utilizes the feedback and comments from the public hearing in determining CDBG funding recommendations for the next year.
- 2) The Annual Action Plan – Adoption Public Hearing corresponds with the draft publication of the CDBG Annual Action Plan which outlines the proposed activities for the upcoming Program year. Following the hearing, the city will allow at least 30 days to receive citizen comments before submitting the Annual Action Plan to the U.S. Department of Housing and Urban Development.

Notices of public hearings are published in the local newspaper (Sheboygan Press), on the City of Sheboygan webpage, and various other media outlets.

#### **E. Public Comment Periods**

The Consolidated Annual Performance & Evaluation Report (CAPER) summarizes the activities undertaken the previous Program Year. A notice is published in the local newspaper notifying the public of the availability of the draft CAPER report and to provide comments which will be included in the submission of the final report. The city will allow at least 30 days to receive citizen comments from the date of publication of the Notice.

Notices of public comment periods are published in the local newspaper (Sheboygan Press), on the City of Sheboygan's web page, posted at a public area at City Hall, and various other media outlets.

#### **F. Consolidated Plan-Public Hearing/Comment Period**

Citizens are encouraged to participate in the public hearings and comment periods that occur as part of the development and adoption of the Five Year Consolidated Plan for the CDBG Program. The development of the Consolidated Plan includes identification of long-term housing and community development related strategies. The draft of the Consolidated Plan will be available on the City of Sheboygan web page and in hard copy at the Department of City Development.

The development and adoption of the Five Year Consolidated Plan will follow requirements of Section D. Public Hearings.

#### **G. Accessibility**

All city residents, namely persons of low-and-moderate income, persons with disabilities, persons with limited English-speaking ability and persons of racial minority are encouraged to contribute input regarding CDBG-funded activities. No person shall be excluded from participation in the City of Sheboygan CDBG programs on the grounds of race, color, national origin/ancestry, sex, sexual orientation, disability, gender identity, age, religion, marital status, familial status, lawful sources of income, or domestic abuse, sexual assault and stalking victims.

To encourage equal access in participation for persons with disabilities, all CDBG-related hearings and meetings are held at City Hall which is handicapped accessible. With advanced notice, the City will also provide interpreters for speaking and hearing impaired persons.



## **H. Access to Records & Technical Assistance**

The Department of City Development shall provide citizens, agencies, and other interested parties with access to information and records related to the city's CDBG Program, including reports, policies, and CDBG funded activities for the last seven (7) years. A printed copy of the current Consolidated Plan, Annual Action Plan and CAPER will be available to the public in the Department of City Development, 828 Center Avenue, 2<sup>nd</sup> Floor, Sheboygan, WI 53081. Electronic versions of both reports will be available on the City's web page.

Staff shall provide technical assistance to organizations that serve low and moderate income persons in developing their CDBG subrecipient applications. In addition, an organization that receives CDBG funding will receive technical assistance in the implementation and reporting of their activity to insure compliance with HUD regulations.

All citizens and/or local agency representatives are encouraged to contact staff with questions about both program guidelines inquiries and general community developments in the City.

## **I. Amendments**

The City will amend its approved Consolidated Plan whenever it makes one of the following decisions:

- To make a substantial amendment in allocation priorities or a substantial amendment to the method of distributing funds;
- To carry out an activity not previously described in the Action Plan, using funds from any program covered by the Consolidated Plan (including program income); or
- To substantially amend purpose, scope, location or beneficiary of an activity.
- To amend or revise the Citizen Participation Plan

**Substantial amendment** is defined as a change in a planned or actual activity proposed after the official adoption of the Consolidated Plan/Annual Action Plan that affects 10% or more of the City's current annual allocation of CDBG funds. Substantial amendments to the approved Consolidated Plan must be authorized by the Common Council, and will be made public by postings and public notices in the newspaper. The city will receive and consider comments on the substantial amendment to the Consolidated Plan/Annual Action Plan for 30 days before implementing those amendments.

## **J. Anti-Displacement**

It is the policy of the City of Sheboygan to minimize the displacement of individuals and businesses which may result from CDBG activities. In cases where displacement is absolutely necessary, relocation benefits will be paid in accord with the Uniform Relocation Act, other applicable federal regulations, and Chapter 32 of the Wisconsin State Statutes.

## **K. Objections to CDBG Documents**

Citizens may provide comments regarding the Consolidated Plan, Annual Plan, substantial amendments, the Consolidated Annual Performance & Evaluation Report (CAPER) or other CDBG-related matter at any time during the Program Year. Comments must include identification of unmet requirements and relevant supporting data and will be considered on the following grounds:

- 1) Stated needs and objectives are inconsistent with available and reliable data
- 2) Stated projects are inappropriate for meeting needs and approved objectives

3) Consolidated Plan elements do not comply with federal regulations for the CDBG Program

Comments must be submitted by email or in written form to the Department of City Development, 828 Center Avenue, 2<sup>nd</sup> Floor, Sheboygan, WI 53081. Upon receipt, the Director of Planning and Development shall respond in writing, where practicable, within 15 days.

**L. Complaints**

Any participant of a specific CDBG funded activity or program may file a complaint in writing with the Director of Planning and Development within 30 days of the action that gave rise to the complaint. The complaint should include the basis for which the participant believes that an action is not in compliance with CDBG regulations and/or the City's CDBG Program policies and guidelines. The Director of Planning and Development shall respond, where practicable, within 15 days. Upon receiving the response of the Director of Planning and Development, the program participant may request the city to review the matter. The program participant must submit the request by email or in writing within 30 days of the date of the response and the matter will be brought before the city at the next available meeting.

## APPENDIX B

### NOTICE

Organizations that meet eligibility guidelines and serve low- to moderate-income residents are invited to apply for 2022/2023 Community Development Block Grant funds. The application closing date is March 7, 2022.

Applications are accepted online at

[www.portal.neighborlysoftware.com/sheboyganwi/participant](http://www.portal.neighborlysoftware.com/sheboyganwi/participant). For more information on program eligibility and application instructions, please see the **Notice of Funding Availability and Applicant Guide** at

<https://www.sheboyganwi.gov/cdbg-nofa-2022/>. If you have questions, please contact Abby Block at [abby.block@sheboyganwi.gov](mailto:abby.block@sheboyganwi.gov) or 920.459.3378.

### NOTICIA

La ciudad de Sheboygan solicita aplicaciones de organizaciones elegibles y que atienden a residentes ingresos bajos a moderados que estan enteresadas en fondos de 2022/2023 Community Development Block Grant. La fecha de cierre de la aplicación es el 7 de marzo de 2022.

Las solicitudes se aceptan en línea en

[www.portal.neighborlysoftware.com/sheboyganwi/participant](http://www.portal.neighborlysoftware.com/sheboyganwi/participant). Para obtener más información sobre la elegibilidad del programa y las instrucciones de solicitud, consulte el **Aviso de disponibilidad de fondos y la Guía del solicitante** a <https://www.sheboyganwi.gov/cdbg-nofa-2022/>. Si tienes preguntas o para obtener esta información en español, llamar Abby Block, 920.459.3378 o enviar correo electrónico a [abby.block@sheboyganwi.gov](mailto:abby.block@sheboyganwi.gov).

### LUS CEEB TOOM

LUS CEEB TOOM

Thov caw txhua Lub Koom Haum, uas ua tau raws li cov lus qhia tsim nyog thiab ua haujlwm rau cov neeg tau nyiaj tsawg mus rau nruab nrab tuaj koom thov rau xyoo 2022/2023 Nyiaj Pab Tsim Kho Zej Zog (Community Development Block Grant funds). Hnub kawg ntawm daim ntawv thov yog Lub Peb Hlis 7, 2022.

Cov ntawv thov raug lees txais hauv online ntawm

[www.portal.neighborlysoftware.com/sheboyganwi/participant](http://www.portal.neighborlysoftware.com/sheboyganwi/participant). Yog xav paub ntxiv txog kev tsim nyog tau txais kev pab cuam thiab cov lus qhia ua ntawv thov, thov mus saib hauv **Notice of Funding Availability and Applicant Guide**

(Daim Ntawv Ceeb Toom Txog kev Txais Nyiaj Txiag thiab Cov Lus Qhia rau) ntawm <https://www.sheboyganwi.gov/cdbg-nofa-2022/>. Yog koj muaj lus nug lossis xav tau cov ntaub ntawv ua lus Hmoob, thov tiv tauj Abby Block ntawm [abby.block@sheboyganwi.gov](mailto:abby.block@sheboyganwi.gov) lossis 920.459.3378.



