

COUNCIL ACTION FORM

SUBJECT: GUIDELINES AND CRITERIA FOR IMPLEMENTATION OF THE CDBG PUBLIC FACILITIES IMPROVEMENTS PROGRAM FOR NON-PROFIT ORGANIZATIONS.

BACKGROUND:

As part of the City's 2015-16 CDBG Annual Action Plan projects, a \$100,000 was set aside to implement a Public Facilities Improvements Program for non-profit organizations. The objective of the Public Facilities Improvement Program as outlined in the City's FY 2014-18 Five-Year Consolidated Plan is to "Utilize and Leverage CDBG funds for Low and Moderate Income Persons through private and public partnerships" as follows: Continue provision of Public Facilities Needs for homeless, special populations and low income households (senior centers, homeless facilities, child care centers, mental health facilities, neighborhood facilities, and other public facilities needs).

The term "public facilities" in the CDBG programs defined as publicly owned or are traditionally provided by the government, or owned by a non-profit, and operated so as to be open to the general public. Public Facilities does not include residential housing.

The overall goal of the program is to assist local non-profit organizations who own facilities that serve and/or benefit "limited clientele" that is:

- (a) generally presumed to be principally low and moderate-income (abused children, battered spouses, elderly persons, severely disabled adults, homeless persons, illiterate adults, persons living with AIDS and migrant farm workers); or
- (b) it must 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) it must have income eligibility requirements which limit the activity exclusively to low and moderate income persons; or
- (d) It must be of such a nature, and be in such a location, that it may be concluded that the activity's clientele will primarily be low and moderate-income persons.

Staff last administered this program utilizing the City's CDBG funding back in FY 2007-08. Therefore, staff is updating the City Council on the program guidelines and criteria before re-implementing the program.

Major highlights of the program requirements are as follows:

- Financial assistance is being provided to assist with non-profits with Facility Rehabilitation and/or Americans with Disabilities Act (ADA) Improvements to their properties.
- Funds will be available to non-profit organizations that currently receive funding through the ASSET process.
- Non-profit applicants must have a current and acceptable financial audit as determined by the City Finance Department.
- The non-profits organizations must be located and operating within the city limits of Ames.
- The maximum amount of assistance that will be provided for the Facility Rehabilitation or the ADA Improvements is 75% of the cost of improvements, not to exceed \$70,000 per organization. The organization will be responsible for contributing a 25% match. The Organization will be responsible for any amount exceeding the \$70,000 funding cap.
- The organization shall pay the 25% match and any estimated amount above the funding cap to the City of Ames to be held in a designated account before any work may commence.
- Facility Rehabilitation Improvements can include repairs to defects in the four major systems (mechanical, plumbing, electrical and structural) such as:
 - Roof, gutter, downspouts
 - Furnaces, water heaters, duct work, water piping
 - Painting, siding
 - Wiring
 - Handrails, guardrails
 - Porches, steps, doors, windows
 - Energy Conservation (insulation, caulking, etc.)
 - Windows
 - Other interior space(s) will be limited to areas used for **direct** client services (i.e. counseling rooms, day care rooms, camp facilities, client rooms, etc.).
 - Purchase structural equipment and fixtures when such items are essential and necessary for use in connection with the facilities service purpose.
- ADA Improvements pertain to the removal of architectural barriers that modify, alter, or replace components of a structure that, in their present state or by their absence, impede physically limited occupants from enjoying the full benefits of comfort and livability normally experienced by non-handicapped dwellers. The construction contract shall specify as applicable, ramps, wider doorways, lower

plumbing fixtures or light controlling switches, installation of secondary toilet rooms, baths, and/or laundry facilities, grab bars, and other items specific to a given structure and its occupancy and/or use.

- To receive financial assistance the organization will be required to sign a restrictive covenant and promissory note with the City that will place a ten-year forgivable, no interest, second mortgage lien on each property to recapture the financial assistance provided as follows:
 - Ownership of the property is sold or transferred to any party.
 - The facility programming ceases to administer programs where 51% or more of the beneficiaries no longer have incomes at 80% or less of the Story County Area Median Income limits.
 - Occupancy of the facility where the programs are administered by the Borrower ceases.
 - Any default under or breach of the promises, terms, and conditions stated in the program policies and procedures, and/or mortgage instrument.
 - The borrower ceases to maintain property's insurance policy for the term of the note and fails to maintain the property in good condition.
- The forgivable lien provision for recapture of the financial assistance provided shall be in accordance with the following schedule if one of the above conditions occurs:
 - 100% payback during the years 0-5 following the date of the rehabilitation;
 - 80% payback during the year 6 following the date of the rehabilitation;
 - 60% payback during the year 7 following the date of the rehabilitation;
 - 40% payback during the year 8 following the date of the rehabilitation;
 - 20% payback during the year 9 following the date of the rehabilitation; and
 - After the tenth year following the date of the rehabilitation, if all promises, terms, and conditions have been kept, 100% of the lien shall be forgiven.
- The City will provide technical assistance to the organization(s) to solicit bids, to select contractor(s) and will enter into a written contract between the organization(s) the contractor(s) and the City.
- The City will create a Public Facilities Review Committee (PFRC) to review, evaluate and score based on the specified criteria. The committee may include representatives from City's ASSET Staff, Building Inspections, Purchasing, Finance Administration, Public Works, and Planning & Housing.
- All applicants submitting a proposal will be invited to make a presentation to the committee.
- Applications will be provided with Administrative and Financial Capacity

Checklist in which they can self-evaluate the strength and weakness of their organization in carry out the project activity.

