2021 SCDP IMPLEMENTATION WORKSHOP

WELCOME!
Grant Application Information

• In December 2020, 41 applications were received, requesting a little over $24.5 million

• 2021 CDBG Allocation: $18,731,500
  • 44% Owner Occupied Housing Rehab
  • 5% Rental Rehab
  • 18% Commercial Rehab
  • 33% Public Facilities Projects
• (Excludes ED set aside-Federal MIF)
Grant Application Information

- Recent change
- Grant agreements & contracts
- DEED administration policy
- Reimbursement request
- Financial management
- Program Income
Grant Application Information

- Reports (annual & final)
- Debarred, suspended and ineligible contractors
- Federal Labor Standards
- Conflict of interest
- Lead Policy
- Fair Housing/Equal Opportunity & Section 3
- Reference Materials
- Reminders
On November 30, 2020, HUD published a Final Section 3 Rule, updating the 1994 Interim Rule.

Encourage contracting opportunities to LMI Individuals and businesses that employ these individuals within their community regardless of race and gender.

24 CFR Part 75

Reporting is required for contracts signed on or after July 1, 2021.
NEW RULE

Tracking Labor Hours performed by LMI persons

Establishes benchmarks

OLD RULE

Tracking New Hires of LMI persons
Definitions

**MBE (Minority Business Enterprise)** – business that is at least 51% owned by one or more minority persons.

**WBE (Women Business Enterprise)** – independent business that is at least 51% owned by one or more women.

**Section 3 Business**

**Section 3 Project** - when the total amount of assistance to the activity exceeds a threshold of $200,000
Definitions - Cont.

Section 3 Business

A business that meets at least one of the following criteria, documented within the last 6-month period:

1. At least 51% owned and controlled by a low or very low-income person or
2. Over 75% of labor hours performed for the business over the prior 3-month period were performed by Section 3 workers

HUD income limits are established at 80% and 50% of the area median individual income - [https://www.huduser.gov/portal/datasets/il.html](https://www.huduser.gov/portal/datasets/il.html)
Definition of Workers

- All Workers
- All Section 3 Workers
- Targeted Section 3 Workers
Definition - Section 3 Worker

Any worker who is currently or when hired within the past 5 years meet at least one of the following categories:

1. Income for the previous calendar year is below the income limits established by HUD or
2. Employed by a Section 3 business or
3. A YouthBuild participant
Definition - Targeted Section 3 Worker

Any worker who meets at least one of the following categories:

1. Employed by a Section 3 business or
2. Currently meets or when hired meets at least one of the following categories (documented within the past 5 years)
   I. Living within the *service area or the neighborhood of the project as defined in 24 CFR 75.5 or
   II. A YouthBuild participant

* An area within one mile of the project or if fewer than 5,000 people live within one mile of the project
Section 3 - YouthBuild

A community based pre-apprenticeship program that provides job training and educational opportunities for at risk youth ages 16 – 24


https://mn.gov/deed/job-seekers/find-a-job/targeted-services/youth-employment/youthbuild.jsp
Section 3 – Benchmarks

**Section 3 workers** Benchmark - 25% or more of the total number of labor hours worked by all workers on a Section 3 project

**Targeted Section 3 workers** Benchmark – 5% or more of the total number of labor hours worked by all workers on a Section 3 project

<table>
<thead>
<tr>
<th>Hours</th>
<th>All workers – 40 hours</th>
<th>Section 3 workers – 10 hours</th>
<th>Targeted Section 3 Workers – 5 hours</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Benchmark</th>
<th>Section 3 workers – 10/40 = 25%</th>
<th>Targeted Section 3 Workers – 5/40 = 13%</th>
</tr>
</thead>
</table>

**Reporting**

This scenario meets compliance.
Section 3 – Reporting

- Total Labor Hours
- Section 3 Workers Hours
- Targeted Section 3 Worker Hours
- If Section 3 benchmarks not met, description of efforts is needed
Grantees not meeting Section 3 benchmark must report methods taken by both agencies and contractors as per 24 CFR § 75.25(b). These include:

- Outreach efforts to generate job applicants who are Public Housing Targeted Workers
- Outreach efforts to generate job applicants who are Other Funding Targeted Workers
- Direct, on-the-job training (including apprenticeships)
Section 3 – Not meeting benchmark

Cont.

• Indirect training such as arranging for, contracting for, or paying tuition for, off-site training
• Technical assistance to help Section 3 workers compete for jobs (e.g. resume assistance, coaching)
• Outreach efforts to identify and secure bids from Section 3 business concerns
• Technical assistance to help Section 3 business concerns understand and bid on contracts
• Division of contracts into smaller jobs to facilitate participation by Section 3 business concern
• Provided or connected residents with assistance in seeking employment including: drafting resumes, preparing for interviews, finding job opportunities, connecting residents to job placement services.