## **CITY OF SHEBOYGAN**

# **COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM**

### NOTICE OF FUNDING AVAILABILITY AND APPLICANT GUIDE

Thank you for your interest in the City of Sheboygan's Community Development Block Grant (CDBG) program. This competitive program aims to develop viable urban communities by ensuring that decent housing and economic opportunities are available to low- and moderate-income individuals and families. Since 1975, Sheboygan has received and used CDBG funding to enhance equity amongst its residents through various programs, projects, and initiatives. To build upon a legacy of achieving shared goals, the Department of City Development welcomes collaboration with area nonprofit organizations.

Please know that there are several responsibilities your organization must be mindful of should you receive funding. Quarterly reporting requirements must be met in order to maintain compliance with the U.S. Department of Housing and Urban Development- the funding agency of CDBG- and with the City of Sheboygan, which administers the grant. The reports require in depth demographics including race, ethnicity, and income level. In addition, accounting standards must be adhered to and documentation must be saved and made available for monitoring. If you have questions about the administrative requirements, or your capacity to meet them, please reach out.

Applications are completed online through the City's portal, powered by Neighborly Software. City staff are available to answer questions throughout the application process. Thank you for the work you do and for helping to make the City of Sheboygan a better place to live, work and visit!

In partnership,



Chad Pelishek  
Director of Planning and Development



Abby E. Block  
Grant Coordinator

## Contact Information

**Email:** [chad.pelishek@sheboyganwi.gov](mailto:chad.pelishek@sheboyganwi.gov)

[abby.block@sheboyganwi.gov](mailto:abby.block@sheboyganwi.gov)

**Phone:** 920.459.3383

920.459.3378

**Address:** City of Sheboygan  
Department of Planning and Development  
828 Center Ave  
Suite 208  
Sheboygan, WI 53081

KEY TERMINOLOGY AND COMMON ACRONYMS ..... PAGE 3

INTRODUCTION ..... PAGE 4

ADMINISTRATIVE AND FINANCIAL SYSTEMS..... PAGE 5

NEIGHBORLY SOFTWARE ..... PAGE 8

REGISTRATION

Create and access your account  
- PAGE 8 -

DASHBOARD

Access your available functions  
- PAGE 9 -

USERS

Manage who has access to  
your agency's information  
- PAGE 15 -

APPLICATION INFO

Guidance for completing the  
application in the portal  
- PAGE 16-

2022 NOTICE OF FUNDING AVAILABILITY ..... PAGE 11

APPLICATION PREVIEW ..... PAGE 16

# KEY TERMINOLOGY AND COMMON ACRONYMS

- **Annual Action Plan:** provides a concise summary of the actions, activities, and specific federal and non-federal resources that will be used each year to address the priority needs and specific goals identified in the City's *Consolidated Plan*.
- **Code of Federal Regulations (CFR):** contains the general and permanent regulations of the federal government of the United States, establishing the means by which agencies are to implement and adhere to federal statutes passed by Congress. Divided into 50 titles that represent broad areas subject to federal regulation, the CFR is published annually and compiles material and amendments from the *Federal Register*, released daily. View [the CFR](#) for more information
- **Community Development Block Grant Program (CDBG):** a federally-funded grant program designed to help cities and towns meet a broad range of community development needs.
- **Consolidated Annual Performance and Evaluation Report (CAPER):** a report submitted by all CDBG *Grantees* to HUD share accomplishments and progress toward *Consolidated Plan* goals. View the City's [CAPER](#) for more information.
- **Consolidated Plan:** the *Grantee's* five-year roadmap. Designed to help jurisdictions assess their affordable housing and community development needs, the Plan serves as the framework for a community-wide dialogue to identify priorities, enabling data-driven, place-based investment decisions that align and focus funding from block grant programs.
- **Federal Register:** the official journal of the federal government which contains government agency rules, proposed rules, and public notices. Published every weekday (except for federal holidays) since 1934, the final rules promulgated by federal agencies and published in the Federal Register are ultimately reorganized by topic and codified in the *Code of Federal Regulations (CFR)* which is updated annually. View the [Federal Register](#) for more information
- **Grantee:** the pass-through entity that receives a CDBG grant and administers CDBG funding (the City of Sheboygan in this case.)
- **Low- to moderate-income (LMI):** defined as having an income equal to or less than the Section 8 Housing Assistance Program's limits based on household size. Established by HUD annually.

For current LMI limits, please visit HUD's [CDBG income limits](#) page and select the appropriate fiscal year



- **Presumed eligible:** benefitting a clientele generally presumed by HUD to be comprised of principally LMI persons, currently the following groups:
  - ➔ abused children
  - ➔ battered spouses
  - ➔ elderly persons
  - ➔ migrant workers
  - ➔ illiterate adults
  - ➔ homeless persons
  - ➔ persons with AIDS
  - ➔ disabled persons
- **Subrecipient:** an organization that receives CDBG funds from a *Grantee* to undertake eligible activities.
- **Subrecipient Agreement:** a contract between the Subrecipient and the grantee (in this case, the City of Sheboygan) which outlines details of the project and the terms of the grant.
- **United States Code (USC):** the codification of general and permanent laws (also known as statutes) enacted by the United States Congress. The USC is organized into broad categories known as titles. View [the USC](#) for more information
- **U.S. Department of Housing and Urban Development (HUD):** the federal agency which administers the CDBG program.

## PART I: INTRODUCTION

### About This Guide

This manual highlights key policies and requirements for subrecipients of the City of Sheboygan's Community Development Block Grant (CDBG) program. It should be treated as a supplement to - not a substitute for - CDBG regulations. It is also meant to familiarize public service agencies with the Neighborly Software platform. Please note that the City reserves the right to add, remove, or change the policies, procedures, or forms found in this manual.

If an applicant has questions or is unsure of how to proceed at any point in the CDBG program cycle, they are encouraged to call the Grant Coordinator at (920) 459-3378 for assistance. The following online resources are also available to assist agencies:

- [Playing by the Rules](#) *A Handbook for CDBG Subrecipients on Administrative Systems* contains valuable information specifically for CDBG subrecipients.
- [HUD's Guide to Writing Measurable Goals](#) offers guidance on formulating goals for the year.
- [CPD Monitoring Guide](#) This handbook was created for HUD staff who are responsible for grantee monitoring and gives an inside glimpse of what that process entails. Helpful for the grantee and its subrecipients to be familiar with as they are themselves monitored.
- For the full regulatory language regarding the program, please take a look at [24 CFR Part 570: Community Development Block Grants](#)

## **About CDBG**

The CDBG program is authorized by Title I of the Housing and Community Development Act of 1974. Providing funding to cities and counties to develop viable urban communities, grants are awarded to carry out a wide range of community development activities including neighborhood revitalization, economic development, and improved community facilities and services. Congress votes annually to determine overall program funding for the year.

All funded projects or programs (activities in HUD-terms) must meet one of three CDBG national objectives:

- 1) Benefitting low- to moderate-income persons;
- 2) Preventing slum or blight; or
- 3) Addressing urgent community needs. (Almost always related to natural disasters.)

## **CDBG in Sheboygan**

The City of Sheboygan receives approximately \$1 million in CDBG funding each year. Of this, 15% or approximately \$150,000, can be allocated to nonprofit organizations as subrecipients. These funds are then used to carry out programs that align with the City's identified priority needs, as found in the *Consolidated* (5 year) and *Annual Action Plans*. Organizations apply for a portion of the annual funds available, setting goals for the number of individuals they plan to serve, housing units they aim to preserve, jobs they seek to retain or create, or other metrics, which the Department of City Development uses to measure progress.

## **Annual Allocation Process**

Each winter, the Department of City Development issues a Notice of Funding Availability (NOFA), inviting applications for CDBG-eligible projects. Submitted applications are reviewed for completeness by the Grant Coordinator and those which are eligible are then presented to the Finance and Personnel Committee. The committee evaluates all applications and makes a funding recommendation to the City of Sheboygan's Common Council. After several opportunities for residents to voice their opinions, as outlined in the Citizen Participation Plan, Common Council votes on the allocation of funds. These recommended allocations are then formed into an *Annual Action Plan*, which is reviewed, and ultimately approved, by HUD prior to the distribution of funds to subrecipients.

