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Introduction- Welcome to CDBG

Bexar County receives a yearly Community Development Block Grant (CDBG) entitlement grant from the US Department of Housing and Urban Development (HUD). To continue participation in this program, the County contractually agrees with HUD to implement the Housing and Community Development Act of 1974 and related CDBG program regulations in 24 CFR 570. All CDBG awards are subject to the regulations detailed in 2 CFR Part 200.

Bexar County has utilized CDBG funds to improve community facilities and services, revitalize neighborhoods, expand affordable housing, and expand economic opportunities that benefit low/moderate-income persons. The County must use at least 70% of the entitlement for activities that either directly benefit low/moderate-income persons or serves an area where the majority of the residents are low/moderate-income.

This manual applies to all CDBG funds awarded by Bexar County. The purpose of this manual is to provide the Economic and Community Development Department, a Division within Bexar County (further referred to as CD) staff guidance on project eligibility and management support to CDBG-funded subrecipients/entities and activities. It is designed to help CDBG funded subrecipients/entities understand the requirements that apply to the use of federal funds for the delivery of the CDBG Program and its eligible activities.

It is a supplement to applicable regulations, standards, and policies. The basic program regulations, government management, and financial systems for the CDBG Program are contained in the Code of Federal Regulations Title 24 and various Office of Management and Budget (OMB) Circulars referenced in this manual.

This manual does not replace or amend any of the provisions included in the Agreement executed between the County and the subrecipient/entity and should not be used in lieu of reading the articles of the Agreement. Should there be any disagreement between the executed Agreement and this manual, the provisions contained within the Agreement shall take precedence. The Agreement refers to the executed contract, service level agreement or memorandum of understanding with the subrecipient/entity.

The procedures prescribed in this manual represent minimum requirements and controls that must be embodied within the subrecipient/entity’s accounting, internal controls, and financial reporting systems. They are not intended to replace existing procedures used by the subrecipient/entity that achieve the same results.

The approval of the County’s CDBG Program Office must be obtained for any deviation from the minimum requirements contained in this manual that may be necessitated by the organizational structure, staffing level, or other limitations of a particular subrecipient/entity.
This Operating Manual and any revisions that may be issued from time to time shall be effective until superseded or canceled by appropriate notice from the CDBG Program Office. Comments and suggestions for changes, modifications, or improvements are encouraged, and should be submitted in writing to the CDBG Program Office.

**Purpose of Manual**

The Bexar County Economic and Community Development Department – Community Development Division provides this manual as a valuable resource for program administrators implementing CDBG funded projects and for those contemplating applying for CDBG funds.

This manual is available on Bexar County’s website (www.bexar.org) along with forms and reference materials to assist the implementation of projects.

**Updates**

This manual is subject to updates and the most recent version is available on Bexar County’s website. Information may change for a variety of reasons, including changes in federal regulations, state requirements, and in the interpretation of a federal regulation or clarification of a requirement.

**CDBG Program**

The CDBG Program is authorized under Title I of the Housing and Community Development Act of 1974 (HCD Act), as amended, codified at 42 U.S.C. §5301 et seq. The primary objective of the CDBG Program is to develop viable communities by providing the following, principally to persons of low and moderate income:

- Decent housing;
- A suitable living environment; and
- Expanded economic opportunities.

All activities must meet one of the following national objectives for the program:

- Benefit low- and moderate-income persons;
- Prevent or eliminate slums or blight; and/or
- Fulfill community development needs that have a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community.
The United States Department of Housing and Urban Development (HUD) administers the CDBG Program. The regulations created by the Office of the Assistant Secretary of Community Planning and Development that pertain to Community Development Block Grants are contained within 24 CFR Part 570.

**Successful Implementation of a CDBG Grant**

Agencies, which receive a CDBG grant, must be able to implement their program soon after the award and complete performance within the specified time frame. All tasks undertaken with a CDBG grant must be in compliance with the CDBG contract, federal regulations, and all guidelines listed in this document. Lastly, all CDBG grants must fulfill the national objective and performance objectives outlined in their funding application and contract.

Prior to contract execution, all subrecipients/entities must submit to our office for approval:
- Updated scope of work (including project timeline);
- Updated budget (with confirmed matching resources, where applicable);
- Procurement plan (3 bids, SWMBE/ Outreach, etc.);
- Necessary federal, state and local documents; and
- Audited financial statements.

Additionally, all subrecipients/entities must attend each of the following (when made available):
- One-on-one contracting session;
- Any trainings required throughout the year; and
- Monitoring visits.

Failure to comply with any of the above may result in forfeiture of the CDBG Funding provided to subrecipients/entities under the Agreement.

**Written Agreement with County**

A written agreement must be entered into between the County and all entities receiving CDBG funds. The written agreement forms the basis for the contractual obligation between the parties to fund and implement the activity or program. The agreement will denote responsibilities attributable to each party, and shall outline in exact measure the scope of services to be provided, methods of accountability, and a schedule for payment. Execution of the agreement binds the subrecipient/entity for a specified period of time, and may be revised only upon written authorization from the County. Compliance with the stipulations in this Program Manual is a requirement of the written agreement.

**Limitation of Expenditures**
• The subrecipient/entity shall not expend funds provided under the contract prior to the commencement of the contract or subsequent to the suspension or termination of the contract.
• Expenditures shall be made in conformance with the approved budget and shall meet the criteria established for allowable costs.
• Expenditures shall be in direct support of the program that is the subject of the contract. The subrecipient/entity shall notify the County in writing of any expenditure for items jointly used for any other program(s) and the expenditures shall be apportioned according to the percentage of direct use in the program.
• Activities in which the project is located outside the County’s urban jurisdiction or a participating city.

Participating Cities

2022-2024 Participating Cities are as follows:

1. Alamo Heights  
2. Balcones Heights  
3. Elmendorf  
4. Grey Forest  
5. Helotes  
6. Kirby  
7. Leon Valley  
8. Live Oak  
9. Schertz  
10. Somerset  
11. Universal City  
12. Von Ormy
Submission of Annual Action Plan Timeline

January  Commissioners Court - Kick Off - Application Announcement
January  Publication of San Antonio Newspaper Advertisement – 1st Public Hearing
February  Public Hearings
February  TA Workshops (All Funding Sources – Non Mandatory)
March  Online Application Portal will be opened (Zoom Grants)
March  Online Application Portal will be closed (Zoom Grants)
June  Commissioners Court Preliminary Selection
June  Publication of San Antonio Newspaper Advertisement – Public Hearing
June  Public Hearing
July  End of 30 Day Comment Period Public Hearing
July  Commissioners Court Final Selection & Approval of Annual Action Plan (AAP)
August  Submittal of AAP to HUD

CDBG National Objectives

The primary emphasis of the CDBG grant program is to ensure that each activity meets and complies with one of HUD's three broad objectives, which are:

1. Benefit to low-and moderate-income households and/or persons*;
2. Prevention and/or elimination of slum and blight; or
3. Addressing other community development needs having a particular urgency.

*Low Income Persons are defined as households under 80% of Area Median Income.
Income Limits are updated annually by HUD and are subject to change. Subrecipients/entities are responsible for ensuring they are using the most current income limit.

These objectives are broken down into smaller categories. Each activity funded under CDBG must meet one of the following categories for the CDBG National Objective.

**National Objectives:**

**Area Benefit**

The area benefit category is the most commonly used national objective for activities that benefit a residential neighborhood that is primarily low-to-moderate income (LMI). An area benefit activity is one that benefits all residents in a particular area, where at least 51 percent of the residents are LMI persons.

Examples of area benefit activities may include the following when they are located in a predominately LMI neighborhood:

- Improvements to neighborhood parks;
- Improvements to public infrastructure like the installation of gutters and sidewalks; or
- Development of a community center.