• Held one or more job fairs

• Provided or connected residents with supportive services that can provide direct services or referrals

• Provided or connected residents with supportive services that provide one or more of the following: work readiness health screenings, interview clothing, uniforms, test fees, transportation
Section 3 – Not meeting benchmark

• Assisted residents with finding child care
• Assisted residents to apply for/or attend community college or a four-year educational institution
• Assisted residents to apply for or attend vocational/technical training
• Assisted residents to obtain financial literacy training and/or coaching
• Bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns
• Provided or connected residents with training on computer use or online technologies
• Others
Grantees must assume active role in ensuring Section 3 compliance

- Design and implement procedures to comply with Section 3 requirements
- Maintain records verifying compliance
- Ensure Contractors and subs are aware of Section 3 Benchmarks and responsibilities
Grant Contracts, Policies and Procedures

Grant contract is signed by three parties, in the following order:

- DEED administration and fiscal department
- City/county authorized representative
- DEED Deputy Commissioner

Fully executed contract (signed by all parties) will be sent to grantees once environmental review have cleared, policies/plan have been adopted and HUD funds have been committed.
The State and Grantee acknowledge their assent to this grant contract agreement and agree to be bound by its terms through their signatures entered below.

1. STATE ENCUMBRANCE VERIFICATION
   Individual certifies that funds have been encumbered as required by Minn. Stat. 16A.15.

   Signed: ____________________________
   Date: ____________________________
   SWIFT Contract/PO No(s): ________________

2. GRANTEE
   The Grantee certifies that the appropriate person(s) have executed the grant contract agreement on behalf of the Grantee as required by applicable articles, bylaws, resolutions, or ordinances.

   By: ____________________________
   Title: ____________________________
   Date: ____________________________

3. STATE AGENCY
   By: ____________________________
   Title: ____________________________
   Date: ____________________________

Distribution:
   Agency
   Grantee
   State’s Authorized Representative
STATE OF MINNESOTA  
DUNS NO. Xxxxxxxxx  
GRANT CONTRACT NO. CDAP-19-00XX-O-FY20

This grant contract is between the State of Minnesota, acting through the Department of Employment and Economic Development, Business and Community Development Division, (STATE) and the City of Frostbite Falls, 1234 Snow Street, Frostbite Falls, MN 56515, Federal Tax ID # XX-XXXXXX ("GRANTEE").

Recitals

1. Under Minn. Stat. 116J.401 the State is empowered to enter into this grant.

2. The State is in need of units of local government to administer projects in accordance with the Small Cities Development Program (SCDP), Minnesota Rules chapter 4300.

3. The funds are intended to provide grant funds for eligible SCDP activities.

4. The Grantee represents that it is duly qualified and agrees to perform all activities and duties described in this grant contract to the satisfaction of the State.

Grant Contract

1 Terms of Grant Contract

1.1 Effective date: June xx, 2020, or the date the State obtains all required signatures under Minn. Stat. §16B.98, Subd. 5, whichever is later. Per Minn. Stat. §16B.98, Subd. 7, no payments will be made to the Grantee until this grant contract is fully executed. Per 24 CFR 570.489 the Grantee may receive reimbursement for approved expenses that occurred prior to the execution of this grant contract.

1.2 Expiration date: September 30, 2023, or until all obligations have been satisfactorily fulfilled, whichever occurs first.
Grant Contracts

2.2 Provisions for Contracts and Sub-grants:
(a) Contract Provisions. The Grantee must include in any contract and sub-grant, in addition to provisions that define a sound and complete agreement, such provisions that require contractors and sub-grantees to comply with applicable state and federal laws.

(b) Ineligible Use of Grant Funds. (Not applicable to SCDP) The dollars awarded under this grant agreement are grant funds and shall only be used by Grantee or awarded by Grantee to third parties as grant funds and cannot take the form of a loan under any circumstance. Grantee shall not use, treat, or convert the grant funds into an interest bearing loan, a non-interest bearing loan, a deferred loan, a forgivable deferred loan or any other type of loan. Further, Grantee shall include in any contract or sub-grant awarding the grant funds to a third party all the provisions and requirements of this grant agreement, including the requirement that these dollars are grant funds only and cannot be used, treated or converted into any type of loan.

(c) Job Listing Agreements. Minn. Stat. §116L.66, subd.1, requires a business or private enterprise to list any vacant or new positions with the state workforce center if it receives $200,000 or more a year in grants from the State. If applicable, the business or private enterprise shall list any job vacancy in its personnel complement with MinnesotaWorks.net at www.minnesotaworks.net as soon as it occurs.

(d) Payment of Contractors and Subcontractors. The Grantee must ensure that all contractors and subcontractors performing work covered by this grant are paid for their work that is satisfactorily completed.

3 Time
The grantee must comply with all of the time requirements described in this grant contract. In the performance of this grant, time is of the essence.

4 Compensation and Payment
4.1 Consideration. The State will pay for all services performed by the Grantee under this grant contract as follows:
(a) Compensation

<table>
<thead>
<tr>
<th>Fed. Obj.</th>
<th>Activity Code</th>
<th>Activity Title</th>
<th>Unit Goal</th>
<th>Number of households/persons served</th>
<th>Number of LMI households/persons served</th>
<th>SCDP Funds</th>
<th>Other Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>LMH</td>
<td>14A</td>
<td>Res. Owner Rehab.</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>$500,000.00</td>
<td>$134,000.00</td>
<td>$634,000.00</td>
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<td>SBA</td>
<td>14E</td>
<td>Commercial Rehab</td>
<td>8</td>
<td></td>
<td></td>
<td>$320,000.00</td>
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<td>$320,000.00</td>
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<tr>
<td>21A</td>
<td></td>
<td>Administration</td>
<td></td>
<td></td>
<td></td>
<td>$123,000.00</td>
<td>$7,500.00</td>
<td>$130,500.00</td>
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<tr>
<td>Totals</td>
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<td></td>
<td>$943,000.00</td>
<td>$141,500.00</td>
<td>$1,084,500.00</td>
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</tbody>
</table>
Grant Agreements / Contracts