- Each proposal will be evaluated on a 0-10 point scale for each of the following categories:
 - Project Description and Need
 - Track Record/Capability
 - Proposed Outcome
 - Project Budget

Attached for your review is a complete draft copy of the program guidelines and criteria.

A majority of the program guidelines are written to meet HUD requirements, while other criteria are meant to promote administrative efficiency and effectiveness. The most important discretionary elements of the guidelines include limiting availability of funding to ASSEST non-profit agencies, allowing for a grant value of up to \$70,000, and including a forgivable lien provision.

ALTERNATIVES:

1. The City Council can approve a motion directing staff to proceed with the implementation of the FY 2015-16 CDBG Public Facilities Improvements Program for non-profit organizations consistent with the attached draft program.
2. The City Council can approve a motion a motion directing staff to proceed with the implementation of the FY 2015-16 CDBG Public Facilities Improvements Program for non-profit organizations with modifications to the attached draft program.
3. The City Council can decide not to approve a motion directing staff to proceed with the implementation of the FY 2015-16 CDBG Public Facilities Improvements Program for non-profit organizations as drafted.
4. The City Council can refer this request back to staff for additional information.

MANAGER'S RECOMMENDED ACTION:

This program has been put on hold for over two years, due to higher priority projects. Staff is now prepared to begin soliciting proposals next month with the intent to award grants this summer. It should be noted that in order to finance this project, the \$100,000 will need to be carried forward to the FY 2016-17 fiscal year and, therefore, will be included as a program in the 2016-17 CDBG Annual Action Plan to allow for completion of projects that are awarded loans.

The proposed program is patterned after the prior 2008 program, but reflects a substantial increase in the dollar value of an individual grant to \$70,000. Staff believes this is appropriate to help support any substantial rehabilitation needs and still allow for more than

one recipient of a grant within the total \$100,000 allocation to the program.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, thereby approving a motion directing staff to proceed with the implementation of the FY 2015-16 CDBG Public Facilities Improvements Program for non-profit organizations as proposed.



DRAFT

CDBG NEIGHBORHOOD SUSTAINABILITY

**PUBLIC FACILITIES IMPROVEMENTS
PROGRAM
FOR NON-PROFIT ORGANIZATIONS**

Program Guidelines



May 2016

INTRODUCTION

The CDBG program, funded by the U.S. Department of Housing and Urban Development (HUD), provides annual grants on a formula basis to entitlement cities and counties.

The **primary** objective of the CDBG program is the development of viable urban communities through the provision of the following:

- ✓ principally for low-income persons;
- ✓ decent housing;
- ✓ a suitable living environment; and
- ✓ economic opportunity

Federal regulations require that CDBG funds be used for projects that qualify as meeting one of the National Objectives of the program and the eligible activity criteria. **Projects that fail to meet the applicable tests will NOT BE considered for funding.**

II. PROGRAM OBJECTIVES

The objective of the Public Facilities Improvement Program as outlined in the City's 2014-18 Five-Year Consolidated Plan is to "Utilize and Leverage CDBG funds for Low and Moderate Income Persons through private and public partnerships" as follows: Continue provision of Public Facilities Needs for homeless, special populations and low income households (senior centers, homeless facilities, child care centers, mental health facilities, neighborhood facilities, and other public facilities needs).

III. ELIGIBILITY REQUIREMENTS

To be considered eligible for assistance under this program the following conditions and/or criteria shall be met:

1. Organization Requirements

- a. All non-profit organizations must have their 501(c)(3) status at time of Proposal to receive funding through this program. Agencies without this status may collaborate with an existing 501(c)(3), but the 501(c)(3) must be the lead Organization. The Organization must own and operate the facility.
- b. The organization must be providing services that benefit a "Limited Clientele." See definitions.