## **PART II: ADMINISTRATIVE AND FINANCIAL SYSTEMS**

CDBG subrecipients must maintain administrative and financial records in compliance with CDBG and HUD requirements. Applicant agencies should have fiscal management systems in place that enable them to make sound financial decisions and to demonstrate compliance with all applicable federal, state and local laws, rules, regulations, and requirements. If you are concerned about your organization's adherence to, or management of, administrative and financial systems, please contact the Grant Coordinator for technical assistance.

## **Subrecipient Agreement**

Agencies awarded CDBG funding must enter a contractual relationship with the City of Sheboygan. The contract or “subrecipient agreement” serves three key purposes:

1. It **fulfills legal requirements** by presenting the rules of the CDBG program and the conditions under which funds are provided.
2. It **outlines the project and serves as yardstick** for monitoring subrecipient performance.
3. It **provides an essential vehicle for training** subrecipient staff on how to operate the CDBG program.

The Subrecipient Agreement is a legally executed contract when properly signed by the four signatories, two representing the City and two representing the agency. The Subrecipient Agreement and the program year to which it is associated follows the HUD-designated program year for Sheboygan which is from April 1 to March 31 each year.

## **Internal Controls**

The applicant will be responsible for establishing and maintaining a system of internal controls to protect the integrity of any awarded grant funds. To the greatest extent possible, the system should provide for adequate separation of duties so that no one individual has authority over all fiscal functions. Where separation of duties is not possible due to staff limitations, management should assume an oversight role for the overall functions to be performed.

At a minimum, applicants should use the following as a guide regarding segregation of duties:

- No individual shall have complete control over all phases of any significant transaction. In other words, the same person cannot authorize payment, record transactions, and sign checks.
- Record keeping must be separate from operations and the handling and custody of assets.
- Monthly reconciliations and verifications of cash balances with bank statements shall be made by employees who do not handle or record cash, or sign checks.
- Actual lines of responsibility shall be clearly established and adhered to as closely as possible.
- Persons preparing payrolls should not handle the related paychecks.
- All persons who handle financial transactions shall be bonded in accordance with State law.

## **Records Retention**

Records pertaining to CDBG awards must be retained for seven years after expiration of the agreement and any amendments. If there is any litigation, claims, or audit findings extending beyond this period, subrecipients must retain the records until resolved. Records for property acquired with CDBG funds must be retained for four years after final disposition.

## **Reporting**

All subrecipients are required to submit a report of their accomplishments each quarter. The reporting periods and due dates are as follows:

**Quarter 1:** April 1 – June 30 (report due: July 20)

**Quarter 2:** July 1 – Sept 30 (report due: Oct 20)

**Quarter 3:** Oct 1- Dec 31 (report due: Jan 20)

**Quarter 4:** Jan 1 – March 31 (report due: April 20)

## **Recordkeeping Requirements**

Every subrecipient is required to establish and maintain three major categories of records:

**ADMINISTRATIVE RECORDS:** files and records related to the overall administration of the subrecipient's CDBG activities. They include:

- |  |   |
|--|---|
| <input type="checkbox"/> personnel files                     | <input type="checkbox"/> property management files  |
| <input type="checkbox"/> the Subrecipient Agreement          | <input type="checkbox"/> program policies           |
| <input type="checkbox"/> correspondence with grantee         | <input type="checkbox"/> reports                    |
| <input type="checkbox"/> articles of incorporation           | <input type="checkbox"/> bylaws of the organization |
| <input type="checkbox"/> tax status                          | <input type="checkbox"/> board minutes              |
| <input type="checkbox"/> contracts and other agreement files | <input type="checkbox"/> application files          |

**FINANCIAL RECORDS:** related to the stewardship and oversight of CDBG funds including:

- |  |  |
|--|--|
| <input type="checkbox"/> chart of accounts   | <input type="checkbox"/> accounting procedure manual |
| <input type="checkbox"/> ledgers and journals  | <input type="checkbox"/> procurement files           |
| <input type="checkbox"/> bank account records  | <input type="checkbox"/> financial reports           |
| <input type="checkbox"/> audit files   | <input type="checkbox"/> property management files   |
| <input type="checkbox"/> source documents (purchase orders, invoices, canceled checks, etc.) |  |

**PROGRAM FILES:** documentation of the activities undertaken with respect to specific individual beneficiaries, property owners, and/or properties as found in the complete case files.

## **Finance & Accounting Procedures**

A Subrecipient's financial transactions with CDBG funds are subject to federal audit and the subrecipient's financial management system must meet the audit requirements as specified in

[2CFR §200.501](#)

Subrecipients must be prepared to explain how and why transactions were made, and be able to account for any funds expended during an audit with City officials or HUD auditors. During an audit, the auditor will examine records to ascertain if:

- Funds have been properly budgeted and approved.
- Any budget revisions have been documented and approved.
- Personnel charges are properly allocated and based on payroll documents such as time and attendance records.
- All expenditures can be traced to source documents (i.e... invoices, canceled checks).
- Reimbursement requests have been timely.
- Only allowable activities have been claimed as costs toward the project.
- The subrecipient's accounting system reflects all assets, liabilities, etc.
- Property has been managed and inventoried properly.
- In-kind costs and costs billed to other funds are clearly documented.
- If there are billings for indirect costs, an indirect cost allocation plan has been approved.
- Subrecipients managing more than one CDBG project maintain separate files for each project.

# PART III: NEIGHBORLY SOFTWARE

Sheboygan began employing Neighborly Software in mid-2021 in an effort to streamline the application and reporting processes, increase efficiency, and reduce the amount of paperwork for both agencies and the City. In addition to the public services program, the portal is also available for:

- the Housing Rehabilitation Loan Program
- Neighborhood Revitalization Grants (Upper Floor Residential Rehab; Façade & Landscaping)
- Historic Preservation Grants
- Small Business Loans

The Subrecipient Portal is hosted by Neighborly Software and is accessible via any internet connected device. Google Chrome is the recommended browser, but the program will work with any modern web browser (i.e., FireFox, Safari, Edge).

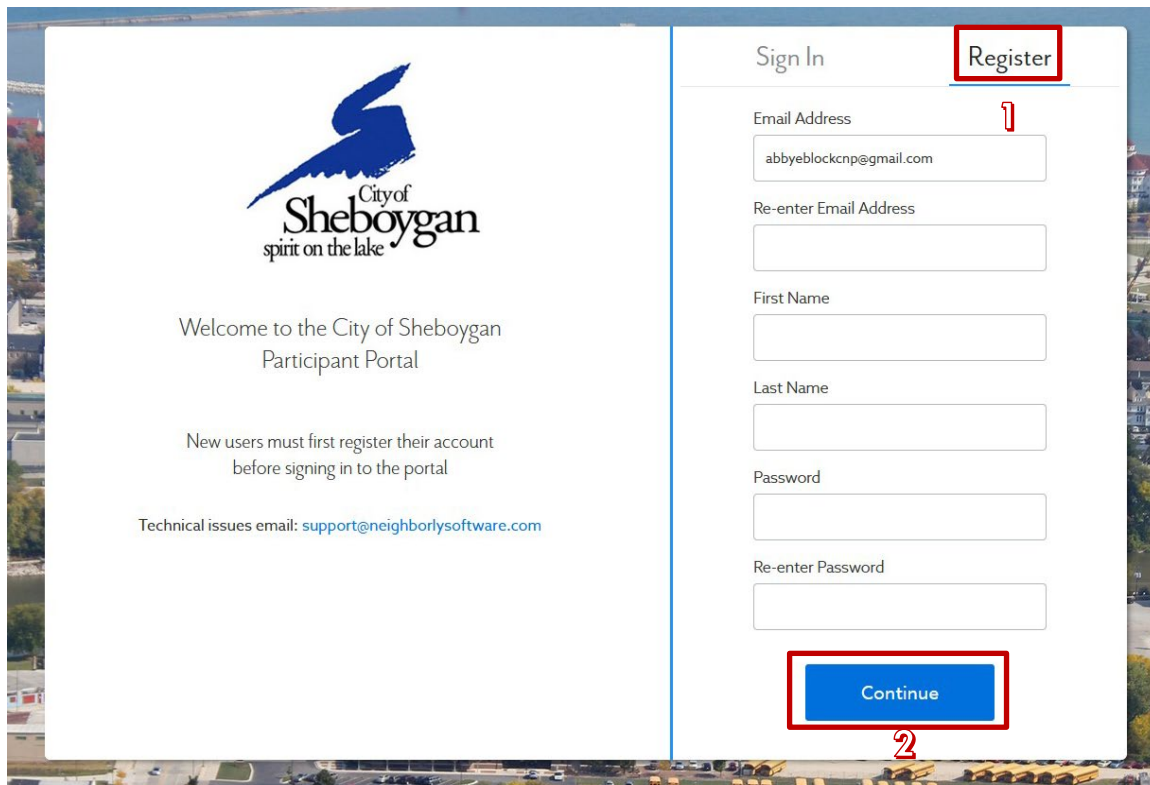
**PORTAL LINK:** <https://portal.neighborlysoftware.com/sheboyganwi/participant>