- **GRANT ADJUSTMENT NOTIFICATION (GAN)**
  - **REVISIONS**
    - Transfer funds from one approved activity to another approved activity
    - Must be a benefit to low/moderate income individuals
  - **AMENDMENTS**
    - Extension on end date of contract
Grant Agreements / Contracts

Amendments and Revisions must:

- be justified by extreme extenuating circumstances
- be requested at least 30 days prior to the end of the grant
- have prior discussions with SCDP representative
Administration Allocations

**HUD**
- No more than 20% Admin

**State of MN**

**Max 15% to Administrators**

**5% for State Staff**
Administration expenses are capped at the following:

15% of project cost for the following rehabilitation:

- Owner occupied housing
- Rental Housing
- Commercial

$20,000, not to exceed 15% of project costs for

- Public facilities (sewer and water)
- Community centers
- Streetscape
- Public aesthetics
SCDP Administration policy

Eligible administration cost

- Salaries for program oversight, development of policies and procedures, fair housing outreach efforts, marketing, education
- Traveling and inspection cost incurred for SCDP activities
- Leased office space and overhead costs specifically used for SCDP activities
SCDP Administration policy

- SCDP allows up to 5% of admin funds to be drawn prior to project expenses being incurred
  - Initial 5% must be documented similar to all other administration
  - Future admin reimbursement requests must maintain agreed upon percentage of project cost, minus any initial reimbursements
- Administration funds can be drawn down as a percentage of work completed OR drawn down at the end
- Leverage funds can pay for administration expenses
Reimbursement Request

- Only one payment request per 2-week period
  - Exception for end of fiscal years (June 30, State and Sept 30, Federal)
- Reimbursement period from – Reimbursement period to
  - **Must not cross a state or federal fiscal year**
- Payment request must be greater than $2,000
  - With an exception made for the end of state and federal fiscal years and for the final request.
- Invoice must list a summary of work completed and cost breakdown for SCDP funds, other funds and match
Grantee’s authorized signature – must be authorized by the city
  - Administrators are not allowed to sign unless a grantee provides the SCDP Representative an official letter of this change and an updated grantee summary sheet

Submit a signed PDF of the reimbursement request to scdp.payments@state.mn.us and cc’ your SCDP representative

List grantee and grant number in the subject line of the email

Reimbursement request calendar – provided on google cloud, dates in red indicate submission deadlines

Grantees will receive electronic payments from DEED

Requests containing mistakes will not be processed and sent back for corrections
**SCDP REIMBURSEMENT PAYMENT REQUEST**

**DEED-SCDP GRANT PROGRAM** (E-mail signed Payment Request Forms to scdp.payments@state.mn.us)

**SECTION 1:**

<table>
<thead>
<tr>
<th><em>VENDOR GRANTEE NAME:</em></th>
<th>XXXX Housing</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>VENDOR ID REMIT TO LOCATION CODE (SWIFT):</em></td>
<td>CDAP-XX-00XX-0-FYXX</td>
</tr>
<tr>
<td><em>GRANT NAME:</em></td>
<td>XXXXX XXXXX</td>
</tr>
<tr>
<td><em>GRANT NUMBER:</em></td>
<td>CDAP-XX-00XX-0-FYXX</td>
</tr>
<tr>
<td>SWIFT CONTRACT ID</td>
<td>XXXXX</td>
</tr>
<tr>
<td>REMIT TO ADDRESS:</td>
<td>XXXX City of</td>
</tr>
<tr>
<td>XXXX E Main St PO Box 70</td>
<td>5/1/2019</td>
</tr>
<tr>
<td>XXXX, MN 56734-0070</td>
<td>9/30/2022</td>
</tr>
<tr>
<td>GRANT PERIOD FROM: BEGIN DATE:</td>
<td>5/1/2019</td>
</tr>
<tr>
<td>GRANT PERIOD TO: END DATE: (Insert Date)</td>
<td>9/30/2022</td>
</tr>
<tr>
<td>REIMBURSEMENT PERIOD FROM:</td>
<td>5/1/2019</td>
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<td>REIMBURSEMENT PYMT REQ #:</td>
<td>#1</td>
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<tr>
<td>FORM PREPARED BY:</td>
<td>CDAP-XX-00XX-0-FYXX</td>
</tr>
<tr>
<td>PHONE</td>
<td>YES [ ] NO [ ]</td>
</tr>
<tr>
<td>EMAIL</td>
<td>DEED PROGRAM CONTACT NAME:</td>
</tr>
<tr>
<td></td>
<td>Matti Gurney</td>
</tr>
<tr>
<td></td>
<td>DEED PROGRAM CONTACT EMAIL:</td>
</tr>
<tr>
<td></td>
<td><a href="mailto:Matti.Gurney@state.mn.us">Matti.Gurney@state.mn.us</a></td>
</tr>
</tbody>
</table>