These activities must:

- Benefit a clientele that is **generally presumed** to be principally low and moderate-income (abuse children, battered spouses, elderly persons, severely disabled adults, homeless persons, illiterate adults, persons living with AIDS and migrant farm workers); or
 - Require documentation on family size and income in order to show that at least 51percent (51%) of the clientele are LMI; (see **Appendix 1** income guidelines); or
 - Have income eligibility requirements limiting the activity to LMI persons only;
- or
- It must be of such a nature, and be in such a location, that it may be concluded that the activity's clientele will primarily be low and moderate-income persons.
- c. The Organization must be an approved **Analysis of Social Services Evaluation Team (ASSET)** organization.
 - d. The organization must maintain in its budget and program a separation between any religious and other programs so that the CDBG Public Facilities Improvements Program funds does not financially support religious purposes.
 - e. Must be in good standing with current mortgage holder(s).
 - f. Must have a current and acceptable financial audit as determined by the City Finance Department.
 - g. Organization must demonstrate that they can meet the administrative and financial capacity as outlined by the CDBG Program (see **Appendix 2**)

2. Eligible Service Area(s) & Site Visits

- a. The facilities must be located and operating within the city limits of Ames.
- b. The City of Ames reserves the right to perform site visit during the review phase with all agencies; therefore, organizations should be prepared for City of Ames staff to: 1) tour the facility, and 2) to observe current project activities and services in which funds are being requested.

3. Property Requirements

- a. Property must conform to the current zoning regulations even if it is a legally vested non-conforming use or structure.
- b. The structure must be conventionally constructed. Mobile homes will not be eligible under this program.

- c. The property must be owned by the applicant, leased or rented facilities are not eligible.
- d. Properties used for household living uses, as defined by the City's zoning regulations, are not eligible properties.
- e. Assessed and/or Appraised value of the property must exceed the amount of the proposal request.
- f. Applicant must show proof of property insurance on the facility.

4. Project Timeframe

- a. Proposals should be start within 60 days after award selection.
- b. Projects should be completed within 120 days after the Notice to Proceed is issued.

IV. ELIGIBLE/INELIBILE ACTIVITIES

1. Eligible Activities

Eligible activities under this activity will include: a) Facility Rehabilitation; and b) Americans with Disabilities Act (ADA) improvements to non-profit owned public facilities.

- a. Facility Rehabilitation Improvements can be made to repair and/or replace defects in the four major systems (mechanical, plumbing, electrical, or structural). These items may include, but are not limited to, the repair or replacement of the following:
 - Roof, gutter, downspouts
 - Furnaces, water heaters, duct work, water piping
 - Painting, siding
 - Wiring
 - Handrails, guardrails
 - Porches, steps, doors, windows
 - Energy Conservation (insulation, caulking, etc.)
 - Windows

- Other interior space(s) will be limited to areas used for **direct** client services (i.e. counseling rooms, day care rooms, camp facilities, client rooms, etc.).
- Purchase of structural equipment and fixtures when such items are essential and necessary for use in connection with the facilities service purpose.

b. Removal of Architectural Barriers for ADA improvements (see definition)

2. Ineligible Activities

- Organizational operating costs
- Pre-design costs
- Projects that primarily serve people residing outside of Ames
- Projects that do not primarily serve low and moderate income persons
- Renovation of administrative offices only
- Pre-project expenses
- Projects that support political activities
- Projects that promote religion
- New construction
- New construction of garages or outbuildings
- Swimming pools hot tubs, whirlpools; furnishings; decks; window treatments; refrigerators; ranges; microwaves; dishwashers; window air conditioners; washers & dryers; machinery, etc.
- Detached garages
- Acquisition of land
- Refinancing of existing debt against the property or the Organizations(s)
- Financial satisfaction of outstanding liens, judgments, etc. against the property or Organization(s).
- Financial
- Repairs to mobile homes or manufactured homes if the property is not taxable as real estate.
- Costs of repairs incurred prior to execution date of the program contract are not eligible to be included in the program contract
- Repairs, which exceed local codes are not eligible for funding.

VI. FINANCIAL ASSISTANCE/RECAPTURE

1. Financial Assistance

- a. The maximum amount of CDBG funding available for this Program is \$100,000.
- b. The maximum amount of assistance available for the **Facility Rehabilitation or the ADA Improvements** is 75% of the cost of improvements, not to exceed \$70,000 per organization. The organization will be responsible for contributing a 25% match. The Organization will be responsible for any amount exceeding the \$70,000 funding cap.
- c. The Organization shall pay the 25% match and any estimated amount above the 75% funding cap to the City of Ames to be held in a designated account before any work may commence.

2. Recapture Provisions/Events of Default:

To receive financial assistance, the organization shall sign a **restrictive covenant and promissory note agreement** with the City of Ames.

- a. The City of Ames will place a "ten (10) year, "forgivable", no-interest, second mortgage lien on all properties receiving financial assistance under this program to recapture all, or a part, of the financial assistance provided to the Organization(s) upon the occurrence of any of the following:
 - i. Ownership of the property is sold or transferred to any party.
 - ii. The facility programming ceases to administer programs where 51% or more of the beneficiaries no longer have incomes at 80% or less of the Story County Area Median Income limits.
 - iii. Occupancy of the facility where the programs are administered ceases.
 - iv. Any default under or breach of the promises, terms, and conditions stated in the program policies and procedures, and/or mortgage instrument.
- b. The forgivable lien provision for recapture of the financial assistance provided shall be in accordance with the following schedule if one of the above conditions occurs:

100% payback during the years 0-5 following the date of the rehabilitation;
80% payback during the year 6-7 following the date of the rehabilitation;
60% payback during the year 7-8 following the date of the rehabilitation;
40% payback during the year 8-9 following the date of the rehabilitation;
20% payback during the year 9-10 following the date of the rehabilitation;
and

After the tenth year following the date of the rehabilitation, if all promises, terms, and conditions have been kept, 100% of the lien shall be forgiven.