**Limited Clientele Benefit**

Any CDBG project funded by Bexar County must meet the CDBG Program’s National Objective of benefiting Low/Moderate Income Persons (LMI). The Low/Moderate Income Limited Clientele

<table>
<thead>
<tr>
<th>FY 2022 Income Limit Category</th>
<th>Persons in Family</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Low (50%) Income Limits ($)</td>
<td>29,050 33,200 37,350 41,450 44,800 48,100 51,400 54,750</td>
</tr>
<tr>
<td>Extremly Low Income Limits ($)</td>
<td>17,400 19,900 23,030 27,750 32,470 37,190 41,910 46,630</td>
</tr>
<tr>
<td>Low (80%) Income Limits ($)</td>
<td>46,450 53,050 59,700 66,300 71,650 76,950 82,250 87,550</td>
</tr>
</tbody>
</table>
(LMC) is a subset of the LMI National Objective used for activities which provide benefits to a specific group of persons rather than everyone in a particular area. The Housing and Urban Development (HUD) has defined two methods to meet LMC:

**Direct Benefit to Low Income Persons**

Activities in this category provide benefits to a specific group of persons rather than everyone in an area. It may benefit particular persons without regard to their residence, or it may be an activity that provides a benefit to only particular persons within a specific area.

Under this category, 51 percent of the beneficiaries of an activity have to be Low to Moderate Income persons. In contrast to the area benefit category, it is not the LMI concentration of the service area of the activity that determines whether the activity will qualify or not, but rather the actual number of LMI persons that benefit from the activity.

**Presumed Low Income Clientele**

To meet the Presumed Low Income Clientele category, an applicant must fully describe how the proposed activity will serve a population from the following predefined list from HUD:

<table>
<thead>
<tr>
<th>Presumed Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abused Children</td>
</tr>
<tr>
<td>Battered Spouses</td>
</tr>
<tr>
<td>Elderly Spouses (62 and over)</td>
</tr>
<tr>
<td>Severely Disabled Adults*</td>
</tr>
<tr>
<td>Homeless Persons</td>
</tr>
<tr>
<td>Illiterate Adults</td>
</tr>
<tr>
<td>Persons Living with AIDS</td>
</tr>
<tr>
<td>Migrant Farm Workers</td>
</tr>
</tbody>
</table>

**NOTE:** This recognition only applies to projects reporting LMC. Further, the presumed category is NOT eligible to be utilized for economic development projects (e.g. microenterprise assistance projects) or projects providing assistance to households (e.g. Housing Rehabilitation and Direct Financial Assistance to Homebuyers).

*U.S. Census Bureau Definition of Severely Disabled – An individual is considered severely disabled if he or she:
  - Uses 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);
  - Needs assistance with activities of daily living (getting around inside the home, getting in or out of bed or chair, bathing, dressing, eating and toileting) or instrumental activities of daily living (going outside the home, keeping track of money or bills, preparing meals, doing light housework and using the telephone);
  - Is prevented from working at a job or doing housework; or
• Has a selected condition including autism, cerebral palsy, Alzheimer’s disease, senility or dementia, or mental retardation; or
• Is less than 65 years of age and is covered by Medicare or receives Supplemental Security Income (SSI).

**Housing Benefit**

The housing category of LMI benefit national objective qualifies activities that are undertaken for the purpose of providing or improving permanent residential structures which, upon completion, will be occupied by LMI households. In order to meet the housing LMI national objective, structures with one unit must be occupied by a LMI household. If the structure contains two units, at least one unit must be LMI occupied. Structures with three or more units must have at least 51 percent occupied by LMI households. Rental buildings under common ownership and management that are located on the same or contiguous properties may be considered as a single structure. For rental housing, occupancy by LMI households must be at affordable rents, consistent with standards adopted and publicized by the grantee. Under the following limited circumstances, structures with less than 51 percent LMI occupants may be assisted:

• Assistance is for an eligible activity that reduces the development cost of new construction of non-elderly, multi-family rental housing; and
• At least 20 percent of the units will be occupied by LMI households at an affordable rent; and
• The proportion of cost borne by CDBG funds is no greater than the proportion to be occupied by LMI households.

**Jobs Benefit**

The job creation and retention LMI benefit national objective addresses activities designed to create or retain permanent jobs, at least 51 percent of which (computed on a full-time equivalent basis) will be made available to or held by LMI persons. The following requirements must be met for jobs to be considered created or retained.

• If grantees fund activities that *create* jobs, there must be documentation indicating that at least 51 percent of the jobs will be held by, or made available to, LMI persons.
• For funded activities that *retain* jobs, there must be sufficient information documenting that the jobs would have been lost without the CDBG assistance and that one or both of the following applies to at least 51 percent of the jobs:
  o The job is held by a LMI person; or
  o The job can reasonably be expected to turn over within the following two years and steps will be taken to ensure that the job will be filled by, or made available to, a LMI person.

For the purpose of determining if the preceding requirements are met, a person may be presumed to be LMI if:
• He/she resides in a Census tract/block numbering area that has a 20 percent poverty rate (30 percent poverty rate if the area includes the central business district) and the area evidences pervasive poverty and general distress; or
• He/she resides in a Census tract/block numbering area where at least 70 percent of the residents are LMI.

As a general rule, each assisted business shall be considered to be a separate activity for purposes of determining whether the activity qualifies under the job creation and retention category for meeting a national objective.

However, in certain cases, such as where CDBG funds are used to acquire, develop or improve a real property (e.g., a business incubator or an industrial park), the requirement may be met by measuring jobs in the aggregate for all the businesses that locate on the property, provided such businesses are not otherwise assisted by CDBG funds.

Additionally, where CDBG funds are used to pay for the staff and overhead costs of an entity making loans to businesses from non-CDBG funds, this requirement may be met by aggregating the jobs created by all of the businesses receiving loans during any program year.

**Slum Blight Area Basis (SBA)**

This category covers activities that aid in the prevention or elimination of slums or blight in a designated area. To qualify under this category, the area in which the activity occurs must be designated as slum or blighted. The following tests apply:

• The designated area in which the activity occurs must meet the definition of a slum, blighted, deteriorated or deteriorating area under state or local law;
• Additionally, the area must meet either one of the two conditions specified below:
  o Public improvements throughout the area are in a general state of deterioration;
  or
  o At least 25 percent of the properties throughout the area exhibit one or more of the following:
    ▪ Physical deterioration of buildings/improvements;
    ▪ Abandonment of properties;
    ▪ Chronic high occupancy turnover rates or chronic high vacancy rates in commercial or industrial buildings;
    ▪ Significant declines in property values or abnormally low property values relative to other areas in the community; or
    ▪ Known or suspected environmental contamination.
• Documentation must be maintained by the grantee on the boundaries of the area and the conditions that qualified the area at the time of its designation. The designation of an area as slum or blighted must be re-determined every 10 years for continued qualifications.
As stated above, qualified activities must address the identified conditions that contributed to the slum and blight.

NOTE: When undertaking residential rehab in a slum/blight area, the building must be considered substandard under local definition and all deficiencies making the building substandard must be eliminated before less critical work is undertaken.

**Slum Blight Spot Basis (SBS)**

These are activities that eliminate specific conditions of blight or physical decay on a spot basis and are not located in a slum or blighted area. The designated spot must meet the definition of a slum, blighted, deteriorated or deteriorating area under state or local law. Activities under this category are limited to acquisition, clearance, relocation, historic preservation, remediation of environmentally contaminated properties, and building rehabilitation activities.

Furthermore, rehabilitation is limited to the extent necessary to eliminate a specific condition detrimental to public health and safety.

**Urgent Need (URG)**

Use of the urgent need national objective category is rare. It is designed only for activities that alleviate emergency conditions. Urgent need qualified activities must meet the following criteria:

- The existing conditions must pose a serious and immediate threat to the health or welfare of the community;
- The existing conditions are of recent origin or recently became urgent (generally, within the past 18 months);
- The grantee is unable to finance the activity on its own; and
- Other sources of funding are not available.

Examples include:

- Acquisition of property located in a flood plain that was severely damaged by a recent flood;
- Public facility improvements like the reconstruction of a publicly-owned hospital that was severely damaged by a tornado;
- Demolition of structures that are severely damaged by a major earthquake;
- Public services like additional police protection to prevent looting in an area damaged by a recent hurricane;
- Interim assistance such as emergency treatment of health problems caused by a flood; and
- Special economic development assistance to a grocery store that was damaged by an earthquake.

Every subrecipient/entity must serve persons of low and moderate income:
• Very Low income is defined as a household that does not exceed 50 percent of HUD Section 8 Rental Income Limits.
• Low income is defined as a household that has an income that does not exceed 80 percent of Section 8 Rental Income Limits.