**SECTION 2:**

<table>
<thead>
<tr>
<th><strong>DEED PROGRAM USE ONLY</strong></th>
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</thead>
</table>

<table>
<thead>
<tr>
<th>SWIFT PO ID</th>
<th>PO LINE / DISTRIBUTION</th>
<th>AMOUNT</th>
<th>FUND</th>
<th>FIN DEPT ID</th>
<th>APPROP ID</th>
<th>ACCOUNT</th>
<th>AGENCY COST</th>
<th>PROJECT ID</th>
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<tr>
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<td>$379,500.00</td>
<td>3000</td>
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<td>B221003</td>
<td>441352</td>
<td>55354</td>
<td>B22CDBGCG19</td>
</tr>
</tbody>
</table>

**TOTAL** $379,500.00

**SECTION 3:**

**REIMBURSEMENT REQUEST**

<table>
<thead>
<tr>
<th>IDIS ACTIVITY NUMBER</th>
<th>SCDP ACTIVITY (PER APPROVED BUDGET)</th>
<th>A. APPROVED BUDGET</th>
<th>B. CURRENT BALANCE</th>
<th>C. REIMB. REQUESTED THIS PERIOD</th>
<th>D. (B - C = D) AVAILABLE BALANCE</th>
<th>E. IDIS VOUCHER NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>XXXX XXXX</td>
<td>XXXXX Owner-Occupied Rehab.</td>
<td>$330,000.00</td>
<td>$330,000.00</td>
<td>$330,000.00</td>
<td>$49,500.00</td>
<td>(DEED Program Use Only)</td>
</tr>
<tr>
<td>XXXX XXXX</td>
<td>XXXXX Admin</td>
<td>$49,500.00</td>
<td>$49,500.00</td>
<td>$49,500.00</td>
<td>$0.00</td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL SWIFT ACTIVITY 884** $379,500.00

**SECTION 4:**

**AGREEMENT & AUTHORIZED APPROVAL**

By submitting this form, I certify that the request is in accordance with DEED cash management requirements and appropriate contract terms; the data reported is correct and the amount of the request is not in excess of immediate disbursement needs.

(Filled out by DEED only)

<table>
<thead>
<tr>
<th>Grantee Authorized Signature</th>
<th>Date</th>
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<tr>
<th>DEED Staff Authorized Signature</th>
<th>Date</th>
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<tr>
<th>DEED SSCP Director Authorized Signature</th>
<th>Date</th>
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</thead>
</table>
SCDP Payment Request Due Date Calendar 2021

Payment request due dates are indicated in red on the calendar below. After SCDP has approved the payment request, DEED will process the payment and communities will receive their funds within two weeks.

Example: Payment requests received on Wednesday, December 1st, 2021. SCDP approves the requests and DEED transfers funds to cities within the week of the 13th.

Please remember state holidays may affect the timing of payment requests.

If you have questions regarding payments, please contact the Small Cities Representative in your region.
2 CFR Part 200

- § 200.61 Internal controls
- § 200.303 and § 200.331 Requirements for Pass-through Entities
- § 200.307 Program income
- § 200.320 Methods of procurement to be followed
- § 200.334 Retention requirements for records
- § 200.413 Direct costs
- § 200.414 Indirect (F&A) costs
- § 200.425 Audit services
- § 200.501 Audit requirements – Local governments that receive over $750,000 in all federal funds during their fiscal year – provide report to SCDP
- Appendix VII to Part 200 – States and Local Government and Indian Tribe Indirect Cost Proposals

https://www.ecfr.gov/cgi-bin/text-idx?tpl=ecfrbrowse/Title02/2cfr200_main_02.tpl
Financial Management

• Reimbursement payment request
  • Must be in grant file and all payments tracked through city/county accounting files
  • Invoices support payment requests
  • Administration - time worked on grant activities must be documented and kept on file

• Leverage funds
  • Must be reported in the annual reports
  • Documentation must be in grant file for monitoring visits

• Procurement of services
  • All services must have been procured pursuant Federal, state, and local procurement policies, whichever is more stringent
    • Including for profit administrators and engineering services.
Annual and Final Reports

• An annual report is due every year by October 15th

  New 2021 Grantees
  Awarded date thru 9/30/2021

  Current Grantees
  10/1/2020 thru 9/30/2021

• A final report is due at the end of the grant project period
1. General Information

Grantee Name
(from grant agreement City of Happy Town)

SCDP region number and representative's name
(consult the SCDP website if necessary)

Grant Number:
(from grant agreement)

Grantee DUN's Number

Is this an Annual Report or a Final Report?
(Input "Annual" or "Final")

Reminder: Grantees are required to have a public hearing during the grant implementation period. This is in addition to the public hearing held during the application phase. Please work to schedule this hearing if it has not yet been held. If there are multiple communities in the grant, each community must hold a hearing. Reporting on the 2nd public hearing is required for the final report.

Report end date (if this is an annual report it is Sept. 30th)

1st day of final report is October 1.