- c. Under each of the above payback years, if the property is no longer occupied by the organization regardless of whether or not the title to the property is transferred, under the terms of the note, the original principal loan amount is immediately repayable to the City of Ames in full.
- d. The borrower ceases to maintain property's insurance policy for the term of the note and fails to maintain the property in good condition.

VII. PUBLIC FACILITIES IMPROVEMENTS STANDARDS

All of the repair work activities funded under the Public Facilities Improvements program for Rehabilitation and for ADA Improvements shall comply with the following Building Code Standards:

- A. Meet the minimum structural and safety standards of the following Chapters of the City's Municipal Code:
 - Chapter 5: Building, Electrical, Mechanical & Plumbing Codes
 - Chapter 8: Fire Code

VIII. SPECIAL TERMS AND CONDITIONS

In utilizing CDBG funds for Public Facility Improvements there will be a number of special terms and conditions that will be applicable to all Proposals funded (see **Appendix 3**)

IX. TECHNICAL ASSISTANCE

The CDBG program staff is available to provide technical assistance to help organizations develop a viable proposal. Staff reviews will consist of checking for eligibility, Proposal requirements, and to assure proposals are in compliance with the CDBG National Objectives established by HUD. Staff CANNOT provide assistance in developing a project or writing the Proposal. The Planning & Housing Department staff is available Monday through Friday, 8 a.m. to 5 p.m. **by appointment.**

X. PROPOSAL CONSIDERATIONS AND SUBMISSION

- A. The Proposal Review Process is described in **Appendix 4** of the Proposal Instructions. Before filling out the proposal, agencies should review the scoring criteria (e.g., Project Description and Need, Proposed Outcome, Track Record/Capacity, Project Budget). The Public Facilities Review Committee will use these criteria to evaluate and score each proposal. Staff will review all proposals for eligibility and completeness in accordance with the guidelines established by HUD (see **Appendix 4-A**). Public facilities proposals will be further reviewed for evidence of matching funds and gap financing. Only those proposals that are determine satisfy these requirements will be distributed to the Public Facilities Review Committee.

The proposal narrative portion not including requested attachments should be limited to the space provided. Hand written proposals are acceptable. All pages must be consecutively numbered. Check budget numbers for mathematical accuracy. Proposals must be in the possession of the City at the Planning & Housing Departments, City Hall, 515 Clark Avenue, Room 214 **no later than (to be determined)**.

1. **Proposal Copies:** Submit original and **four unbound** copies. (no staples, please). Completed application packet must include:
 - a. Proposal
 - b. Organization Chart
 - c. Board of Directors
 - d. Copy of most current financial audit (within last 12 months).
 - e. Attach statement of current assets and liabilities and statement of income and expenses.
 - f. Attach most current ASSET organization approval.
 - g. Proof of current property insurance.
 - h. Proof of ownership.
 - i. Written statement from mortgage lender(s) regarding payment history.
2. **Responsive Proposals:** Proposals must meet all the material requirements of the RFP. Only those proposals determined to be responsive will be evaluated and scored by the Public Facilities Review Committee in accordance with the proposal evaluation criteria set forth in **Appendix 5**. The Public Facilities Review Committee will request a formal presentation from the highest scored Proposals before funding recommendations are developed.
3. **Late Proposals:** Late proposals shall be rejected regardless of the reason, including mail delivery problems beyond Organization's control. Applicants

mailing their responses should allow sufficient time to insure delivery by the date and time specified.

4. **Non-Responsive Proposals:** Proposals deemed non-responsive or ineligible will not be evaluated or considered for award. Examples of non-responsive proposals include:
 5. Proposals that do not meet the HUD Low and Moderate Income National Objective.
 6. Proposals that are not eligible or do not conform to the CDBG RFP criteria.
 7. Proposals submitted by an organization, which does not have valid certifications and/or licenses required by state, federal or local law or regulations to perform the service requested at the time of the submittal.

B. Withdrawal: An organization may withdraw the proposal by submitting a request in writing to the City of Ames Housing Division, Attention: Housing Coordinator, 515 Clark Avenue/
P. O. Box 811, Ames, IA 50010-0811.

C. Discussions

The City reserves the right to conduct discussions with the organization for the purpose of eliminating minor irregularities, informalities, or apparent clerical mistakes in the proposal in order to clarify an offer and assure full understanding of the organization proposal.

D. Ineligibility Determination

The proposals can be denied participation under the Public Facilities Improvements Program for any of the following reasons:

- a. False, misleading or inaccurate statements, or information presented by the organization(s) at the time of Proposal.
- b. Has defaulted any City Department or has been terminated from any programs administered by the City of Ames.