## Registration

IN ORDER TO UTILIZE THE SYSTEM, REGISTRATION IS REQUIRED. EACH USER MUST HAVE THEIR OWN LOG-IN AS ALL ACTIVITIES ARE ATTRIBUTED TO THE UNIQUE USER AND WILL BE DOCUMENTED IN THE OFFICIAL AUDIT LOG

- 1 Select the register tab
- 2 Complete the form and select continue

For security purposes, the system will validate the registered address by sending an email with a registration link.  
**Note:** If you do not receive the system email within 2 minutes, check your spam or bulk mail folder. If the email appears in that folder, you should right click on the email to indicate “Not Junk” or “Not Spam” to ensure you receive other system emails.



# Dashboard

1 The dashboard is the default view after registering and logging in. From this screen, click on the link to start a new Public Services application.

## Good Evening, Abby!

Welcome to the City of Sheboygan, WI Portal

The City of Sheboygan is committed to accessibility for all applicants. If you require this material in an alternate format or if you have questions regarding any of the programs, please contact the following:



(1) Housing Rehabilitation Program

(2) Public Services Program

Abby Block - (920) 459-3378 or [abby.block@sheboyganwi.gov](mailto:abby.block@sheboyganwi.gov).

(3) Business Loans Program

Chad Pelishek - (920) 459-3383 or [chad.pelishek@sheboyganwi.gov](mailto:chad.pelishek@sheboyganwi.gov).

Start a New Application

CDBG Public Services

Select this option if you are an eligible organization that works to address needs in mental and health services, affordable housing, transportation and homelessness services - focus areas in the City's most recent Consolidated Plan.

1 [Click here to start a new application](#)

# Adding Users

### CDBG Public Services Application

Id: 30151

[View Users \(1\)](#) [Print Application](#)

- Program Overview\*
- A. Agency Contact Information
- B. Agency Information
- C. CDBG Eligibility
- D. Program Information
- E. Performance Measures
- F. Budget
- G. Required Documents
- H. Certification

## Users

Email addresses added below will have access to view information in your application and make changes.

EMAIL

[Add a User](#)

### ADD USER TO CASE

Email

[Add](#)

★ If you wish to allow others to access, add to, or edit your organization's application, they must register and then be added as a user using the email address associated with their Neighborly account.

# Application Info

1 When labeling your application, please use your organization name followed by the year



2 Use this menu to navigate within the application



3 Complete & Continue will close the section and go on to the next. Use save to preserve your work until submission ready. If you need to make changes to a closed section, contact the Grant Coordinator.



4 Contact the Grant Coordinator if you don't receive submission confirmation





# NOTICE OF FUNDING AVAILABILITY PUBLIC SERVICES

## Community Development Block Grant (CDBG)

### NOFA INFORMATION

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Issue Date: February 7, 2022

Closing Date: March 7, 2022

### CONTACT

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Abby Block

Grant Coordinator

Department of City Development Phone: (920)459-3778

[abby.block@sheboyganwi.gov](mailto:abby.block@sheboyganwi.gov)

### APPLICATION INFORMATION

#### REASONABLE ACCOMMODATION

The City of Sheboygan's Department of City Development will provide reasonable accommodation to allow for equal participation in the Request for Proposal (RFP) application process. This document will be provided in alternate formats, upon request.

#### NOTICE OF SOLICITATION

In addition to providing required notification via the City's publication of record, *The Sheboygan Press*, the City will provide notification to all known interested organizations currently on the Department's distribution list. A copy of this Request for Proposal (RFP) will also be posted to the [department's website](#)

*Please note: Failure of the City to notify any interested party or parties directly regarding the availability of this RFP shall not void or otherwise invalidate the RFP process.*

#### ACCESS TO REFERENCED DOCUMENTS

This document contains active hyperlinks. Prospective applicants who are unable to access the Internet may request copies of the documents referenced in this RFP.

#### CITIZEN PARTICIPATION

United States Department of Housing and Urban Development (HUD) program regulations require that citizens be given the opportunity to examine and appraise the City's use of funds. A public hearing will be held following the draft publication of the City's Annual Action Plan, which outlines the proposed activities for the upcoming Program year, including the allocation of funds for public services. Following the hearing, the city will allow at least 30 days to receive citizen comments before submitting the Annual Action Plan to the U.S. Department of Housing and Urban Development. Notice of the hearing and the public comment period will be published in the Sheboygan Press, on the City's webpage, and through various other media platforms.



# AGENCY REQUIREMENTS

## NON-PROFIT AGENCY

Applicant agencies must be a not-for-profit public or private agency. Applicants must be established and in operation at the time of application.

## FAITH-BASED AGENCIES

HUD issued a final rule amendment allowing faith-based agencies to compete for CDBG funds on the same basis as other non-profits. However, faith-based agencies may not use CDBG funds to support inherently religious activities such as worship or religious instruction. Religious activities must be offered separately from the CDBG supported activity and agencies may not discriminate against a program beneficiary on the basis of religion or religious belief. *Please see [CPD Notice 04-10](#) for more info.*

## ACTIVE GOVERNING BODY

Governance of applicant agencies must be vested in a responsible and active voluntary board, which meets at least quarterly and establishes and enforces policies.

## PERSONNEL

Applicant agencies must provide for adequate administration of the program to ensure delivery of the funded services. If requested, agencies must provide a copy of Personnel Policies and Drug-Free Workplace Policies.

## NON-DISCRIMINATION

The City is required to ensure that funded agencies conduct business in compliance with non-discrimination requirements under various federal laws. If requested, agencies must provide a copy of their Equal Opportunity in Employment Policies.

## INSURANCE

At time of agreement signing, funded agencies must provide a declaration of insurance that includes multi-peril property and liability, worker's compensation, automobile liability, and any other coverage deemed necessary by the City. The documentation submitted to the City must contain an indemnification and hold harmless clause and list the City as an additional insured.

# PROGRAM REQUIREMENTS

## CLIENTS SERVED

CDBG funds may only be used to provide services to those residing within the City of Sheboygan limits. To be eligible for CDBG funding, a public service program must serve those whose incomes are less than 80% of Area Median Income (*See Exhibit A.*) Documentation of the benefit to low- and moderate-income persons is required of all programs funded. *Please see [CDBG National Objective 24 CFR 570.208](#).* The method of income verification shall be approved by the City.

## MONITORING

The City may conduct on-site inspection by City staff. This monitoring will include, but is not limited to, the inspection of all records and other materials deemed pertinent to evaluating performance, compliance, or program quality relative to contractual requirements. Site visits may include a HUD representative. Additional follow up visits may be scheduled to provide technical assistance if necessary. City staff will work to ensure monitoring visits disrupt the agency as little as possible.

## ELIGIBLE ACTIVITIES

CDBG regulations allow the use of funds for a wide range of public services, including but not limited to:

- Employment services (job training);
- Crime prevention and public safety;
- Child care;
- Drug abuse counseling and treatment;
- Health services;
- Education programs;
- Services for senior citizens;
- Services for homeless persons;
- Youth programming

## INELIGIBLE ACTIVITIES

Per CDBG regulations (*Please see [24 CFR 570.207](#)*), funds awarded by the City of Sheboygan shall not be used to support or pay for the following:

1. The provision of "income payments": Payments made to an individual or family, which are used to provide basic services such as food, shelter (including payment for rent, mortgage and/or utilities), or clothing except when:
  - a. The income payments do not exceed three (3) consecutive months; **and**
  - b. The payments are made directly to the provider of such services on behalf of an individual or family.
2. Political activities
3. General government expenses
4. Religious activities

## ELIGIBLE EXPENSES

Eligible expenses are **direct costs** associated with program delivery only. An administrative cost not to exceed 10% of the total award may be utilized for overhead and associated costs.