Final report end date (date all activities were complete)

Report author:
Name of organization:
Phone number:
E-mail address:

Reminder
RED boxes are generally for the current reporting period or year
Boxes outlined in BLUE are cumulative to date
GREEN boxes contains a formula and are only for SCDP use.
2. Audit and Federal Transparency Information

If the grantee fiscal year does not end on December 31, please provide the date:

A-133 Audit requirements

1) Will the grantee expend $750,000 or more of federal funds (including SCDP funds) in their CURRENT fiscal year?
   *If yes, a copy of the A-133 audit report must be submitted as soon as the report is available; if not yet submitted. Estimated date of submission:

The Federal Funding Accountability and Transparency Act
Will or did the grantee receive $25 million or more of federal funds (including SCDP funds) in their current or previous fiscal year?

Grantee's audit firm: __________________________ Audit firm telephone #: __________________________

Name, title of grantee financial officer: __________________________
### 3. Expenditures

*Expenditures for this reporting period only.*

List activity title and IDIS activity numbers as they appear in the draw request form. Abbreviate activity names. Expenditures are defined as costs that have been paid and are a total amount for one or more sources of funds.

<table>
<thead>
<tr>
<th>Activities and IDIS #s approved by DEED</th>
<th>SCDP Expenditures</th>
<th>Other Federal Expenditures</th>
<th>Program Income</th>
<th>State/Local</th>
<th>Private</th>
<th>Other Expenditures (additional questions in red below)</th>
<th>TOTALS</th>
<th>Leverage by Activity</th>
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**Examples:**
- Rural Develop./Army Corps/Weatherization/HOME
- HUD Federally defined Program Income for definition see pg. 4
- PFA/DNR/MHFA/HRA/EDA Local Funds for definition see pg. 4
- Property Owner
- Greater MN Housing Fund/Federal Home Loan Bank/Donations

If any of the other federal expenditures listed above are HOME funds, what is the dollar amount of HOME expended this period?

*If other expenditures (column H) please list the source(s):*

Total Leverage $0
### 4. Cumulative (All Years) Expenditures

Report **CUMMLATIVE** (all years) data using the same instructions as table above.

<table>
<thead>
<tr>
<th>Activities and IDIS #’s</th>
<th>SCDP</th>
<th>Expenditures</th>
<th>Other Federal</th>
<th>Program Income</th>
<th>State/Local</th>
<th>Private</th>
<th><strong>TOTALS</strong></th>
<th><strong>Leverage by Activity</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Approved by DEED</td>
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<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
</tr>
</tbody>
</table>

**Examples:**
- Rural Develop./
- Army Corps/Weatherization/HOME
- HUD Federally defined Program Income for definition see pg. 4
- PFA
- DNR
- MHFA
- HRA/EDA
- Local funds for definition see pg. 4

If any of the other federal expenditures listed above are HOME funds, what is the dollar amount of HOME expended?

If other expenditures (column H) please list the source(s):

**Total Leverage** $0
### 5. Goals and Completed Units Per Activity

<table>
<thead>
<tr>
<th>List all activities approved by DEED</th>
<th>IDIS number</th>
<th>Current unit goal</th>
<th>Units completed this period</th>
<th>Cumulative Units Complete to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do not list administrative costs in this table</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Make sure that your cumulative totals balance with all other reports
- (for example: 3 units completed for previous period + 4 for this period equal cumulative of 7.)
## Small Cities Development Program
### Construction and Non Construction Payments Tracking Sheet

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grantee Name: CITY OF WHITEHORSE</td>
<td></td>
</tr>
<tr>
<td>Grantee Number: CDAP-XX-O-XXX-FYXX</td>
<td></td>
</tr>
<tr>
<td>Reporting Period: 10/1/2017 - 9/30/2018 or grant closing</td>
<td></td>
</tr>
<tr>
<td><strong>Construction Payments - General Contractor</strong></td>
<td></td>
</tr>
<tr>
<td>Include all disbursements received ($) from DEED for payments to general contractors during this reporting period.</td>
<td>$72,000.00</td>
</tr>
<tr>
<td><strong>Construction Payments - Subcontractors</strong></td>
<td></td>
</tr>
<tr>
<td>Include all disbursements received ($) from DEED for payments to subcontractors during this reporting period.</td>
<td>$9,000.00</td>
</tr>
<tr>
<td><strong>Non Construction Payments</strong></td>
<td></td>
</tr>
<tr>
<td>Include all disbursements received from DEED related only to admin. For example: Profit/Non Profit SCDP Administrators and Engineers during this reporting period.</td>
<td>$12,150.00</td>
</tr>
</tbody>
</table>
Common report mistakes

Common mistakes

• Fair housing activities
  – Not listing a unique Fair Housing activity each fiscal year.
  – Entering “ongoing” instead of the date the activity occurred or started

• Program income and local income
  – Not accurately reporting income is received and/or used

• Women- and Minority-owned business
  – Not reporting the use of a Women and/or Minority Owned Business
Reporting program specific accomplishments

Program specific reports need to be completed in addition to the main report.

Program specific reports:
- Owner housing rehab
- Rental rehab (single family)
- Rental rehab (duplex)
- Rental rehab (multi-family)
- Commercial building rehab
- Public facility (includes streetscape and community center)

Duplex and multi-family reports are for each building assisted so there may be multiple reports for each project.