XI. PROJECT ADMINISTRATION PROCESS

1. If the proposal is funded, the organization will enter into a contract with the City of Ames.
2. The City will issue a Notice to Proceed to the organization(s).
3. The City will provide technical assistance to the organization(s) to solicit bids in accordance with all applicable City and CDBG contract language and requirements registered and/or certified contractors.
4. The City will be provide technical assistance to the organization(s) in the

selection of a contractor(s). The organization(s), city and contractor(s) will enter into a written contract.

5. The organization is not eligible to act as the contractor.

Program Funds will not be **disbursed**, until the following requirements are adhered to:

1. The property must be inspected for HUD's Housing Quality Standards (HQS) and determined eligible under the CDBG Environmental Review Regulations.
2. The City of Ames will disburse checks payable to the contractor(s).
3. The City of Ames shall verify all requested repairs before a Proposal will be approved and/or before work may commence.
4. All contracted work must be inspected by the City of Ames for completion prior to any payments being disbursed from the City of Ames and the organization signs a payment release form.
5. All contracted work must be completed within forty-five the (45) calendar days from the date of the Notice to proceed unless an extension is approved by City of Ames.

XII. COMPLAINT/DISPUTE RESOLUTION PROCESSES

Any dispute resulting under the disbursement of funds or minor repair activities arising between the applicant and contractor or between the applicant(s), the contractor and the City will initially be mediated by the Housing Coordinator. Should either the applicant, or the contractor, desire to contest the determination made by the Housing Coordinator, a request for a hearing to the Public Facilities Review Committee must be made in writing. The Public Facilities Review Committee will attempt to mediate the dispute and make a final and binding determination as soon as possible for all parties

XIII. INCLUSIONS, OMISSIONS AND REVISIONS

1. These guidelines are designed to amplify the provisions for Program administration as set forth in the applicable CDBG regulations administered by the Department of Housing & Urban Development (HUD). These policy regulations and this plan, utilized together, provide the basis for program administration. The lack of any item to be included in these guidelines shall not relieve or release the organization or the City of Ames from the responsibility under the provisions of applicable CDBG administrative regulations and program guidelines.
2. These Program guidelines may be amended from time to time by the Housing Coordinator for reasons of operational efficiency or unforeseen circumstances that may arise or conflict with applicable Federal, State or City regulations affecting the administration of the Program.

XIV. DEFINITIONS

a. CONFLICT OF INTEREST

Conflicts of interest (or appearance thereof) can plague activities supported with federal funds. The general rule is that no employee, board member, officer, agent, consultant, elected official, or appointed official of the recipients or sub-recipients that are receiving funds under a CDBG assisted project who have responsibilities with respect to the CDBG activities or are in a position to participate in decision making processes or have access to inside information with regard to the activities can obtain a financial interest or benefit from a CDBG assisted activity during their tenure or for one year thereafter (Federal Regulation 24 CFR 570.611).

Agencies should maintain a written code of standards of conduct governing the purchase of materials, product, supplies, and services and awarding and administering sub-recipient contracts. Personnel involved in the procurement process must be trained to recognize situations that create conflicts of interest, or the appearance of a conflict of interest. The organization personnel should:

- Be familiar with the organization's code of ethics and potential conflict of interest issues
- Not take gifts or gratuities from persons or organizations associated with the procurement process.

b. LIMITED CLIENTELE:

An activity which benefits a limited clientele, at least 51 percent of whom are low and moderate-income persons. The following kinds of activities may not qualify under this paragraph: activities, the benefits of which are available to all the residents of an area; activities involving the acquisition, construction or rehabilitation of property for housing; or activities where the benefit to low and moderate income persons to be considered is the creation or retention of jobs.) To qualify under this paragraph, the activity must meet one of the following tests: (A) It must benefit a clientele who are generally presumed to be principally low and moderate-income persons. The following groups are presumed by HUD to meet this criterion: abused children, battered spouses, elderly persons, adults meeting the Bureau of the Census' Population Reports definition of "Severely disabled", homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers; or (B) It must 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) It must have income eligibility requirements which limit the activity exclusively to low and moderate income persons; or (D) It must be of such a nature, and be in such a location, that it may be concluded that the activity's clientele will primarily be low and moderate-income persons.

Public facilities such as homeless shelters or group homes for persons with special needs are just two of the examples of public facilities that may qualify under the Limited Clientele criteria. The populations served by these facilities are populations that are presumed to be LMI persons or families.