HUD updates these limits on an annual basis. It is the responsibility of the subrecipient/entity to adhere to all new guidelines from the date they receive them. To receive the most up to date income guidelines go to www.hud.gov. It is the responsibility of the subrecipient/entity to document that the beneficiaries of the CDBG activity being funded are indeed low to moderate income.

<table>
<thead>
<tr>
<th>National Objective</th>
<th>Income Documentation Tool</th>
<th>Minimum LMI</th>
<th>Period</th>
</tr>
</thead>
</table>
| Area Benefit       | Description of Service Area with:  
  • Map with Boundaries  
  • Documentation that Area is primarily residential\(^1\)  
  • Documentation of Income  
  • Characteristics (Census Block Area or Survey) | 51% | At Project Conception |
| Limited Clientele Benefit | Income Documentation for each individual served:  
  • 3rd Party Verification (required if financial assistance is distributed)  
  • Self-Declaration of Income | 51% | At Intake |
| Housing Benefit | Income Documentation for each household served:  
  • 3rd Party Verification | 51% or 1 of 2 Units | 6 months before occupation of Unit |

\(^1\) Primarily residential is defined as an area in which 51% of the building structures within the service area are zoned “residential” (as opposed to “commercial”).
### Jobs Benefit

<table>
<thead>
<tr>
<th>Income Documentation for each individual served:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 3rd Party Verification (required if financial assistance is distributed)</td>
</tr>
<tr>
<td>• Self-Declaration of Income</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>At least 1 Job</th>
</tr>
</thead>
</table>

| At hiring (if new hire) at project completion (if maintaining job) |

### CDBG Eligible Activities

The following activities are eligible in CDBG under CFR 570.200-570.210

- Acquisition of Real Property
- Disposition
- Public Facilities and Improvements
- Clearance
- Public Services
- Interim Assistance
- Relocation
- Loss of Rental Income
- Privately-Owned Utilities
- Rehabilitation
- Construction of Housing
- Code Enforcement
- Special Economic Development Activities
- Microenterprise Assistance
- Special Activities by CBDO
- Homeownership Assistance
- Planning and Capacity Building
- Program Administration Costs
- Miscellaneous Other Activities
- Technical Assistance
- Assistance to Institutions of Higher Education
- Housing Services

They are described in greater detail in the following pages.

**Public Services**
Under this category, CDBG funds may be used to provide public services (including labor, supplies, materials, and other costs), provided that the following criteria are met:

The public service must be either:
- A new service; or
- A quantifiable increase in the level of service above that which has been provided by or on behalf of the local government or received from the State during the 12 months prior to submission of the grantee’s applicable Action Plan.

(This requirement is intended to prevent the substitution of CDBG funds for recent support of public services using local or State government funds.)

Note that there is a cap on the amount on CDBG funds that a County may obligate within a program year to support public service activities.

Paying the cost of operating and maintaining that portion of a facility in which the service is located is also considered to fall under the basic eligibility category of Public Services, even if such costs are the only contributions made by CDBG for those services.

The following Public Services are not eligible under this category:
- Political activities;
- Inherently religious activities, such as worship, religious instruction, or proselytizing as part of the services funded;
- Ongoing grants or non-emergency payments (defined as more than 3 consecutive months) to individuals for their food, clothing, rent, utilities, or other income payments;
- Administrative costs – CDBG funds in this category should only cover the delivery and supervision of services; and
- Payment of mortgages – CDBG funds should not contribute to debt.

Examples of Public Service activities with Matrix codes

<table>
<thead>
<tr>
<th>05A Senior Services</th>
<th>05B Handicapped Services</th>
<th>05C Legal Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>05D Youth Services</td>
<td>05E Transportation Services</td>
<td>05F Substance Abuse Services</td>
</tr>
<tr>
<td>05G Services for Battered and Abused Spouses</td>
<td>05H Employment Training</td>
<td>05I Crime Awareness/Prevention</td>
</tr>
<tr>
<td>05J Fair Housing Activities</td>
<td>05K Tenant/Landlord Counseling</td>
<td>05L Child Care Services</td>
</tr>
<tr>
<td>05M Health Services</td>
<td>05N Services for Abused and Neglected Children</td>
<td>05O Mental Health Services</td>
</tr>
<tr>
<td>05P Screening for Lead Poisoning</td>
<td>05Q Subsistence Payments</td>
<td>05R Homeownership Assistance (not direct)</td>
</tr>
<tr>
<td>05S Rental Housing</td>
<td>05T Security Deposits</td>
<td>05U Housing Counseling</td>
</tr>
</tbody>
</table>
Public Facilities and Infrastructure Improvements

CDBG funds may be used by the grantee or other public or private nonprofit entities for the:
- Acquisition (including long term leases for periods of 15 years or more);
- Construction;
- Reconstruction;
- Rehabilitation (including removal of architectural barriers to accessibility); or
- Installation of public improvements or facilities (except for buildings for the general conduct of government).

“Public facilities” and “public improvements” are broadly interpreted to include all improvements and facilities that are either publicly owned or that are traditionally provided by government, or owned by a nonprofit, and operated so as to be open to the general public.

The regulations specify that facilities that are designed for use in providing shelter for persons having special needs are considered to be public facilities (and not permanent housing), and thus are covered under this category of basic eligibility.

This category does not authorize expenditures for buildings for the general conduct of government, unless CDBG funds are being used to remove barriers from such buildings that restrict the mobility and accessibility of elderly or severely disabled persons.

Public facilities and improvements authorized under this category also do not include:
- Costs of operating or maintaining public facilities/improvements;
- Costs of purchasing construction equipment;
- Costs of furnishings and other personal items such as uniforms; or
- New construction of public housing.

Examples of Public Facilities and Improvements, with Matrix codes

<table>
<thead>
<tr>
<th></th>
<th>03B Handicapped Centers</th>
<th>03C Homeless Facilities (not operating costs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>03A Senior Centers</td>
<td>03E Neighborhood Facilities</td>
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<tr>
<td>03D Youth Centers</td>
<td>03F Parks or Recreational Facilities</td>
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<tr>
<td>03G Parking Facilities</td>
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<tr>
<td>03J Water/Sewer Improvements</td>
<td>03K Street Improvements</td>
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</tr>
<tr>
<td>03M Child Care Centers</td>
<td>03N Tree Planting</td>
<td></td>
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<tr>
<td>03L Sidewalks</td>
<td>03O Fire</td>
<td></td>
</tr>
</tbody>
</table>

### Privately-Owned Utilities

The grantee, other public agencies, private nonprofit entities, and for-profit entities may use CDBG funds to:

- Acquire;
- Construct;
- Reconstruct;
- Rehabilitate; or
- Install the distribution lines and related facilities for privately-owned utilities.

**Definition:** A privately-owned utility may be defined as a publicly-regulated service which is provided through the use of physical distribution lines to private properties and that is owned and operated by a non-public entity. Utilities include, but are not necessarily limited to, natural gas, electricity, telephone, water, sewer, and television cable services.

### Housing

CDBG funds may be used to finance the costs of rehabilitation of residential property, whether privately or publicly owned. This includes manufactured housing when such housing constitutes part of the community’s housing stock. In order to be eligible for CDBG funds, a residential property must be:

- A single- or multi-family residence;
- The principle residence of the property owner or lessee; and
- A low- to moderate- income household. Affordability restrictions may apply.

### Eligible types of assistance

- **Costs** – Costs of labor, materials, supplies and other expenses required for the rehabilitation of property, including repair or replacement of principal fixtures and components of existing structures (e.g., the heating system).
- **Property acquisition** – Assistance to private individuals and entities (whether profit or not-for-profit) to acquire for the purpose of rehabilitation and to rehabilitate properties for use or resale for residential purposes.
- **Security devices** – Installation costs of sprinkler systems, smoke detectors and dead bolt locks, and other devices for security purposes.
- **Insurance** – The costs of initial homeowner warranty premiums and, where needed to protect the grantee’s interest in properties securing a rehabilitation loan, hazard
insurance premiums as well as flood insurance premiums for properties covered by the Flood Disaster Protection Act of 1973.

- **Conservation** – Costs required to increase the efficient use of water (e.g., water saving faucets and shower heads) and improvements to increase the efficient use of energy infrastructures through such means as installation of storm windows and doors, insulation, and modification or replacement of heating and cooling equipment.