Be sure the cumulative amounts/information on accurate for the Final Report.
Program Income & Local Funds

PROGRAM INCOME

Funds a city/county receives as the result of loan payments from rehabilitation projects

$35,000 or more received in a federal fiscal year (Oct. 1 – Sept. 30)

• Calculated per grantee, not by grant
• Funds must fund projects that support a federal objective of the CDBG program
• Projects are reported to SCDP which will be reported in our federal reports
• Include only funds received as the result of SCDP grants
  • If the city/county has a CDBG-CV grant that could result in payback of funds, those funds would be considered SCDP Program Income
LOCAL FUNDS

< $35,000 generated from a SCDP activity in a federal fiscal year (Oct. 1 – Sept. 30)

- Local funds still must fund projects that support a federal national objective of the CDBG program
Sources of Program Income

• Repayments of ongoing rehab loan projects, including interest
• Proceeds from the sale of a SCDP rehab property, with active repayment agreement
• Interest earned on SCDP income/balances
Program Income – Active Grants

- Program income funds must be used first
- Grantees are required to document that all program income has been used before requesting SCDP funds.
  - For new grants a reimbursement request form will not be issued unless the program income balance is $0
  - Documentation is similar to request for reimbursement – invoices and proof of payment to eligible project
- Program Income expenses will be reported in the Annual Report
- Must have a Program Income Reuse Plan in place
Program Income – Closed Grants

- Grantees are required to report program income until the program income balance is $0 and all potential sources of program income are forgiven (deferred loans for 5, 7, 10 years).

- On multi-city grants the primary community listed in the grant agreement is responsible for reporting all program income.

- Reporting Program Income:
  
  https://apps.deed.state.mn.us/mwa/Deed/CDBGIncomeRpt.aspx
Local Income – Reporting & Managing

Open and Closed Grants

- If < $35,000 is collected in a federal fiscal year, those funds must be reported as $0

- At the end of the federal fiscal year, funds should be moved out of the program income account and into another account, this will aid in future reporting, funds are local but still must be used for eligible CDBG activity that supports federal objectives

- If the funds are spent on an open activity in an open grant, report them as “Other Funds” in the Annual Report
Debarred, suspended and ineligible contractors

- All grantees are required to verify that all contractors, subcontractors and sub-recipients are not listed on the Federal publication that lists debarred, suspended and ineligible contractors.

- This should be completed prior to each contract approval, not yearly.

- System for Award Management (SAM) published by the federal Department of Labor provides the official list for debarred, suspended and ineligible contractors.
  - [https://www.sam.gov](https://www.sam.gov) (Click on Exclusions)

- Grantees must document compliance with this rule.
  - Minimum compliance – a dated print screen from the database search results.
Federal Labor Standards

Grantees must comply with all federal Davis Bacon and Related Act requirements (DBRA)

- Grantee must follow DEED’s “12 Step Instructions” for compliance
- Davis Bacon Prevailing wage decisions
  
  https://www.sam.gov (Click on Search tab)
Federal Labor Standards

- Public facility, streetscapes, community centers or rental rehabilitation of eight or more units must
  - Include Federal wage decision language in the bid specs and contracts
  - Include additional wage classification request if applicable
  - HUD Form 4010 – Federal Labor Standards Provision must be included in the bid specs and contracts, as well as the SCDP Equal Opportunity Attachment for Direct Bid Document.
- Submit first payroll for each contractor and subcontractor working on the project (Public Facility and Rental Rehab over 8 units)
  - Reimbursement will not occur until the U.S. Dept. of Labor Payroll form or equivalent form with all components has been submitted and reviewed by SCDP Staff
Federal Labor Standards

Documents required for public facility, streetscapes, community centers or rental rehabilitation of eight or more units

HUD 4010

Civil Rights

Construction contract specs

Minority/Women Owned business

Section 3 Clause

Documents:
- 5 pages
- 2 pages
- 6 pages
- 1 page
- 2 pages
Federal Labor Standards

Additional documentation required

• Notice of Contract Award must be submitted **within 14 days** of the contract award to Natasha.kukowski@state.mn.us

• Final labor standards compliance reports must also be submitted to Natasha.kukowski@state.mn.us

• Contractor Profile form is required for all contractors and subcontractors
• Contractor/Subcontractor Certification form
Conflict of Interest

- What/Who is associated as a conflict?
  - Employees
  - Consultants
  - Officers
  - Elected officials
  - Appointed officials of the state, local government, or agency(administrator)(s)
  - Person applying or family member has a business relationship with one or more of the above (ex: Contractor)

- Rehabilitation applications or application process must have a conflict screening process.
Exceptions to the federal conflict regulations is made by DEED

- Send to SCDP Rep:
  - SCDP conflict of interest screening
  - SCDP conflict of interest worksheet
  - City Attorney opinion letter
  - City council approved meeting minutes to include the following:
    - Attorney approval
    - Statement of non-participation (*such as voting, during grant decision-making process*)
    - Additional past/previous meeting minutes
Conflict of Interest – Cont.

• City Attorney opinion
  – The City Attorney should not state there is no conflict
    • When there is no Conflict of Interest, the steps for exceptions are not be needed
  – Opinion needs to determine if the exception will not violate State or local law

No Exceptions:
• Contractors who are City officials cannot receive an exception
Lead-Based Paint Hazard

Rehabilitation Activities

Common renovation activities - sanding, scrapping, cutting and demolition - can create hazardous lead dust and paint chips in pre-1978 homes.