## INELIGIBLE EXPENSES

Expenses which CDBG funds may not be used for include but are not limited to:

- **Promotion of Agency:** Costs of advertising and public relations designed solely to promote the non-profit agency, including promotional items, models, gifts, and souvenirs
- **Contributions or donations:** Contributions or donations, including cash, property, and services, regardless of the recipient
- **Entertainment costs:** Costs of amusement, diversion, and social activities and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities.)
- **Fundraising:** Costs of organized fund raising, including financial campaigns, endowment drives, solicitation of gifts and bequest, and similar expenses incurred solely to raise capital or obtain contributions
- **Goods or services for personal use:** Costs of goods or services for personal use of the organization's employees

## 2022 APPLICATION TIMELINE

<b>February 7</b>	Request for Proposals released
<b>March 2</b>	Last date for technical assistance from City staff
<b>March 7</b>	Applications due no later than 4:00 pm
<b>March 8-18</b>	Staff threshold review and preliminary funding recommendations
<b>March 21</b>	Annual Action Plan, including Public Services allocation, to Common Council for referral to the Finance and Personnel Committee
<b>March 28</b>	Finance and Personnel Committee evaluates applications and makes funding recommendations for adoption by the Common Council
<b>April 4</b>	Common Council makes final funding decision
<b>April 5-6</b>	Award notifications sent to agencies
<b>April 27</b>	Eligibility evaluations and Environmental Reviews completed by staff
<b>Late summer or early fall</b>	Agreements sent to agencies for signing (dependent upon when HUD executes contract with the City)
<b><i>Please note: timeline is tentative and subject to change</i></b>	

## SUPPLEMENTAL DOCUMENT REQUIREMENTS

The following documentation must be included at the time of submission in order for application to be considered complete and eligible for review:

- Signed CDBG **Application Form**
- IRS **Tax-Exempt Determination** Letter
- Articles of Incorporation**
- Current **Bylaws**
- Board of Directors** list  
*(include name, any office held, phone number, address and occupation/affiliation for each member)*
- Designation of Authorized Official**  
*(submit signed letter from the Chairperson of the governing body that lists the name, title, address and phone number for each individual able to act on the agency's behalf.)*
- Authorization to Request Funds**  
*(submit minutes from the meeting that includes the Board's motion or resolution authorizing the agency to submit application to the City requested CDBG funding.)*
- Agency **Organizational Chart**
- Resumes of key staff** including the Program Manager and Fiscal Officer
- Job Descriptions** of CDBG-funded positions
- Budgets** for current and past fiscal years
- Most recent **Audited Financial Statements**
- Documentation of income verification** process  
*(submit a written explanation or copies of actual client intake/data collection forms)*

## SUBMISSION INFORMATION

Please submit the application, including all required documents, via the City of Sheboygan's online portal available at [www.portal.neighborlysoftware.com/sheboyganwi/participant](http://www.portal.neighborlysoftware.com/sheboyganwi/participant) **no later than 4pm on Monday, March 7, 2022**. Allowing adequate time to deal with potential technical difficulties is strongly encouraged. If you don't receive a confirmation message via email immediately following email, or if there are barriers that prevent you from applying electronically, please call 920.459.3378.

**Incomplete applications will be disqualified and late applications will not be reviewed. Please make sure all necessary items are included!**

## EVALUATION AND AWARD INFORMATION

### MINIMUM SUBMISSION REQUIREMENTS

City Development staff will perform a threshold review of submitted applications to ensure that the following minimum requirements are met:

- The activity is eligible under HUD regulations ([24 CFR 570.200-24 CFR 570.207](#));
- The activity meets the CDBG National Objective to benefit low- to moderate-income (LMI) persons and aligns with an area of focus in the City's Consolidated Plan;
- The application is complete, with all requested information and documents included;
- The application was received prior to the 4pm deadline on March 7, 2022

### APPLICATION EVALUATION

All applications that meet the minimum threshold will be presented to the Finance and Personnel Committee for evaluation. The Committee will then make their recommendation for funding allocation to the Common Council for adoption.

The committee will consider the following in its evaluation process:

- Past performance;
- Demonstrated ability to implement and administer the program and maintain compliance with applicable federal, state, and local regulations;
- Value (cost per beneficiary);
- Positive impact on the community as made apparent through rational and accountable performance metrics.

### NOTICE OF AWARD

Agencies awarded funding will receive notice of their allocation following the Common Council's adoption of the 2022 Annual Action Plan. The 2022 Program Year runs April 1, 2022 to March 31, 2023.

**Have questions** about this NOFA or the CDBG program? Do you **require an alternative format** or other accommodations in order to complete the application? Would you like to **request copies of the referenced documents** linked in the NOFA? Want to **get your organization on the City's distribution list**? We're here to help!

### PLEASE CONTACT

Abby E. Block, *Grant Coordinator*  
[abby.block@sheboyganwi.gov](mailto:abby.block@sheboyganwi.gov)  
920.459.3378



# APPLICATION PREVIEW

## A. AGENCY CONTACT INFORMATION

- A.1 Agency Name
- A.2 Executive Director
- A.3 Telephone Number
- A.4 Email Address
- A.5 Agency Address
- A.6 Federal Tax ID #
- A.7 DUNS #
- A.8 Primary Contact Name
- A.9 Primary Contact Title
- A.10 Telephone Number
- A.11 Email Address
- A.12 Date of Incorporation:
- A.13 Is the organization a Tax-Exempt Nonprofit Organization under IRS Code 501(c)?

## B. AGENCY INFORMATION

- B.1 What is your organization's mission?
- B.2 Are your programs delivered by:  
                                  Staff      Volunteers      Both
- B.3 How does your organization ensure quality service delivery?
- B.4 Why is CDBG funding from the City of Sheboygan important to your organization? How does it advance your mission?
- B.5 How does the community support your organization and the work you do?
- B.6 Please briefly describe the fiscal process from creating the budget to the day- to-day management and oversight. What accounting practices does your agency utilize to ensure finances are accurate and transparent?
- B.7 Does your organization have financial stability goals?  
                                  Yes      No  
                                  If Yes is selected, please explain:
- B.8 Have you ended any of the last three fiscal years with a deficit?  
                                  Yes      No  
                                  If Yes selected, please describe any actions taken:
- B.9 What have you accomplished with previously awarded CDBG funding?

B.10 Have you or any officers of your organization ever been involved in bankruptcy or insolvency proceedings?

Yes No

If Yes selected, please explain:

B.11 Are you or your organization involved in any pending lawsuits?

Yes No

If Yes selected, please explain:

B.12 Must your organization complete a single audit?

Yes No

If required, total Federal expenditures in a calendar year?

B.13 Does your organization have more than 50 employees?

Yes No

If Yes selected, are you required to submit form EEO-1?

### C. CDBG ELIGIBILITY

#### C.1 National Objective

- Meets the needs of low to moderate income persons. At least 51% of participants must meet low to moderate income guidelines
- The program meets the needs of one specific group of people (low-mod limited clientele): abused children, illiterate adults, battered spouses, homeless persons, elderly persons, migrant works, persons with AIDS, disabled persons
- The program provides housing assistance to low- and moderate-income households
- The program creates or retains jobs for low- to moderate-income persons

#### C.2 Type of Project

Facility/Public Improvement    Housing    Public Services

#### C.3 Activity Category

Acquisition    Public Facilities    Public Services  
ADA Improvements    Housing Rehab

C.4 Certification of Eligibility - Estimate the unduplicated number of individuals you expect to serve this Program Year (April 1 to March 31.)

Total number of recipients you expect to serve

Total number expected to be funded with CDBG

Total number of anticipated LMI recipients

Total number of CDBG-funded LMI recipients

C.5 Data Source

Low/Mod Job Creation

Limited Clientele

Census Tract

**D. PROGRAM INFORMATION**

D.1 Program Name

D.2 What is the proposed program's objective or purpose? (What need or problem will it address?)