- **Water and sewer** – Costs of connecting existing residential structures to water distribution lines or local sewer collection lines.

- **Tools** – Costs of acquiring tools to be lent to owners, tenants, and others who will use the tools to carry out rehabilitation.

- **Barrier removal** – Costs to remove material and architectural barriers that restrict the mobility and accessibility of elderly and severely disabled persons to buildings and improvements that are eligible for rehabilitation under this category.

- **Landscaping, sidewalks, and driveways** – The costs of installation or replacement of landscape materials, sidewalks, and driveways when incidental to other rehabilitation of the property.

- **Renovation of closed buildings** – The conversion of a closed building from one use to another (e.g., the renovation of a closed school building to residential use).

- **Historic preservation** – This category also authorizes the costs of preserving or restoring residential properties of historic significance, whether privately- or publicly-owned.

- **Lead-based paint hazard evaluation and reduction** – The costs of evaluating and treating lead-based paint may be undertaken under this category whether alone or in conjunction with other rehabilitation.

- **Rehabilitation services** – Staff costs and related expenses required for outreach efforts for marketing the program, rehabilitation counseling, screening potential applicant households and structures, energy auditing, preparing work specifications, loan underwriting and processing, inspections, and other services related to assisting owners, tenants, contractors, and other entities that are participating or seeking to participate in rehabilitation activities under these categories.

Rehabilitation does **not** include:

- Creation of a secondary housing unit attached to a primary unit;
- Installation of luxury items, such as a swimming pool; or
- Costs of equipment, furnishings, or other personal property not an integral structural fixture, such as:

  - A window air conditioner; or
  - A washer or dryer (but a stove or refrigerator is allowed); or
  - Labor costs for homeowners to rehabilitate their own property.

### Examples of Rehabilitation, with Matrix codes

<table>
<thead>
<tr>
<th>14A Rehab: Single-Unit Residential</th>
<th>14B Rehab: Multi-Unit Residential</th>
<th>14J Housing Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>-------------------------------------------------------</td>
<td>------------------------------------------</td>
<td>------------------------</td>
</tr>
<tr>
<td>14I Lead-Based Paint/Lead Hazards Testing/Abatement</td>
<td>14J Housing Services</td>
<td>16A Residential Historic Preservation</td>
</tr>
</tbody>
</table>

### Economic Development

CDBG funds may be used to finance the costs of rehabilitation of commercial or industrial property. Where such property is owned by a for-profit, rehabilitation under this category is limited to exterior improvements of the building and the correction of code violations. (Further improvements for such buildings may qualify under the category of Special Economic Development Activities.)

### Eligible types of assistance

- **Costs** – Costs of labor, materials, supplies and other expenses required for the rehabilitation of property, including repair or replacement of principal fixtures and components of existing structures (e.g., the heating system).
- **Security devices** – Installation costs of sprinkler systems, smoke detectors and dead bolt locks, and other devices for security purposes.
- **Conservation** – Costs required to increase the efficient use of water (e.g., water saving faucets) and improvements to increase the efficient use of energy in structures through such means as installation of storm windows and doors, insulation, and modification or replacement of heating and cooling equipment.
- **Tools** – Costs of acquiring tools to be lent to owners, tenants and others who will use the tools to carry out rehabilitation.
- **Barrier removal** – Costs to remove material and architectural barriers that restrict the mobility and accessibility of elderly and severely disabled persons to buildings and improvements that are eligible for rehabilitation under this category.
- **Landscaping, sidewalks, and driveways** – The costs of installation or replacement of landscape materials, sidewalks, and driveways *when incidental to other rehabilitation of the property*.

- **Renovation of closed buildings** – The conversion of a closed building from one use to another (e.g., the renovation of a closed school building to residential use).
- **Historic preservation** – This category also authorizes the costs of preserving or restoring properties of historic significance, whether privately- or publicly-owned, except that buildings for the general conduct of government may not be restored or preserved with CDBG assistance.
- **Lead-based paint hazard evaluation and reduction** – The costs of evaluating and treating lead-based paint may be undertaken under this category whether alone or in conjunction with other rehabilitation.
• **Rehabilitation services** – Staff costs and related expenses required for outreach efforts for marketing the program, rehabilitation counseling, screening potential applicant households and structures, energy auditing, preparing work specifications, loan underwriting and processing, inspections, and other services related to assisting owners, tenants, contractors, and other entities that are participating or seeking to participate in rehabilitation activities under these categories.

Rehabilitation does not include:
  • Installation of luxury items;
  • Costs of equipment, furnishings, or other personal property not an integral structural fixture, such as a window air conditioner; or
  • Labor costs for business owners to rehabilitate their own property.

### Examples of Rehabilitation, with Matrix codes

<table>
<thead>
<tr>
<th>16B Non-Residential Historic Preservation</th>
<th>17A CI: Acquisition/Disposition</th>
<th>17B CI: Infrastructure Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>17C CI: Building Acquisition, Construction, Rehabilitation</td>
<td>17D CI: Other Improvements</td>
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</tbody>
</table>

### Special Economic Development Activities

CDBG funds may be used for the following special economic development activities, given that there is sufficient public benefit to warrant assistance:
  • Commercial or industrial improvements carried out by the grantee or a nonprofit recipient, including:
    o Acquisition;
    o Construction;
    o Rehabilitation;
    o Reconstruction; or
    o Installation of commercial or industrial buildings or structures and other related real property equipment and improvements.
  • Assistance to private for-profit entities for an activity determined by the County to be appropriate to carry out an economic development project. This assistance may include, but is not limited to:
    o Grants;
    o Loans;
    o Loan guarantees;
    o Interest supplements;
    o Technical assistance; or
    o Any other form except for those described as ineligible in 570.207(a), such as political activities.
Under this type of assistance, the grantee shall minimize, to the extent practical, displacement of existing businesses and jobs in neighborhoods. Economic development services in connection with the above subcategories, including outreach efforts to market available forms of assistance, screening of applicants, reviewing and underwriting applications for assistance, preparation of agreements, management of assisted activities, and the screening, referral and placement of applicants for employment opportunities generated by CDBG-eligible economic development activities. The costs of providing necessary job training for persons filling those positions may also be provided.

Special economic development activities may include:
- Construction of a business incubator designed to provide inexpensive space and assistance to new firms to help them become viable businesses;
- Loans to pay for the expansion of a factory or commercial business; or
- Technical assistance to a business facing bankruptcy.

Special economic development activities do not include:
- Assistance to a for-profit business in the form of lobbying or other political activities;
- New Housing Construction. When a project to be assisted includes new construction of housing as part of a commercial structure (e.g., a “mixed use” project), those costs clearly attributable to the commercial portion of the project may be eligible as a special economic development activity;
- Planning for economic development projects, including conducting market surveys to determine an appropriate type of business to attempt to attract to a particular area, developing individual commercial or industrial project plans, and identifying actions to implement those plans; or
- Job training, unless part of a CDBG-eligible economic development activity that will create or retain permanent jobs. Such other training may be eligible under the categories of public services.

Relevant Matrix Codes

| 17B CI: Infrastructure Development | 18A ED: Direct Financial Assistance to For-Profits | 18B ED: Technical Assistance |

Microenterprise Assistance

Under this category, grantees and other public or private organizations may use CDBG funds to facilitate economic development through the establishment, stabilization and expansion of microenterprises. “Microenterprise” means a business having five or fewer employees, one or more of whom owns the business.

This category authorizes the use of CDBG funds to provide financial assistance of virtually any kind to an existing microenterprise or to assist in the establishment of a microenterprise. It also authorizes the provision of:
• Technical assistance to a new or existing microenterprise or to persons developing a microenterprise; and
• General support to owners of microenterprises or to persons developing a microenterprise.

Note that under the subcategory of “general support”, CDBG funds may be used to provide services of any kind that may be needed by the owner of or person developing a microenterprise to enable the establishment, stabilization, or expansion of the business.

This could include, for example, child care, transportation, counseling, and peer support programs. Any such services provided under this authority are not subject to the cap on public services regardless of the entity providing the service.

**Acquisition**

The statute and regulation authorize the use of CDBG funds by a grantee or a public or private nonprofit entity to acquire real property in whole or in part by purchase, long-term lease, donation or otherwise. In order to be considered acquisition, a permanent interest in the property must be obtained. Long-term leases constitute a permanent interest for this purpose if the lease is for a period of 15 years or more.