Public facilities or improvements can also qualify under the LMI housing national objective if the facility exclusively assists in the provision of housing to be occupied by LMI income households.

c. LOW AND MODERATE INCOME OR LOW INCOME HOUSEHOLD

The term low income shall be defined as “low income” at or below 50 percent of the median area income and “moderate income” at or below 80 percent of the median area income adjusted for family size for the area as defined in Section 102 of the Housing and Community Development Act of 1974, as amended.

d. SEVERELY DISABLED:

- Use a wheelchair or another special aid for 6 months or longer;
- Is unable to perform one or more functional activities (seeing, hearing, having one’s speech understood, lifting and carrying, walking up a flight of stairs and walking), needed assistance with activities of daily living (getting around inside the home, getting in or out of bed or a chair, bathing, dressing, eating and toileting) or instrumental activities or daily living (going outside the home, keeping track of money or bills, preparing meals, doing light housework and using the telephone);
- Are prevented from working at a job or doing housework;
- Have a selected condition including autism, cerebral palsy, Alzheimer’s diseases, senility or dementia or mental retardation; or
- Are under 65 years of age and are covered by Medicare or receive Supplemental Security Income (SSI).

e. REMOVAL OF ARCHITECTURAL BARRIERS:

Modify, alter or replace components of a structure that, in their present state or by their absence, impede physically limited occupants from enjoying the full benefits of comfort and livability normally experienced by non-handicapped dwellers. The construction contract shall specify as applicable, ramps, wider doorways, lower plumbing fixtures or light controlling switches, installation of secondary toilet rooms, baths, and/or laundry facilities, grab bars, and other items specific to a given structure and its occupancy and/or use.

f. SENIOR / CHILD / YOUTH:

- Senior: A person at the age of 62 or older.
- Child: A person between the ages of 0–13.
- Youth: A person between the ages of 14-21.

APPENDIX 1

2015 Program Income Limits (subject to change)

80% of Story County Median (Low Income)	
Family Size	Gross Income Cannot Exceed
1	\$42,850
2	\$49,000
3	\$55,100
4	\$61,200
5	\$66,100
6	\$71,000
7	\$75,900
8	\$80,800

50% of Story County Median (Very Low Income)	
Family Size	Gross Income Cannot Exceed
1	\$26,800
2	\$30,600
3	\$34,450
4	\$38,250
5	\$41,350
6	\$44,400
7	\$47,450
8	\$50,500

30% of Story County Median (Extremely Low Income)	
Family Size	Gross Income Cannot Exceed
1	\$16,100
2	\$18,400
3	\$20,700
4	\$22,950
5	\$24,800
6	\$26,650
7	\$28,500
8	\$30,300

Effective March 25, 2015

APPENDIX 2

Administrative and Financial Capacity Checklist

Part 1 – Entity-wide Financial Management & Systems Questionnaire

A. Please describe your organization’s fiscal management practices & systems related to financial reporting, accounting systems, financial capacity, budgetary and internal controls and audit requirements by completing the Financial Management questionnaire below.

FINANCIAL MANAGEMENT (QUESTIONNAIRE)			
	YES	NO	COMMENT
ACCOUNTING SYSTEM:			
1. Does your organization have and maintain a standard chart of accounts?			
2. Does your accounting system include a project cost ledger that can be used for recording expenditures for “each” program by required budget cost categories?			
3. How do employees account for their time and effort? Please explain.			
FINANCIAL CAPABILITY:			
1. Does your organization prepare annual financial statements?			
2. Are those financial statements reviewed formally and approved/accepted by your Board or Officers.			
3. Are the financial statements subject to an annual Audit?			
4. Describe which basis of accounting your organization uses, e.g. (accrual, cash, or other) and what authoritative guidance your organization relies for accounting for general and grant funded activities			
5. Has the organization established line(s) of credit? If so, identify source and amount.			

BUDGETARY CONTROLS:			
1. Are there budgetary controls in effect (e.g. comparison of budget with actual expenditures on a monthly basis) to preclude exceeding budgetary limitations?			
2. Are all purchases made by PO whereby that encumbers/earmarks funds available for use?			
3. Does someone in your organization periodically perform analysis and recommends/makes adjustments to budgetary spending levels due to identification of unforeseen or potential cash flow problems resulting from the analysis? If so, name the person(s)/ position(s) responsible for these activities			
INTERNAL CONTROLS:			
1. Are there written procedures for the following?			
a. Accounting entries are supported by appropriate documentation; e.g. purchase orders and vouchers.			
b. Separation of responsibility in the receipt, payment, and recording of cash			
c. Procedures for procurement and practices are consistent with applicable governing regulations			
d. Timekeeping and payroll functions having segregation, proper review, approval, and support documentation of hours worked by activity and program			
e. Disclosures of Board, Officers or employees for related party transactions.			
f. Describe the safeguards your entity has instituted to ensure adequate internal controls in the company (e.g. Officially adopted policies and procedures, all expenses approved by board, documented and required annual review of policies).			

Part 2 – Financial Statements

A. As part of your proposal you MUST attach:

1. A complete set of your financial statements, including the statement of Net Assets/Balance Sheet, Statement of Activities, Statement of Revenue & Expenses, Statement of Cash Flows, “Notes to the Financial Statements” (most current Audit Statement within the past year).

B. Financial Statement & Single Audits Findings

If there were findings noted in either your most recent Financial Statement audit or Single Audit, please describe the nature of the findings and what steps your organization has taken to resolve the finding.