D.3 Please select the type of program you are requesting funding for (select all that apply):

Employment

Education

Crime Prevention

Drug Abuse

Energy Conservation

Fair Housing Counseling

Senior Services

Youth Services

Homebuyer Down Payment Assistance

Housing Rehabilitation

Homelessness

Other (please describe)

D.4 What outcomes does the program hope to achieve? (What is the result or change being sought?)  
Give at least three (3).

D.5 How does the program align with the areas of focus highlighted in the City of Sheboygan's Consolidated Plan?

D.6 The funding requested will be used for:

D.7 If this is an existing program, HUD requires the program(s) show a quantifiable increase in the level of service. Please describe how your organization meets this threshold?

D.8 Describe the proposed services: Who will you reach? Where will services be provided? When will services be provided?

D.9 What indicators will you track? How will they convey your program's level of effectiveness?

D.10 What makes this program unique? What gap does it fill?

## E. PERFORMANCE MEASURES

### E.1 Objective of Project

Identify which objective will be addressed by the activity proposed in this application. (Choose only one objective:)

- **Suitable Living Environment** - This objective relates to activities that are designed to benefit communities, families, or individuals by addressing issues in their living environment.
- **Decent Affordable Housing** - This objective focuses on housing programs where the purpose of the program is to meet individual family or community needs and not programs where housing is an element of a larger effort.
- **Creating Economic Opportunities** - This objective applies to the types of activities related to economic commercial revitalization or job creation.

### E.2 Expected Outcome of Project

Identify which outcome category best reflects what you are seeking to achieve (the results) in funding this particular activity. (Choose only one outcome:)

- **Availability / Accessibility** - This outcome category applies to activities that make services, infrastructure, housing, or shelter available or accessible to low- and moderate-income people, including persons with disabilities. In this category, accessibility does not refer only to physical barriers, but also to making the affordable basics of daily living available and accessible to low- and moderate-income people.
- **Affordability** - This outcome category applies to activities that provide affordability in a variety of ways in the lives of low- and moderate-income people. It can include the creation of maintenances of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care.
- **Promoting Livable or Viable Communities** - This outcome applies to projects where the activity or activities are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefits to persons of low and moderate income, or by removing or eliminating slums or blighted areas through multiple activities or services that sustain communities or neighborhoods.

## F. BUDGET

F.1 Total Cost of Project

F.2 Grant Amount Requested

F.3 Percent Request Total (auto calculates)

F.4 Total Other Funding

F.5 Other Funding Sources:

Name	Amount	Other Agency Funding Status
------	--------	-----------------------------

F.6 Proposed Budget

Budget Category	Amount	Description
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## G. REQUIRED DOCUMENTS (see page 24)

## H. CERTIFICATION





**COMMUNITY DEVELOPMENT  
BLOCK GRANT  
SUBRECIPIENT AGREEMENT**

**Agreement between THE CITY OF SHEBOYGAN  
and  
FAMILY CONNECTIONS  
for the  
2021-2022 CDBG PROGRAM YEAR**

Communication and details concerning this contract shall be directed to the following contract representatives:

<b>CITY</b>	<b>SUBRECIPIENT</b>
Abby E. Block, Grant Coordinator	Agency Representative
City of Sheboygan	Agency
828 Center Ave Ste 208	Agency address
Sheboygan, WI 53081	Sheboygan, WI 5308x
P: 920-459-3378	Agency phone number
abby.block@sheboyganwi.gov	Agency email

THIS AGREEMENT, entered by and between the CITY OF SHEBOYGAN (herein called the “CITY”) and AGENCY, a nonprofit private corporation with its principal office located at ADDRESS in Sheboygan, Wisconsin (herein referred to as “SUBRECIPIENT.”)

WHEREAS, the CITY was awarded funds from the United States Government under Title I of the Housing and Community Development Act of 1974, Public Law 93-383; and

WHEREAS, the CITY has the authority to enter into a binding agreement for the expenditures of all or a portion of its allocated Community Development Block Grant (CDBG) funds;

NOW, THEREFORE, in consideration of the recitals, covenants and agreements herein mentioned, the parties mutually agree as follows:

**I. SCOPE OF SERVICES**

**A. STATEMENT OF WORK**

The CITY has allocated funds in the amount of \$xxxx.xx to the SUBRECIPIENT to support the operation of their PROGRAM DESCRIPTION.

**B. NATIONAL OBJECTIVE**

The SUBRECIPIENT certifies that the activities carried out under this agreement will meet Low- or Moderate-Income Eligibility with at least 70% of those served with CDBG funds low- or moderate-income persons.

**C. USE OF FUNDS**

The SUBRECIPIENT attests that all activities eligible for reimbursement with CDBG funds will be carried out in accordance with the SUBRECIPIENT’s stated and intended purpose.

**D. PERFORMANCE GOALS**

The SUBRECIPIENT expects to provide services for PROJECTED CLIENTS SERVED as a result of CDBG funding. The objectives of the funded programs and the indicators the SUBRECIPIENT will use to determine effectiveness include:

1. OBJECTIVE  
*INDICATOR:*
2. OBJECTIVE  
*INDICATOR:*
3. OBJECTIVE  
*INDICATOR:*

**E. TIME OF PERFORMANCE**

The length of time of this agreement is contingent on compliance with HUD regulations for the entirety of the grant term.

**F. PERFORMANCE MONITORING**

The CITY will monitor the performance of the SUBRECIPIENT against performance standards as stated above. Substandard performance as determined by the CITY will constitute noncompliance with this agreement. If action to correct such substandard performance is not taken by the SUBRECIPIENT within a reasonable period of time after being notified by the CITY, contract suspension or termination procedures will be initiated.

**G. PAYMENT**

It is expressly agreed and understood that the total amount to be paid by the CITY under this agreement shall not exceed \$xxxx.xx. Payments may be contingent upon certification of the SUBRECIPIENT's financial management system in accordance with the standards specified in 24 CFR 84.21.

**H. NOTICES**

Notices required by this agreement shall be in writing and delivered via mail or personal delivery or sent via electronic mail. Any notice delivered or sent as aforesaid shall be effective on the date of delivery or sending. All notices and other written communications under this agreement shall be addressed to the individuals in the capacities indicated above, unless otherwise modified by subsequent written notice.

**II. GENERAL CONDITIONS**

**A. GENERAL COMPLIANCE**

SUBRECIPIENT covenants and agrees to comply with all of the obligations and conditions applicable to public contracts as though each obligation or condition were set forth fully herein. This agreement shall be governed by and construed in accordance with the laws of the State of Wisconsin.

The SUBRECIPIENT agrees to comply with all other applicable Federal, state and local laws, regulations, and policies governing the funds provided under this contract. The SUBRECIPIENT will assure that all necessary city/county building permits are obtained.

**B. INDEPENDENT CONTRACTOR**

Nothing contained in this agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The SUBRECIPIENT shall at all times remain an “independent contractor” with respect to the services to be performed under this agreement. The CITY shall be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers’ Compensation Insurance, as the SUBRECIPIENT is an independent contractor.

**C. HOLD HARMLESS**

The SUBRECIPIENT shall hold harmless, defend and indemnify the CITY from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the SUBRECIPIENT’s performance or nonperformance of the services or subject matter called for in this agreement.

**D. WORKERS’ COMPENSATION**

The SUBRECIPIENT shall provide Workers’ Compensation Insurance coverage for all of its employees involved in the performance of this agreement.

**E. INSURANCE & BONDING**

The SUBRECIPIENT shall carry sufficient insurance coverage to protect assets from loss due to theft, fraud and/or undue physical damage, and as a minimum shall purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the CITY.

**F. CITY RECOGNITION**

The SUBRECIPIENT shall insure recognition of the role of the CITY in providing services through this agreement. All activities, facilities and items utilized pursuant to this agreement shall be prominently labeled as to funding source. In addition, the SUBRECIPIENT will include a reference to the support provided herein in all publications made possible with funds made available under this agreement.

**G. AMENDMENTS**

The CITY or SUBRECIPIENT may amend this agreement at any time provided that such amendments make specific reference to this agreement, and are executed in writing, signed by a duly authorized representative of each organization, and approved by the CITY’s governing body. Such amendments shall not invalidate this agreement, nor relieve or release the CITY or SUBRECIPIENT from its obligations under this agreement.

The CITY may, in its discretion, amend this agreement to conform with Federal, state or local governmental guidelines, policies and available funding amounts, or for other reasons. If such amendments result in a change in the funding, the scope of services, or schedule of the activities to be undertaken as part of this agreement, such modifications will be incorporated only by written amendment signed by both CITY and SUBRECIPIENT.