More specifically, CDBG funds may be used under this category by:

• The grantee;
• Any other public agency;
• A public nonprofit entity; or
• A private nonprofit entity to acquire real property for any public purpose.

This authority is subject to the limitations which would preclude the acquisition cost attributable to a building to be used for the general conduct of government and which would preclude the acquisition of property to be used for political activities.

Real property to be acquired may be:

• Land;
• Air rights;
• Easements;
• Water rights;
• Rights-of-way;
• Buildings and other real property improvements; or
• Other interests in the real property.

Costs that may be paid for with CDBG funds under this category include the cost of surveys to identify the property to be acquired, appraisals, the preparation of legal documents, recordation fees, and other costs that are necessary to effect the acquisition.
Disposition

Under this category, CDBG funds may be used to pay costs incidental to disposing of real property acquired with CDBG funds, including its disposition at less than fair market value, provided the property will be used to meet a national objective of the CDBG program.

The property may be disposed of through:
- Sale;
- Lease;
- Donation; or
- Otherwise.

CDBG funds may also be used under this category to pay reasonable costs of temporarily managing such property (or property acquired with Urban Renewal funds) until final disposition of the property is made.

Disposition costs include preparation for legal documents, as well as fees paid for:
- Appraisals;
- Surveys;
- Marketing;
- Financial services; and
- Transfer taxes and other costs involved in the transfer of ownership of property.

Care should be taken to avoid spending CDBG funds to manage properties for which there are no plans for disposition in the near future or where the market is such that it is not likely to be sold in the near future.

Clearance

Under this category, CDBG funds may be used for:
- Demolition of buildings and improvements;
- Removal of demolition products (rubble) and other debris;
- Physical removal of environmental contaminants or treatment of such contaminants to render them harmless; and
- Movement of structures to other sites.

<table>
<thead>
<tr>
<th>Relevant Matrix Codes</th>
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<tbody>
<tr>
<td><strong>04 Clearance and Demolition</strong></td>
</tr>
</tbody>
</table>

Relocation

CDBG funds may be used for relocation payments and assistance to displaced persons, including:
• Individuals;
• Families;
• Businesses;
• Non-profit organizations; and
• Farms.

CDBG activities that involve displacement or relocation (temporary or permanent) or which involve the demolition or conversion of residential units occupied by low-income households must comply with the requirements of the *Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970* (URA).

Under URA, grantees must minimize the displacement/relocation of persons. When relocation is needed, grantees must provide reasonable opportunity to lease and occupy a suitable, decent, safe, sanitary and affordable replacement dwelling. The grantee must also ensure that proper funds are available to comply with relocation regulations.

All households participating in any CDBG funded program/project who may be eligible for relocation benefits must have their relocation rights explained.

**Loss of Rental Income**

CDBG funds may be used to pay housing owners for the loss of rental income incurred in holding, for temporary periods, housing units to be used for the relocation of individuals and families displaced by CDBG-assisted activities.

The statutory requirements concerning displacement require certain replacement housing to be made available to those displaced. If the displaced household requires a type of housing unit that is scarce in that community, it may be necessary for the grantee to have an existing, available unit held open for the household for a short period until the displacement actually occurs.

**Limitations of CDBG Funding**

The following activities may **not** be assisted with CDBG funds:

• Buildings for the general conduct of government. This includes operating and maintenance expenses. Exceptions are operation and maintenance associated with public service activities, interim assistance, and CDBG program staff.
• General government expenses except to carry out the CDBG program.
• Political or religious activities.
• Construction equipment.
• Fire protection equipment unless part of a public facility.
• Personal furnishing or property.
• Food not related to direct service delivery to clients.
• Furnishings that are not integral structural fixtures.
• New housing construction except for land acquisition and other specific circumstances.
• Income payments and other subsistence payments made to individuals or a family.

Funding requests from faith-based organizations

In 2004, HUD issued guidelines for ensuring equal treatment of faith-based organizations.

Faith-based organizations are encouraged to apply for CDBG funds provided that the activities funds with CDBG comply with the guidance outline in HUD CPD Notice 04-10 of September 29, 2004. Broadly, the notice provides the following rules:

• Organizations may not use direct HUD funds to support inherently religious activities such as worship, religious instruction, or proselytization. Faith-based organizations may use HUD funds to support non-religious social services that are separate in time or location from their inherently religious activities.
• Faith-based organizations, like all organizations implementing HUD-funded programs, must serve all eligible beneficiaries without regard to religion. Faith-based organizations may not require participants to attend or take part in any religious activities. Faith-based organizations may invite participants to religious activities that take place at a different time or location, but these participants must be reassured that their decision to participate will not affect their ability to receive the service being provided with HUD funds.
• Faith-based materials, supplies, or literature may not be acquired with HUD funds.
• Faith-based organization may use HUD funds to pay the salary to staff or members of a faith-based organization provided that the staff or members do not engage in religious activities while being paid with public dollars.

The complete guidelines can be found at:  

Public Service Cap

HUD regulations place a 15% cap on the amount an entitlement agency may allocate towards public service programs. This means the County, as an entitlement agency, can only allocate that portion each year towards public services. All public services must be provided to low or moderate-income residents of Bexar County.

Fiscal Policies & Procedures

Subrecipients/entities of CDBG funds must ensure that they are in compliance with all applicable fiscal and administrative requirements issued by Bexar County and the federal government. These requirements are detailed in the following pages.
All agencies awarded CDBG funds must be in compliance with 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Requirements) which superseded, consolidated, and streamlined requirements from OMB Circulars:

- OMB A-122 – Office of Management and Budget Circular A-122 discusses the rules for cost principals. These are the rules that non-profit agencies using federal funds must abide by when purchasing goods or services;
- A-21, Cost principles for State, Local and Indian Tribal Governments;
- A-89, Catalog of Federal Domestic Assistance;
- A-102, Grants and Cooperative Agreements with State and Local Governments
- A-110, Uniform Administrative requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals or other Non-Profit Organizations;
- OMB A-133 – Office of Management and Budget Circular A-133, discusses auditing rules for all agencies using federal funds. Effective December 31, 2003, the threshold for an A-133 audit was raised to $500,000 in federal funding expenditures;
- 24 CFR Part 84 & 85 – Code of Federal Regulations that govern non-profit agencies using federal funds;
- The guidance in OMB Circular A-50, Audit Follow-up, on Single Audit Act Follow-up, and;

Definitions:

- **Accrued** – term used to show expenses incurred in a prior fiscal year that are paid in the current fiscal year, but are charged back to the year in which the expenditures pertained.
- **Allow ability** – term indicating whether an expense is eligible for the program and/or funding source.
- **Allocability** – cost may be charged to a federal award if it is a specific benefit to the program.
- **Budget** – A plan of action expressed in financial terms.
- **Expenditures** – term used to describe funds spent.
- **Obligations** – funds set aside for specific purposes and/or items.
- **Outlay** – funds used by the subrecipient/entity to pay for goods and services prior to being reimbursed.
- **Program income** – funds earned by the subrecipient/entity in a CDBG funded program or facility. Typically, these funds are in the form of fees for services.
- **Resources** – funds used by the subrecipient/entity.

**Board of Directors’ Responsibilities**

Upon execution of the agreement between the County and the subrecipients/entity, the subrecipient/entity shall:

- Immediately report all changes in its articles of incorporation, bylaws, or tax exempt status to the County;
- Ensure no member of the Board of Directors is a paid employee, agent or subcontractor;
• Continue to include representation on the Board of Directors, the broadest possible cross-section of the community, including those with expertise and interest in the provided services, representatives from community organizations interested in the services, and users of the services;
• Ensure all meetings of the Board of Directors are open to the public, except meetings, or portions thereof, dealing with personnel or litigation matters; and.
• Keep minutes of all regular and special meetings of the Board of Directors, have a regular meeting at least once a year, and upon request, forward copies to the Project Analyst assigned to the program.

Administrative Oversight

The subrecipient/entity’s administrative/program staff responsibilities include:
• Ensuring that all expenditures involving the use of federal funds are eligible under the federal and local requirements of the grant;
• Approving purchase orders and contracts to be reimbursed through HUD grant funds;
• Receipt and approval of invoices;
• Review and approval of requests for payments involving HUD grant funds are coded properly;
• Ensure compliance with all HUD regulations, the County grant agreement and subrecipient/entity Informational Program Manual; and
• Implementation of an internal control system.