APPENDIX 3

Special Terms and Conditions

1. Congress created the CDBG program and federal regulations apply. Funded agencies will be required to comply with all federal regulations associated with the funding and will be required to submit documents demonstrating administrative and financial capacity to manage a CDBG project
2. Agencies must be an incorporated nonprofit in Iowa by proposal submittal.
3. Agencies must include the DUNS number and a copy of the corporation's listing with the Secretary State of Iowa.
4. Projects must primarily serve low- and moderate-income Ames residents.
5. In construction or renovation contracts, the organization is responsible for insuring against direct physical damage to the construction project as well as to construction materials stored at the construction site.

Therefore, in addition to the contractor's required liability and workers' compensation insurance, the city also requires the organization to provide evidence of property insurance, which will protect the project site against damage while under construction.

6. The CDBG funding cycle is a competitive process and many worthy proposals will not be funded.
7. Funded agencies must acknowledge the City of Ames HUD CDBG contribution in written materials.
8. Funded program records are subject to review by the City of Ames and HUD.
9. Agencies are responsible for Workers' Compensation benefits, or claims by employees and must indemnify and hold the city harmless against any and all claims.
10. Nondiscrimination employment practices and ADA requirements apply; a Drug Free Work Place is required.
11. Funded agencies cannot be indebted to the IRS or any public entity nor have judgments or liens.
12. CDBG projects must comply with State and city licenses, zoning, permit and other related requirements.

13. PUBLIC RECORDS

All proposals submitted in response to the Request for Proposal shall become the property of the city and shall become a matter of public record available for review pursuant to Iowa state law after the award notification. The City of Ames is obligated to abide by all public information laws.

14. SYSTEM FOR AWARD MANAGEMENT

The System for Award Management (SAM) is the Official U.S. Government system that tracks federal contracts, including City of Ames CDBG contracts. The awarded contractors of the bids will be required to register in SAM.gov prior to entering into a contract. Registration in SAM is NOT required to submit a Request for Proposal.

15. COMPLIANCE WITH EQUAL OPPORTUNITY IN EMPLOYMENT REQUIREMENTS

The City of Ames extends to each individual, firm, vendor, supplier, contractor and subcontractors an equal economic opportunity to compete for City business. HUD regulations require that all agencies and contractors outreach and make good faith efforts to utilize minority and women-owned small businesses. Efforts must also be made to hire low income area residents for new jobs created and to utilize low income businesses in the project.

16. ENVIRONMENTAL REVIEWS

An environmental review must be performed on any project funded in part with CDBG dollars. Premature committing or expending any funds prior to the environmental review will jeopardize the eligibility of the project. This includes an organization's matching funds from other sources. Environmental reviews are required to comply with National Environmental Policy Act (NEPA) and HUD's regulations. The review includes analysis of project is geographically 13 federal laws designed to protect certain environmental areas. If the proposal is funded, Grants Administration staff will initiate the review and the organization will be kept informed about the estimated length of time to clear the project. The review normally is completed at no cost. However, if the located in an area of potential archaeological resources, archeological monitoring or testing will be required and must be included in the project budget.

Staff can assist you in making this determination. Depending upon the project location projects involving construction, rehabilitation and demolition, it may take up to 120 days to obtain an environmental clearance.

17. DAVIS BACON LABOR STANDARDS

The Davis Bacon Act is a regulatory requirement that applies to all projects using \$2,000 or more in federal funds for construction activities. The act requires all contractors and subcontractors to pay employees working on the project the

prevailing wages and fringe benefits as determined by the federal government. This may increase the project costs.

18. ARCHITECTURAL SERVICES

Architectural services are generally required for all new construction projects and for most rehabilitation projects. However, the size and nature of the project and the organization capacity can be examined to determine whether architectural services will be needed. Some smaller scale projects may not require the use of an architect, while large-scale projects always require an architect. Architects assess existing buildings to determine the level and extent of repairs needed to meet the local occupancy and building codes, zoning requirements and to determine safety issues. Issues include physical accessibility, emergency egress and sprinkler systems. Architects also are important in the helping the organization through the bid solicitation process and complying with federal procurement rules.

19. LEAD-BASED PAINT REGULATIONS

HUD has issued final regulations on notification, evaluation, and reduction of lead-based paint hazards in some facilities receiving federal assistance. Rehabilitation of facilities where children are served may be affected by this new regulation, which may require the testing of painted surfaces that will be disturbed to determine the presence of lead-based paint. If painted surfaces are not lead-free, remediation and safe work practices will be required.

20. ASBESTOS TESTING

An asbestos survey (AHERA) will be required on all renovation projects to determine the presence of asbestos. The organization should include the cost of the survey and provide for contingency funds for remediation if asbestos is present. The survey will visually review all suspect asbestos containing materials (ACMs) associated with the buildings' interior and will collect samples for laboratory analysis prior to the Public Facilities renovation project. The survey will identify whether asbestos containing materials were found and what classification.