To address the issue of lead hazards in housing, HUD and EPA issued regulations:

- **HUD - Lead Safe Housing Rule (LSHR) 24CFR Part 35**
  - Addresses lead hazards for all housing units assisted with CDBG funds, including single and multi-family units, whether publicly or privately owned.

- **EPA - Renovation, Repair & Painting Rule (RRP)**
  - Overseas the training and certification of renovators and firms.
Lead-Safe Housing Rule Applicability
(Exemption from rule)

- Housing units constructed after 1978
- Emergency repairs
- Property not used for human residential habitation
- Housing “exclusively” for elderly or persons with disabilities
- Inspection performed, according to HUD standards, found the property contained no lead-based paint
- Rehabilitation will not disturb any painted surface
- Lead-based paint has been identified and removed; property has achieved clearance
- Property has no bedrooms
- Vacant property will remain vacant until demolition

https://files.hudexchange.info/resources/documents/LSHRApplicabilityForm.pdf
SCDP Lead Requirements

LEAD HAZARD ASSESSMENT/EVALUATION

• Visual Assessment

• Risk Assessment must only be conducted by a certified Lead Firm that employs licensed Lead Based Paint Inspectors or lead Risk Assessors
SCDP Lead Requirements

LEAD HAZARD REDUCTION

• Range from paint stabilization, interim controls, standard treatment or abatement

• Safe Work Practices during rehabilitation

• Clearance - final visual inspection, dust, sampling, lab analysis and clearance report
Projects with interim controls (cost $5,000 to $25,000)

Workers must be trained in accordance with the hazard communication standard for the construction industry issued by the Occupational Safety and Health Administration of the U.S. Department of Labor at 29 CFR 1926.59, and either

- Be supervised by a certified lead-based paint abatement supervisor, or
- Have successfully completed one of the following lead-safe work practices courses listed on the next slide
Lead Contractor License Requirements

Projects with interim controls (cost $5,000 to $25,000)

One of the following lead-safe work practices courses:

i. A lead-based paint abatement supervisor course accredited in accordance with 40 CFR 745.225;

ii. A lead-based paint abatement worker course accredited in accordance with 40 CFR 745.225; or

iii. A renovator course accredited in accordance with 40 CFR 745.225; 41

iv. “The Remodeler's and Renovator's Lead-Based Paint Training Program,” prepared by HUD and the National Association of the Remodeling Industry; or

v. Another course approved by HUD for this purpose after consultation with EPA
Abatement projects (cost over $25,000)

Work performed by Lead Certified Firm with:

• Licensed lead supervisor (must also be a certified renovator- obtained by completing a 4-hour RRP refresher course) and be present at the job or available when the work is being done

• Workers that are supervised or have attended 1 day EPA RRP training
## Lead Requirements by Activity

<table>
<thead>
<tr>
<th></th>
<th>&lt;$5,000 per unit</th>
<th>$5,000 - $25,000 per unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notification</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Lead Hazard Evaluation</td>
<td>Paint Testing of work site area</td>
<td>Risk Assessment</td>
</tr>
<tr>
<td>Lead Hazard Reduction</td>
<td>Repair Surfaces disturbed during rehabilitation</td>
<td>Identify and address lead hazards thru Interim Controls</td>
</tr>
<tr>
<td>Required Work Procedures</td>
<td>Safe work practices and clearance of work site area</td>
<td>Safe work practices and clearance</td>
</tr>
<tr>
<td>Report</td>
<td>Summary Notice of Hazard Reduction &amp; Clearance Report</td>
<td></td>
</tr>
</tbody>
</table>
### SCDP Lead Occupant Documentation

1. **Renovate Right Brochure** must provide proof of receipt
2. **Lead Safe Housing Rule Checklist**
3. **Lead Safe Housing Rule Applicability**
4. **Visual Assessment Form**
5. **Lead Hazard Presumption Notice**
6. **Notice to Homeowner of Lead Risk Assessment**
7. **Lead Risk Assessment Report and Summary of Assessment** must provide proof of receipt
8. **Results of Risk Assessment incorporated into Bid Specs**
9. **Calculation Worksheet**
10. **Relocation Screening Sheet**
11. **Clearance Report**
12. **Summary Notice of Completion of Lead-Based Paint Hazard Reduction Activity** must provide proof of receipt
The Fair Housing Act protects people from discrimination when they are renting or buying a home, getting a mortgage, seeking housing assistance, or engaging in other housing-related activities.

The Fair Housing Act prohibits discrimination in housing because of:

- Race
- Color
- National Origin
- Religion
- Sex
- Familial Status
- Disability
Fair Housing

All grantees must complete one fair housing activity every federal fiscal year (10/1 – 9/30)

Example fair housing activities:

- Press release
- Posters – available from SCDP
- Awareness event
- Public discussion – city council agenda item
- Public service announcement
- Advertised city/county as “Fair Housing City/County

- Logo incorporation
- Poster contest
- Brochures
Equal Opportunity

The Section 3 program requires that recipients of HUD financial assistance, to the greatest extent possible, provide job training, employment, and contract opportunities for low or very-low income residents in connection with projects and activities in their neighborhoods.

Requirements:

• Implement a Section 3 plan and submit to DEED.
• Report Section 3 businesses and hours in the annual/final report.
Equal Opportunity - Cont.