The subrecipient/entity’s finance officer responsibilities include:

The finance officer or accountant is responsible for maintaining a computer accounting/bookkeeping system. The finance officer’s or accountant’s responsibilities include, but are not limited to:
• Control of accounting documents for processing by the subrecipient/entity;
• Preparation of financial reports based on accounting records;
• Preparation of requests for reimbursement, subject to review by the subrecipient/entity’s Director; and
• Execution and oversight of all financial procedures designed to avoid or eliminate waste, fraud, or abuse of grant funds.

Should the County determine that the subrecipient/entity’s accountant is not maintaining proper financial records, or processing accurate information, the County has the right to request that the subrecipient/entity remove that individual from grant oversight.

Internal Controls

Agencies receiving CDBG funding shall have:
• A written set of policies and procedures which define staff qualifications and duties, lines of authority, separation of functions, and access to assets and sensitive documents; and
• Written accounting procedures, including procedures for approving and recording transactions and regular reconciliation of records to check for completeness and accuracy.

A good internal control system should include several basic features, regardless of the organization’s size. These characteristics include:
• An organization plan that safeguards resources by segregating duties;
• A system of authorization and recording procedures that provides effective accounting control over assets, liabilities, revenues, and expenses;
• An established system of procedures followed by each organizational component in performing its duties and functions;
• Personnel capable of performing their responsibilities; and
• An effective system of internal reviews.

The internal control requirements provide for the separation of duties and the secure storage of accounting records in limited access areas. In maintaining these accounting records a subrecipient/entity should also ensure that:
• Journal entries are properly approved and explained/supported;
• Posting and trial balances are performed on a regular basis; and
• Fidelity bond coverage is obtained for responsible officials of the organization.

Recordkeeping

To ensure eligibility of costs, the subrecipient/entity’s files shall include copies of:
• CDBG application;
• Agreement with the County;
• Procurement and bid information (for all purchases);
• Contracts with vendors;
• Up to date budget (including copies of budget change requests);
• Expenditure and payment information including supporting documentation;
• Characteristics and location of clients served;
• Program status and progress reports;
• Audits;
• Monitoring reports; and
• Other relevant correspondence.

Record Retention Policy

Per 24 CFR 570.502, all CDBG files must be maintained for a minimum of three years after the expiration or termination of the subrecipient agreement.
HUD and the Comptroller General of the United States, or their authorized representatives, have the right to access the subrecipient/entity’s program records. All CDBG grantees are required to provide citizens with reasonable access to records regarding the current and past funded programs, consistent with applicable State and local laws regarding privacy and confidentiality.

Information may be provided utilizing aggregate statistics. All clients may be lumped into categories, but no personal information may be released.

For example, a report may state: 150 clients served this month, 60 Caucasian, 60 African American, 15 Native Americans, and 15 Asian. Of those clients, 25 were female head of household, 30 were Veterans, 100 were very low income, and 50 were moderate income.

**Accounting Records**

Financial record keeping is one of the primary areas subject to HUD reviews and one which, if inadequate, can lead to serious problems and the possible recapture of funds. Accounting systems shall provide reliable, complete, and up to date information about sources and uses of funds.

These are the financial information and records that must be maintained by the subrecipient/entity:

- A computer accounting system that records the source of income and categorizes expenses for grant activities;
- Written accounting procedures, chart of accounts, written internal controls, administrative controls, accounting journals and ledgers;
- Payment requests and source documentation (bills, receipts, copies of cancelled checks, etc.);
- Comparison of actual checks written with budgeted amounts for each grant;
- Written procedures for determining what is reasonable and allowable under OMB circulars for costs and activities;
- Procurement files (bids, contracts, etc.) and real property inventory;
- Bank account and payroll records; and
- Financial statements, correspondence and audit files.

Records pertaining to CDBG activities shall be kept separately, keeping control over all grant funds, property/equipment, and other assets purchased with CDBG funds. A separate fund should be kept for all grant income and expenses.

Maintenance of Records: The subrecipient/entity is required to have accounting records that adequately identify the source and application of CDBG funds provided to them. To meet this requirement, a subrecipient/entity’s accounting system should include the following elements:

- **Chart of Accounts** - This is a list of names and the numbering system for the individual accounts that contains the basic information about particular classifications of financial transactions for the organization. A typical chart of accounts might have, for example,
separate account categories for describing assets (cash in a checking account, accounts receivable, pre-paid insurance, etc.); liabilities (loans, accounts payable, obligated funds, etc.); revenue (drawdowns from CDBG awards, cash contributions, proceeds from sales, other program income, etc.); and expenses (rent, wages, utilities, phones, etc.).

- **A Cash Receipts Journal** - This journal documents (in chronological order) when funds were received, in what amounts, and from what sources. Every transaction is initially recorded in a journal. Therefore, a journal is called a record or book of original entry. Each entry in the journal states the names of the individual accounts to be debited and credited, the dollar amount of each debit and credit, the date of the transaction, and any other necessary explanation of the transaction. Information for a journal entry can come from a variety of sources, such as checks issued or received invoices, cash register tapes, and time sheets.

- **Cash Disbursements Journal** - This journal documents the expenditures of the organization in chronological order (e.g., when the expense was incurred, how much was spent, to whom it was paid, and for what purpose).

- **Payroll Journal** - This journal documents the organization’s expenses on salaries and benefits, and distinguishes different categories for regulatory purposes.

- **General Ledger** - After a transaction is entered in a journal, that information also should be transferred to the proper accounts in the general ledger. The general ledger summarizes in chronological order the activity and financial status of all the accounts of an organization. The process of transferring transaction information from a journal to a ledger is known as “posting”. The entries in the journal and ledger should be cross-indexed to permit the tracing of any recorded transaction (i.e., an “audit trail”).

- **Payroll Records** – The largest component of direct cost associated with most awards received by nonprofit organizations is labor. Personnel activity reports or equivalent documentation must meet certain standards. Reports must reflect an after the fact determination of the actual activity of each employee. Reports must be signed by the individual employee, and by a responsible supervisory official having firsthand knowledge of the activities performed by the employees. Further, the proposed distribution of activity should represent a reasonable estimate of the actual work performed by the employee during periods covered by the award.

Subrecipients/entities are required to maintain payroll reports detailing gross salaries, all withholding and employer payments - Medicare, Social Security, SIIS or Worker’s Compensation Insurance, and health insurance. Non-profits are exempt from federal unemployment tax; however, they are liable for state unemployment reports. Hours worked on the grant must be indicated on the report with proper documentation—time cards and/or time to project logs are required. Employees must keep track of time spent working on CDBG related activities during the work day. CDBG funds may only be used to reimburse eligible activities which benefit moderate and low-income residents of Bexar County.

- **Property Register** - To adhere to requirements outlined in 2 CFR Part 200.313, a listing of all equipment purchased with Federal grant funds in the amount of $5,000 or more must
be maintained. All use and proposed dispositions of grant-funded property is governed by the provisions under 2 CFR Part 200.313. All use and proposed dispositions of real property acquired or improved in whole or part using CDBG funds is governed by the provisions under 24 CFR Part 570.505.

Budgeting

Sources and Uses of Funds

For the CDBG program, these accounting records must contain reliable and up-to-date information about the sources and uses of funds, including:

- Federal grant awards received by the organization;
- Current authorizations and obligations of CDBG funds;
- Unobligated balances (funds remaining available for distribution);
- Assets and liabilities;
- Program income; and
- Actual outlays or expenditures.

Budget Controls

All subrecipients/entities are required to submit a proposed program budget when making an application for funding. Once the application process has been completed, an up to date and accurate program budget must be created and submitted to the Community Development Division for approval and inclusion in the subrecipient/entity’s Agreement.

Budgets are tools of the financial management system used for two main management functions: decision making (planning), monitoring and controlling. A budget is a plan of action expressed in financial terms. Since budgets are planning documents, effective budgets are those that accurately anticipate and project the interplay between program and fiscal activity. An effective budget serves as a guideline, which reflects the best estimate by an organization’s decision-makers of the anticipated income and the costs of operating various program activities.