21. PREMATURE COMMITTING OR EXPENDING FUNDS

Program expenses that have been committed or spent prior to City Council approval, environmental clearance and/or execution of the CDBG contract are not eligible for reimbursement.

22. ACCESSIBILITY TO PERSONS WITH DISABILITIES

Programs, projects, information, participation, communications and services must be accessible to persons with disabilities to comply with the Americans with Disabilities Act (ADA).

APPENDIX 4

Proposal Review Process

- ✓ All proposals will be reviewed by City staff for eligibility, completeness, and feasibility.
- ✓ Proposals that are deemed ineligible or infeasible will not be considered for funding and will not be forwarded to the Public Facilities Review Committee. The organization will be notified by mail and offered technical assistance for future funding rounds.
- ✓ Staff will develop technical reviews for all eligible/feasible projects. The technical review summarizes the project, notes proposal concerns, and includes organization past performance history, if they received a prior CDBG award.
- ✓ The technical review will be mailed to the organization, allowing a seven-day window for the organization to submit additional information or to clarify the proposed project. The organization's response is limited to one page.
- ✓ The Public Facilities Review Committee may include representatives from: City ASSET Staff, Building Inspections, Purchasing, Finance, Public Works, & Planning.
- ✓ The Public Facilities Review Committee will review, evaluate and score each proposal based on the criteria as outlined on Appendix 5.
- ✓ All applicants submitting a proposal be invited to make a brief presentation to the committee.
- ✓ The Public Facilities Review Committee will rank the proposals after the presentations. From the average proposal ranking, the committee will develop funding recommendations and forward their recommendations to the Housing Coordinator. The Housing Coordinator will review the committee recommendations and submit its recommendations to the City Council for final approval.
- ✓ Agencies whose proposals that are not selected for recommendation will be notified by mail and offered technical assistance for future funding rounds.

APPENDIX 5

Proposal Evaluation Criteria

Proposal No: _____ Funding Request: \$ _____ Evaluator: _____

Applicant: _____

Project: _____

PROJECT DESCRIPTION AND NEED (0 to 10 points)

Is the design of the proposed activity appropriate?

- Does the activity adequately address an established need and is not duplicative of other services?
- Has the prospective organization identified all the major tasks that will be involved in carrying out the activity?
- Does the organization understand the interrelationship of these tasks, and has it developed a realistic schedule for their accomplishment? Are there any stumbling blocks to prompt implementation?
- Has the organization made a careful estimate of the resources necessary for each component of its proposed program, and has it put together a realistic budget that reflects these resources?
- Are other sources of funds, when indicated, committed to this project?
- Is the budget for the CDBG funded activity separate from other activities undertaken by the organization?
- Is there evidence of collaboration with existing programs and services?
- Is there evidence of sustainability for future program years?

TRACK RECORD/CAPABILITY (0 to 10 points)

Does the organization have the capacity to complete the activity as proposed?

- Has the organization ever undertaken the proposed or similar activity before, and what was the result?
- Does the organization have experience with the Community Development Block Grant or other Federal programs?
- Do the prospective organization's staff appreciate the additional requirements associated with Federal funding (for example, when staff split their time between CDBG and non-CDBG functions, keeping detailed records of time spent on specific activities)?
- Is the organization familiar with the specific regulatory requirements associated with the proposed activity (such as Davis-Bacon prevailing wage requirements for new construction or rehabilitation projects involving eight units or more)?

- What is the organization's "track record" regarding compliance with such requirements?
- Does the prospective organization have adequate administrative and fiscal structures in place to deal with these guidelines (particularly record keeping)?
- If not, does it recognize its organizational weaknesses, and has it developed a plan for upgrading these aspects of its operations? If not, how does the organization plan to fill these gaps in personnel?
- Does the organization have qualified staff for all the necessary functions associated with the proposed activity, and is there adequate staff time available?
- Project can be completed within a reasonable time frame.
- Financial capacity as indicated by audited financial statements and banking/credit references.
- Financial stability (not total dependence on CDBG funds) as indicated by other funding sources and amounts, over time.

PROPOSED OUTCOME (0 to 10 points)

- Does the proposal addresses the appropriate RFP priority?
- Is the project results-oriented, measurable outcomes and objectives that are challenging yet realistic?
- Is the number of low and moderate income residents to benefit from the project in relation to amount of funds and type of service at least 51%?

PROJECT BUDGET (0 to 10 points)

- What is the amount of project leveraging of other resources?
- Is the funding request is realistic and budget/expenses are reasonable?
- Are CDBG funds are an appropriate resource for the project?
- Is the project is ready to start within two months of receiving funding, i.e., all other needed financial and other resources are in place?

CRITERIA	POOR		FAIR		AVERAGE		GOOD		EXCELLENT	
Project Description and Need	1	2	3	4	5	6	7	8	9	10
Track Record/Capacity	1	2	3	4	5	6	7	8	9	10
Proposed Outcome	1	2	3	4	5	6	7	8	9	10
Project Budget	1	2	3	4	5	6	7	8	9	10