**H. SUSPENSION OR TERMINATION**

In accordance with, the CITY may suspend or terminate this agreement if the SUBRECIPIENT materially fails to comply with any terms of this agreement, which include (but are not limited to) the following:

1. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;
2. Failure, for any reason, of the SUBRECIPIENT to fulfill in a timely and proper

- manner its obligations under this agreement;
3. Ineffective or improper use of funds provided under this agreement; or
  4. Submission by the SUBRECIPIENT to the CITY reports that are incorrect or incomplete in any material respect.

This agreement may also be terminated for convenience by either the CITY or the SUBRECIPIENT, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the CITY determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the CITY may terminate the award in its entirety.

**I. TAXPAYER IDENTIFICATION NUMBER**

SUBRECIPIENT agrees to complete a Request for Taxpayer Identification Number and Certification (W-9 Form) as a condition of the CITY's obligation to make payment. If the SUBRECIPIENT fails to complete and return the W-9 Form to the CITY, payment to SUBRECIPIENT may be delayed, or the CITY may, in its discretion, terminate the Contract.

**J. DEBARMENT**

The SUBRECIPIENT certifies that neither it, nor its principals or members, is presently debarred suspended, or proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency; and, that the SUBRECIPIENT shall not knowingly enter into any contract or covered transaction with a person who is similarly debarred or suspended from participation in any project that is Federally funded.

**III. ADMINISTRATIVE REQUIREMENTS**

The SUBRECIPIENT agrees to comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards found at 2 CFR Part 200

**A. FINANCIAL MANAGEMENT**

**1. Accounting Standards**

The SUBRECIPIENT agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

**B. DOCUMENTATION AND RECORD-KEEPING**

**1. Records to be Maintained**

- a. Records providing a full description of each activity undertaken;
- b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
- c. Records required to determine the eligibility of activities; Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- d. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
- e. Financial records as required by 24 CFR 570.502, and 24 CFR 84.21 28; and
- f. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

## **2. Retention**

The SUBRECIPIENT shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the agreement for a period of seven (7) years. The retention period begins on the date of the submission of the CITY's annual performance and evaluation report to HUD in which the activities assisted under the agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the seven-year period, whichever occurs later.

## **3. Disclosure**

The SUBRECIPIENT understands that client information collected under this agreement is private and the use or disclosure of such information, when not directly connected with the administration of the CITYs or SUBRECIPIENTs responsibilities with respect to services provided under this agreement, is prohibited by Wisconsin and Federal law unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

## **4. Close-outs**

The SUBRECIPIENT's obligation to the CITY shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to:

- a. making final payments
- b. disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the CITY), and
- c. determining the custodianship of records.

Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the SUBRECIPIENT has control over CDBG funds, including program income.

## **C. REPORTING AND PAYMENT PROCEDURES**

### **1. Program Income**

The SUBRECIPIENT shall report quarterly all program income generated by activities carried out with CDBG funds made available under this agreement. The SUBRECIPIENT may use such income during the agreement period for activities permitted under this contract and shall reduce requests for additional funds by the amount of any such program income balances on hand. All unexpended program income shall be returned to the CITY at the end of the contract period. Any interest earned on cash advances from the U.S. Treasury and from funds held in a revolving fund account is not program income and shall be remitted promptly to the CITY.

### **2. Indirect Costs**

If indirect costs are charged, the SUBRECIPIENT will develop an indirect cost allocation plan for determining the appropriate SUBRECIPIENT's share of administrative costs and shall submit such plan to the CITY for approval, in a form

specified by the CITY.

### **3. Payment Procedures**

The CITY will pay to the SUBRECIPIENT funds available under this agreement based upon information submitted by the SUBRECIPIENT and consistent with any approved budget and CITY policy concerning payments. Payments will be adjusted by the CITY in accordance with advance fund and program income balances available in SUBRECIPIENT accounts. In addition, the CITY reserves the right to liquidate funds available under this contract for costs incurred by the CITY on behalf of the SUBRECIPIENT.

### **4. Progress Reports**

The SUBRECIPIENT shall submit a Progress and Financial Report to the CITY each quarter.

## **A. PROCUREMENT**

### **1. Compliance**

The SUBRECIPIENT shall comply with current CITY policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as may be procured with funds provided herein. All program assets (unexpended program income, property, equipment, etc.) shall revert to the CITY upon termination of this agreement.

### **2. Travel**

The SUBRECIPIENT shall obtain written approval from the CITY for any travel outside the metropolitan area with funds provided under this agreement.

## **B. USE AND REVERSION OF ASSETS**

The use and disposition of real property and equipment under this agreement shall comply with, but is not limited to, the following:

1. The SUBRECIPIENT shall transfer to the CITY any CDBG funds on hand and any accounts receivable attributable to the use of funds under this agreement at the time of expiration, cancellation, or termination.
2. Real property under the SUBRECIPIENT's control that was acquired or improved, in whole or in part, with funds under this agreement in excess of \$25,000 shall be used to meet one of the CDBG National Objectives until five (5) years after expiration of this agreement [or such longer period of time as the CITY deems appropriate]. If the SUBRECIPIENT fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for the prescribed period of time, the SUBRECIPIENT shall pay the CITY an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property. Such payment shall constitute program income to the CITY. The SUBRECIPIENT may retain real property acquired or improved under this agreement after the expiration of the five-year period [or such longer period of time as the CITY deems appropriate].
3. In all cases in which equipment acquired, in whole or in part, with funds under this agreement is sold, the proceeds shall be program income (prorated to reflect the extent to that funds received under this agreement were used to acquire the equipment). Equipment not needed by the SUBRECIPIENT for activities under this

agreement shall be

- a. transferred to the CITY for the CDBG program or
- b. retained after compensating the CITY [an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment].

#### **IV. PERSONNEL & PARTICIPANT CONDITIONS**

##### **A. CIVIL RIGHTS**

###### **1. Compliance**

The SUBRECIPIENT agrees to comply with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of Title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086.

###### **2. Nondiscrimination**

The SUBRECIPIENT agrees to comply with the non-discrimination in employment and contracting opportunities as found in Executive Order 13279. The applicable non-discrimination provisions in Section 109 of the HCDA are still applicable.

###### **3. Land Covenants**

This agreement is subject to the requirements of Title VI of the Civil Rights Act of 1964.) In regard to the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this agreement, the SUBRECIPIENT shall cause or require a covenant running with the land to be inserted in the deed or lease for such transfer, prohibiting discrimination as herein defined, in the sale, lease or rental, or in the use or occupancy of such land, or in any improvements erected or to be erected thereon, providing that the CITY and the United States are beneficiaries of and entitled to enforce such covenants. The SUBRECIPIENT, in undertaking its obligation to carry out the program assisted hereunder, agrees to take such measures as are necessary to enforce such covenant, and will not itself so discriminate.

###### **4. Section 504**

The SUBRECIPIENT agrees to comply with all Federal regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), which prohibits discrimination against the individuals with disabilities or handicaps in any Federally assisted program. The CITY shall provide the SUBRECIPIENT with any guidelines necessary for compliance with that portion of the regulations in force during the term of this agreement.

##### **B. AFFIRMATIVE ACTION**

###### **1. Approved Plan**

The SUBRECIPIENT agrees that it shall be committed to carry out pursuant to the CITY's specifications an Affirmative Action Program in keeping with the principles as provided in President's Executive Order 11246.

###### **2. Women- and Minority-Owned Businesses (W/MBE)**

The SUBRECIPIENT will use its best efforts to afford small businesses, minority business enterprises, and women's business enterprises the maximum practicable opportunity to participate in the performance of this agreement. As used in this

agreement, the terms “small business” means a business that meets the criteria set forth in section 3(a) of the Small Business Act, as amended (15 U.S.C. 632), and “minority and women’s business enterprise” means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, “minority group members” are Afro- Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian- Americans, and American Indians. The SUBRECIPIENT may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

**3. Access to Records**

The SUBRECIPIENT shall furnish and cause each of its own SUBRECIPIENTs or subcontractors to furnish all information and reports required hereunder and will permit access to its books, records and accounts by the CITY, HUD or its agent, or other authorized Federal officials for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated herein.