Subrecipients/entities must have procedures in place to monitor obligations and expenditures against their approved budget(s) for CDBG funded activities. Bexar County is under no obligation to reimburse subrecipients/entities for expenditures which exceed approved budget line items or the overall budget for CDBG assisted activities. Therefore, the subrecipient/entity needs to have an ongoing system to compare actual receipts, encumbrances, and expenditures with the CDBG budget in order to ascertain in a timely fashion whether it will be necessary to initiate a formal budget revision.

Budget Categories

Reimbursement will only be provided for allowable costs as approved by Bexar County and must be directly related to the Grant. Reimbursements should be submitted on a monthly basis. Please use the Request for Funds Form provided by Community Development Division. When
for reimbursement are submitted, copies of receipts, check registers, payroll reports, and paid invoices must be included. Bexar County will only reimburse the subrecipient/entity for expenditures actually incurred.

There are typically 5 cost categories within a general budget:

**Non-Administrative Personnel Costs**
- **Personnel** - Costs associated with the positions identified on the Staffing Plan and can only be those staff which work directly on the grant. Costs should reflect the actual amount of time each position spends on the program.
- **Fringe Benefits** - Eligible payroll-related costs of health insurance, retirement fund contributions, FICA, Worker’s Compensation, and other payments made on the behalf of the employee.
- **Support of staff** to perform purely administrative functions is not eligible (i.e. time Director spends fundraising).
- **Federal funds** cannot be used to pay for 100% of an Executive Director’s salary. Please ensure that when receiving multiple funding sources this threshold is not exceeded.
- **IRS employee rules** must be applied before determining an employee’s status or non-status.
- **People who work** for the subrecipient/entity are employees; people who provide training, consulting or are officers of the non-profit are not and cannot be employees of the subrecipient/entity. This is considered a conflict of interest. Employees must have all the pertinent federal deductions and taxes paid.

**Non-Administrative Office Costs**
- **Utilities** - Costs associated with gas, electricity, water, and trash removal.
- **Rent** - Rental charges for real property; office space for program.
- **Communication** - Costs of telephone, telephone installation, leasing of phone equipment, and postage.

**General Non-Personnel Costs**
- **Supplies** - Consumable commodities that have a useful life of one year or less and which are valued under $500, except for computer equipment, which must be inventoried and accounted for separately.
- **Direct Client Services** – Bus tickets, food, utilities, child care, and other program costs paid on behalf of clients.
- **Printing** - Cost of copying and printing, whether done in-house or through an outside printer; supplies such as paper or fluids for copy machine owned or leased for program use.
- **Travel (local)** - Costs for mileage reimbursement and conference expenses within Bexar County. Mileage reimbursement includes only travel by staff or volunteers for conducting the business of the subrecipient/entity. No personal mileage will be reimbursed. Mileage from home to work is also not an allowable expense.
• **Travel (other)** - All travel and conference expenses to employees and volunteers for actual mileage. Out of county travel requires prior County approval.
• **Insurance** - Insurance-related costs required for the operation of the program.
• **Contracted Services** - Professional and technical services not performed by staff.
• **Food/snacks** – Eligible only for clients, and must be an integral part of the program such as after school snacks for children or lunch for pre-school. Please contact the Project Analyst for guidance.
• **No costs** which may be considered as entertainment in nature will be reimbursed with CDBG funds. Awards ceremonies, banquets, holiday events, trophies, plaques, amusement park field trips, etc. are not an allowable expense. Please contact the assigned Project Analyst for further guidance on this issue prior to planning or expending CDBG funds.

**Capital Assets/Equipment/Computers**
• **Equipment Rental** - Costs for the rental of equipment, which is essential for the operation of the program.
• **Equipment Purchase** - Purchase of equipment essential for the operation of the program in those instances where it is more cost effective to purchase equipment rather than rent it. Includes any item with a useful life of more than one year and a cost greater than $500.

**Improvement/Acquisition Costs**
• **Expenses** association with rehabilitation and/or acquisition of a facility or property.
• **Only includes** professional and technical contracted services not performed by staff.

**Budget Revisions**

Modifications to approved budget line items are allowable but must be directly related to changes in program services and activities and may not increase the budget total. To implement a budget modification the subrecipient/entity must submit a written request, which identifies the reasons for the adjustment. The request must be specific as to which line items are to be increased and which are to be reduced and must be specifically approved by the County in writing as a change to the written agreement or contract between the County and the subrecipient/entity.

The Director of Bexar County Economic and Community Development Department has the authority to grant or deny requests for budget revisions.

**Allowable Costs**

The standards for determining the reasonableness, allow ability, and allocability of costs incurred as part of CDBG-financed activities are found in 2 CFR Part 200 (in part, formerly OMB Circular A-122) for non-profit subrecipients/entities. According to basic guidelines, a cost is allowable under the CDBG program if it meets all other regulations and:
• The expenditure is necessary, reasonable, and directly related to the grant. This standard applies equally to such items as salaries and administrative services contracts, as well as to real property and equipment purchases or leases, travel, and other administrative expenditures. In determining the reasonableness of a given cost, consideration shall be given to:
  o Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the organization in the performance of the award;
  o Whether the individuals concerned acted with prudence in the circumstances, considering their responsibilities to the organization, its members, employees and clients, the public at large, and the Government; and
  o Significant deviations from the established practices of the organization which may unjustifiably increase the award costs.

The expenditure should be authorized by the grantee (the County in this case), generally through approval of the budget for the activity, and must not be prohibited under Federal, state or local laws or regulations. CDBG is a reimbursement grant, meaning that subrecipients/entities spend the funds and then ask to be reimbursed by the County. It is very important that if there are any questions as to eligibility of an expense that the subrecipient/entity contact the Project Analyst. If the expense is not allowed, the subrecipient/entity will have to pay for it from another funding source.

The cost allocable to a particular CDBG program should be in proportion to the relative benefits received by that objective. This means that:
  • If an office is utilized by two programs during the same hours, the costs of the office should be allocated between the two programs equally.
  • The same expense cannot be claimed against more than one grant.
  • A cost originally allocable to a particular federal grant program cannot be shifted to another federal grant program in order to overcome funding deficiencies, to avoid restrictions imposed by grant or by law, or for other reasons.

**Audits**

The agreement with the County may be subject to a 2 CFR part 200 Audit, a CPA Audited Financial Statement or a Certified Financial Statement (CFA), depending on expenditures.

The Office of Management and Budget requires that grant recipients who expend $750,000 or more in federal funds in one fiscal year conduct a Single Audit per 2 CFR part 200.501. Subrecipients/entities are responsible for ensuring that their auditors conduct the proper type of audit. Not all Certified Public Accountants (CPAs) are qualified to perform a Federal audit.

Any subrecipient/entity that expends between $200,000 and $749,999 in federal funds will be required to have a CPA Audited Financial Statement. The funds expended may be from one or multiple federal sources. If allowable by program regulations, the County may only pay for the
portion of the audit which represents the percentage of County federal funds in the program budget.

Subrecipients/entities who do not qualify for 2 CFR part 200 or Audited Financial Statement must submit a Certified Annual Financial Statement (CFA). This is the lowest audit criteria and will only be accepted from those non-profits who can document that they did not qualify for 2 CFR Part 200 or a CPA audited financial statement. The Treasurer and the Board President must sign a statement certifying the CFA. The statement should read as follows:

We, the undersigned, as Executive Director and Treasurer of (Name of Subrecipient/Entity), hereby certify that, to the best of our understanding and knowledge, the attached Financial Statements fairly and accurately represent the financial condition and operations of this organization.

**Audit Due Date**

Audits have different due dates depending on the type the subrecipient/entity qualifies to conduct:

- Certified Annual Financial Statements are due three (3) months after the end of the fiscal year;
- CPA conducted audits are due six (6) months after the end of the fiscal year; or
- 2 CFR Part 200 Audits are due nine (9) months after the end of the fiscal year.

All subrecipients/entities who fall under the requirements of 2 CFR part 200 Auditing rules must submit a full and complete copy of such audits to the Community Development Division. It is the responsibility of the subrecipient/entity to ensure that audits are completed in a proper and timely manner.

Failure to submit copies of the audit will render the subrecipient/entity as non-compliant. This means that no funds may be drawn until Bexar County Economic and Community Development Department has received and reviewed the copy of the audit.