Language for contracts between property owners and contractors are located in the Google drive link

• Equal Opportunity
• Affirmative Action
• Section 3
Equal Opportunity language must be part of your bid specs and contracts for projects receiving Federal funds

- Illustration 3 Civil Rights Laws – Equal Opportunity Attachments for Grantees Direct Bid Projects
- Standard Federal Equal Employment Opportunity Construction Contract Specifications (Executive Order 11246)

Other:
- Not a requirement to hire WBE & MBE, but encouraged
- Proactive marketing is required as well as evidence that it was conducted

Guidance on Minority and Women’s Business Enterprise Outreach:
City/County-wide Policies

• Residential Anti-displacement and Relocation Assistance Plan
  • Potential for displacement exists
  • Jurisdiction must describe how they will mitigate adverse effects of displacement on low and moderate income persons

• Prohibition of excessive force policy
  • Prohibits the use excessive force by law enforcement agencies within its jurisdiction against individuals engaged in nonviolent civil rights demonstrations
  • Enforce applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such nonviolent civil rights demonstration within its jurisdiction
City/County-wide Policies - Continued

• Drug free workplace policy
  • Grantee will implement and continue to provide a drug free workplace by:
    • Making a good faith effort to continue to maintain a drug-free workplace.
<table>
<thead>
<tr>
<th>SCDP Start-Up Checklist</th>
<th>Applies to Housing</th>
<th>Applies to Commercial</th>
<th>Applies to Public Facilities</th>
<th>Submit to DEED</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>All environmental documents needed to secure environmental clearance</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>Not needed if policy is still in place from a recent grant.</td>
</tr>
<tr>
<td>Drug Free Workplace plan to DEED (see sample)</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>Not needed if policy is still in place from a recent grant.</td>
</tr>
<tr>
<td>Prohibition of Excessive Force by applicable law enforcement (see sample)</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>Not needed if policy is still in place from a recent grant.</td>
</tr>
<tr>
<td>Antidisplacement Plan in place (see sample). How will it be made public?</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>Not needed if policy is still in place from a recent grant.</td>
</tr>
<tr>
<td>Slum and Blight Designation in place. Includes boundaries and % of substandard buildings.</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>Only for applicable projects. Part of Application.</td>
</tr>
<tr>
<td>Construction Specs to SCDP for approval - when available</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>Submit for public facilities and rental only when Davis-Bacon applies.</td>
</tr>
<tr>
<td>Grantee Summary Information Sheet (GSSS) from application</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>Submit with staff changes when and if they occur.</td>
</tr>
<tr>
<td>Program income plan, assign a person to do the reports and submissions</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>Public Facilities - submit letter that no PI is being generated.</td>
</tr>
<tr>
<td>Plan to collect information needed for annual reports</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>A-133 Audit reports, when available, where TOTAL federal expenditures exceed $750,000</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>If applicable during grant and after closeout, includes all federal money.</td>
</tr>
<tr>
<td>Plan to promote the use of Section 3 and Women and Minority-Owned Businesses</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Process to collect Section 3 and Women and Minority Business Certification Forms</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Fair Housing Plan of Action</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>Need to have one unique fair housing activity per year.</td>
</tr>
<tr>
<td>Owner Housing Rehab Policies and Procedures</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rental Housing Rehabilitation Policies and Procedures</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial Rehabilitation Policies and Procedures</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Procedures to conduct debarment checks of all contractors involved in project</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative contract(s) between community and administrators</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authorization for administrators to sign reimbursement request form, if applicable</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Evidence that administrator(s) were procured via Common Rule procedures</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>Submit to DEED if administrator is a For-profit entity.</td>
</tr>
<tr>
<td>Cooperative Agreement (if multi-community and not yet in place)</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>Agreement on unit goals per community and repayment use.</td>
</tr>
<tr>
<td>Procedures to screen for conflicts of interest for individual assistance and contractors</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Even though an item may not need to be submitted to DEED, it must be maintained by the community.
SCDP Reference Materials

Resources/samples documents in Google cloud drive

- SCDP A-Z Guide – being updated
- Administrative Forms
- Environmental documents
- Monitoring documents
- SHPO
- Conflict of Interest
- Lead
- Program Income
- Labor Standards

https://drive.google.com/drive/folders/1WbwsLONUl8u8ZtGzjmDCMCd0licqMY1?usp=sharing
Reminders

• Grantee must submit a letter on a City letterhead giving authority to the administering agency to sign the draw request form (DRF) on behalf of the grantee

• Procurement and proper documentation for engineering services – Refer to 2 CFR 200.320

• Program Income Reuse Plan – Public Facilities do not need to adopt a plan but a letter stating PI will not be generated should be submitted to DEED
Reminders - Continued

- Environmental Review – Review must be completed prior to project being bid out
- Fair Housing – Public Service activity each federal fiscal year. Activity must be documented.
- Commercial Rehab – Grant is for building rehab only and not for business expenses such as equipment. No driveways or parking lots
Reminders - Continued

• Invoices need to include a brief description of expenditure
• Case files should include a map with boundary areas and project location
• Use Google drive online forms, they are the most up to date
  – Labor Standards – Notice of Contract Award & HUD 4010
  – Environmental review documents – Tier Two
SCDP Contact Information

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651.259.7425

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