**4. Notifications**

The SUBRECIPIENT will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or worker’s representative of the SUBRECIPIENT’s commitments hereunder, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

**5. Equal Employment Opportunity and Affirmative Action (EEO/AA) Statement**

The SUBRECIPIENT will, in all solicitations or advertisements for employees placed by or on behalf of the SUBRECIPIENT, state that it is an Equal Opportunity or Affirmative Action employer.

**C. EMPLOYMENT RESTRICTIONS**

**1. Prohibited Activity**

The SUBRECIPIENT is prohibited from using funds provided herein or personnel employed in the administration of the program for: political activities; inherently religious activities; lobbying; political patronage; and nepotism activities.

**2. Labor Standards**

The SUBRECIPIENT agrees to comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act as amended, the provisions of Contract Work Hours and Safety Standards Act (40 U.S.C. 327 et seq.) and all other applicable Federal, state and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this agreement. The SUBRECIPIENT agrees to comply with the Copeland Anti-Kick Back Act (18 U.S.C. 874 et seq.) and its implementing regulations of the U.S. Department of Labor at 29 CFR Part 5. The SUBRECIPIENT shall maintain documentation that demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the CITY for review upon request. The SUBRECIPIENT agrees that, except with respect to the rehabilitation or construction of residential property containing less than eight (8) units, all contractors engaged under contracts in excess of \$2,000.00 for construction, renovation or repair work financed in whole or in part with assistance provided



under this contract, shall comply with Federal requirements adopted by the CITY pertaining to such contracts and with the applicable requirements of the regulations of the Department of Labor, under 29 CFR Parts 1, 3, 5 and 7 governing the payment of wages and ratio of apprentices and trainees to journey workers; provided that, if wage rates higher than those required under the regulations are imposed by state or local law, nothing hereunder is intended to relieve the SUBRECIPIENT of its obligation, if any, to require payment of the higher wage. The SUBRECIPIENT shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of this paragraph.

3. **“Section 3” Clause**

a. **Compliance**

Compliance with the provisions of Section 3 of the HUD Act of 1968, as amended, and as implemented by the regulations set forth in 24 CFR 135, and all applicable rules and orders issued hereunder prior to the execution of this agreement, shall be a condition of the Federal financial assistance provided under this agreement and binding upon the CITY, the SUBRECIPIENT and any of the SUBRECIPIENT’s subcontractors. Failure to fulfill these requirements shall subject the CITY, the SUBRECIPIENT and any of the SUBRECIPIENT’s subcontractors, their successors and assigns, to those sanctions specified by the agreement through which Federal assistance is provided. The SUBRECIPIENT certifies and agrees that no contractual or other incapacity exists that would prevent compliance with these requirements.

The SUBRECIPIENT further agrees to comply with these “Section 3” requirements and to include the following language in all subcontracts executed under this agreement:

“The work to be performed under this agreement is a project assisted under a program providing direct Federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701). Section 3 requires that to the greatest extent feasible opportunities for training and employment be given to low- and very low-income residents of the project area, and that contracts for work in connection with the project be awarded to business concerns that provide economic opportunities for low- and very low-income persons residing in the metropolitan area in which the project is located.”

The SUBRECIPIENT further agrees to ensure that opportunities for training and employment arising in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project are given to low- and very low-income persons residing within the metropolitan area in which the CDBG-funded project is located; where feasible, priority should be given to low- and very low-income persons within the service area of the project or

the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs; and award contracts for work undertaken in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project to business concerns that provide economic opportunities for low- and very low-income persons residing within the metropolitan area in which the CDBG-funded project is located; where feasible, priority should be given to business concerns that provide economic opportunities to low- and very low-income residents within the service area or the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs.

The SUBRECIPIENT certifies and agrees that no contractual or other legal incapacity exists that would prevent compliance with these requirements.

**b. Notifications**

The SUBRECIPIENT agrees to send to each labor organization or representative of workers with which it has a collective bargaining agreement or other contract or understanding, if any, a notice advising said labor organization or worker's representative of its commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

**c. Subcontracts**

The SUBRECIPIENT will include this Section 3 clause in every subcontract and will take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the grantor agency. The SUBRECIPIENT will not subcontract with any entity where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract unless the entity has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

**D. CONDUCT**

**1. Assignability**

The SUBRECIPIENT shall not assign or transfer any interest in this agreement without the prior written consent of the CITY.

**2. Subcontracts**

**a. Approvals**

The SUBRECIPIENT shall not enter into any subcontracts with any agency or individual in the performance of this agreement without the written consent of the CITY prior to the execution of such agreement.

**b. Monitoring**

The SUBRECIPIENT will monitor all subcontracted services on a regular basis to assure contract compliance. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of follow-up actions taken to correct areas of noncompliance.

**c. Content**

The SUBRECIPIENT shall cause all of the provisions of this contract in its entirety to be included in and made a part of any subcontract executed in the performance of this agreement.

**d. Selection Process**

The SUBRECIPIENT shall undertake to ensure that all subcontracts assigned in performance of this agreement shall be awarded on a fair and open competition basis in accordance with applicable procurement requirements. Executed copies of all subcontracts shall be forwarded to the CITY along with documentation concerning the selection process.

**3. Hatch Act**

The SUBRECIPIENT agrees that no funds provided, nor personnel employed under this agreement, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title V of the U.S.C.

**4. Conflict of Interest**

The SUBRECIPIENT agrees to abide by the following provisions:

- a. The SUBRECIPIENT shall maintain a written code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.
- b. No employee, officer or agent of the SUBRECIPIENT shall participate in the selection, or in the award, or administration of, a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved.
- c. No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG-assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or agreement with respect to the CDBG-assisted activity, or with respect to the proceeds from the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of one (1) year thereafter. For purposes of this paragraph, a “covered person” includes any person who is an employee, agent, consultant, officer, or elected or appointed official of the CITY, the SUBRECIPIENT, or any designated public agency.

**5. Lobbying**

The SUBRECIPIENT hereby certifies that:

- a. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal,

amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;

- b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
- c. It will require that award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) will include the following statement and that all SUBRECIPIENTS shall certify and disclose accordingly:

***Lobbying Certification***

*This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S.C. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.*

**6. Copyright**

If this contract results in any copyrightable material or inventions, the CITY and/or grantor agency reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

**7. Religious Activities**

The SUBRECIPIENT agrees that funds provided under this agreement will not be utilized for inherently religious activities such as worship, religious instruction, or proselytization.

**V. ENVIRONMENTAL CONDITIONS**

**A. AIR AND WATER**

The SUBRECIPIENT agrees to comply with the following requirements insofar as they apply to the performance of this agreement:

- 1. Clean Air Act, 42 U.S.C., 7401, et seq.;
- 2. Federal Water Pollution Control Act, as amended, 33 U.S.C., 1251, et seq., as amended, 1318 relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued thereunder;
- 3. Environmental Protection Agency (EPA) regulations pursuant to 40 CFR Part 50, as amended.

**B. FLOOD DISASTER PROTECTION**

In accordance with the requirements of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001), the SUBRECIPIENT shall assure that for activities located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, flood insurance under the National Flood Insurance Program is obtained and

maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).

**C. LEAD-BASED PAINT**

The SUBRECIPIENT agrees that any construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608, and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of Federal funds applied to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

**D. HISTORIC PRESERVATION**

The SUBRECIPIENT agrees to comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470) and the procedures set forth in 36 CFR Part 800, Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the performance of this agreement.

In general, this requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are fifty years old or older or that are included on a Federal, state, or local historic property list.

**XII. SEVERABILITY**

If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby and all other parts of this Agreement shall nevertheless be in full force and effect.

**IN WITNESS WHEREOF**, the City of Sheboygan has caused this Agreement to be executed by Ryan Sorenson, Mayor, and Meredith DeBruin, City Clerk, this \_\_\_\_\_ day of \_\_\_\_\_, 20xx.

**FOR THE CITY OF SHEBOYGAN:**

**BY:** \_\_\_\_\_  
**Ryan Sorenson, Mayor**

**ATTEST:** \_\_\_\_\_  
**Meredith DeBruin, City Clerk**

**IN WITNESS WHEREOF**, AGENCY has caused this Agreement to be executed this \_\_\_\_\_ day of \_\_\_\_\_, 20xx.

**FOR FAMILY CONNECTIONS:**

**BY:** \_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Printed Name and Title**

**ATTEST:** \_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Printed Name and Title**