**County Internal Audit Reviews**

The County reserves the right to have its Internal Finance Department review all of the subrecipient/entity’s records and transactions. Audit findings resulting in monetary repayment to the County will be collected by the County from the subrecipient/entity’s non-federal funded resources. County Internal Auditors review the subrecipient/entity’s monitoring/account reviews to begin their single audit reviews. Reports containing findings are then sent to both the Community Development Division and the subrecipient/entity for compliance. Progress on the compliance is also monitored. Failure to rectify findings within the given time frame may result in suspension, termination of grant agreement, and/or disbarment from future grant funding.
Source Documentation

The general standard is that all accounting records must be supported by source documentation. This is necessary to show that the costs charged against CDBG funds were incurred during the effective period of the subrecipient/entity’s agreement with the County, were actually paid out, were expended on allowable items, and were approved by the responsible officials in the subrecipient/entity’s organization.

The source documentation must explain the basis of the costs incurred, as well as show the actual dates and amount of expenditures. For example:

- Payroll source documentation should include employment letters and all authorizations for rates of pay, benefits, and employee withholdings. Such documentation might include union agreements or minutes from board of directors’ meetings where salary schedules and benefit packages are established, copies of written personnel policies, W-4 forms, etc. For staff time charged to the CDBG program activity, time and attendance records should be available. If an employee’s time is split between CDBG and another funding source, there must be time distribution records supporting the award of charges among the sources. Canceled checks from the employees, payroll service provider, etc., or evidence of direct deposits will document the actual outlay of funds.

- Rental or lease agreements and bills from the respective companies must support space and utilities costs. Both types of expenses will be supported by canceled checks. If the cost is split between CDBG and other sources, there must be a reasonable method in place to allocate the charges equitably among the sources.

- Supplies should be supported by purchase orders or requisition forms initiated by an authorized representative of the subrecipient/entity, an invoice from the vendor (which has been signed off by the subrecipient/entity to indicate the goods have been received), the canceled check to the vendor demonstrating payment was made, and information regarding where the supplies are stored and for what cost objectives they are being used.

All source documentation does not have to be located in the CDBG project files, but it must be readily available for review by the County, HUD, or other authorized representatives at all times. Please be aware that by accepting CDBG funds, organization records as a whole are open for review. Subrecipients/entities shall develop and maintain a central filing system. This will ensure that audits and monitoring visits go smoothly, and documentation is readily accessible.

In the simplest terms, financial transactions involve writing checks and receiving reimbursement for eligible activities. Every grant related financial transaction must be recorded immediately in the accounting system.

Source documents, such as invoices or time cards, should provide all details of each transaction or activity. The information contained in the source documents is necessary for accounting purposes and should be recorded in the computer accounting/accounts payable system. The source documents must be readily accessible during monitoring visits.
A variety of source documents and records are needed to properly account for grant transactions. These documents include but are not limited to the following:

- **Invoices** – All subrecipients/entities are required to retain original invoices or sales receipts for all purchases. All invoices must be marked "PAID" with the check number and date paid included. A stamp is recommended for this. If any original document for an expense cannot be located during a monitoring visit, the amount may be deducted from the next reimbursement request or may be required to be repaid.

- **Timesheets** – All subrecipients/entities will maintain concise documentation for both the time worked and tasks undertaken. The employee and his/her immediate supervisor must sign employee timesheets.

- **Service Contracts** – All grant funded service contracts (accounting, leases, janitorial, etc.) must be a written agreement between the subrecipients/entity and the firm/individual.

### Program Income

Interest earned on federal grant funds must be reported to Bexar County monthly as program income and must be used in the operation of the specific grant program.

Organizations providing services funded through Bexar County CDBG grant may charge fees to clients to reduce the costs of service delivery. Such fees, or any other earnings generated through the use of CDBG funds, are considered to be program income (PI). PI includes, but is not limited to, fees charged for services, proceeds from the sale of tangible personal or real property, usage or rental fees, and patent or copyright royalties.

PI shall be recorded separately and returned to Bexar County for disposition. Upon approval by the County, income from the project may be retained by the subrecipient/entity provided that written notification is given to the Community Development Director and that the income is to be used for the exclusive benefit of the program. Such income will be subject to guidelines for use of such income in accordance with HUD regulations.

All PI must be reported. A total amount under $100 may be reported quarterly rather than in the month in which it is collected. Donations are defined as free will offerings to an organization not related to receiving a service or benefit. Donations are not PI and do not have to be reported. PI does not reduce the size of the organization’s CDBG grant if the PI is spent on eligible items. However, any PI not spent will result in a reduction in the amount of funds reimbursed. Housing development agencies which use CDBG funds for administration only, do not report funds received from the construction of affordable housing units as PI.

### Monthly Reimbursements

Bexar County staff will review each request for reimbursement submitted by the subrecipient/entity. Questionable or ineligible expenses will be identified and the subrecipient/entity will be requested to submit clarifications, corrections, or additional information. If a request for payment is reviewed and found to have errors or missing
documentation, the invoice will be returned to the subrecipient/entity with instructions for resubmittal.

Requests for payment will not be made until all documentation and information has been satisfactorily provided to the County (including any outstanding reports or other requests for information).

A request for payment shall include:
- Requisition form (detailing request);
- Letter requesting funds on signed letterhead;
- Timesheets and certified payrolls*; and
- Receipts/copies of bills*

*The amount charged to CDBG must be broken out on these documents. Personnel time charged to CDBG MUST be based on ACTUAL time WORKED.

Please review the request documentation and amounts prior to submission; Bexar County cannot reimburse for taxes or items or services paid for prior to the beginning of the contract or after the end of the program year.

Drawdowns, which shall be completed monthly, will not be entered in to IDIS prior to disbursement of funds to the subrecipient.

Spending Requirements

CDBG funds must be spent in a timely manner. Unless an alternative spending plan has been approved in writing by the Community Development Manager, funds must be expended in the following manner:
- Public Service/Planning Activities: 100% by end of Program Year (September 30th)
- Improvements/Construction Activities: 100% by Six Months Following the County’s Contract Execution Date

Unspent funds cannot be carried forward and are forfeited. Reminder: Sales tax will not be reimbursed.

Backup Documentation Required for Reimbursement Requests

CDBG funds are paid to agencies on a reimbursement basis. Therefore, it is extremely important to verify the eligibility of an expense prior to expending funds. Accuracy of submittals is important as errors slow down the process. When at all possible, do not use cash as this does not provide a proper audit trail. When submitting a large payment request, please highlight the portions requested to be paid by the County in addition to utilizing either an excel spreadsheet or adding machine tape.
In order for the County to reimburse the subrecipient/entity, documentation must be submitted to show who, what, when, and how the invoice was paid. Only copies of paid invoices marked “paid” will be accepted; a quote or order form will not be accepted. In addition to the paid invoice, proof of payment must be kept onsite with the subrecipients/entity. For invoices paid by credit card, submit a copy of the statement showing the invoice was paid.

Please highlight the amount paid on the receipt and the reimbursable portion. Keep in mind when charging a percentage, the percentage of participants who are low-income Bexar County residents must be documented. To do this, provide a copy of the client roster with their addresses and highlight the Bexar County residents. This permits verification of the percentage.

Copies must be legible; please do not send the originals as they are needed for the program files. Receipts cannot be dated prior to the date of the Agreement or after the end of the program year (September 30th).

If requesting payroll reimbursement, copies of certified payrolls must be submitted. Timesheets must be kept onsite as backup.

**Successful Completion of Request for Payment Form**

The Request for Funds has several sections that must be filled out.

- **Section I:** Request number should be sequential, “Amount of Request” should match the request amount at the bottom of the form, and the “Period Covered” should reflect the month in which the funds were spent. Please use the beginning of the month through the end of the month, i.e. 1/1/YYYY – 1/31/YYYY.

- **Section II:** Please make and highlight any corrections to the subrecipient/entity information contained in this area; it is important that our information is current.

- **Section III:** Budgeted Amount- please do not change the amounts in the columns without receiving a budget amendment approval. The Request Amount should match the receipts and/or other documentation submitted. Previous Drawdowns should match the last request and subsequent payment submitted to the County. Remaining Funds should be the total after subtracting the Request Amount and Previous Drawdowns.

**Mileage and Travel**

Per the IRS allowances found at IRS.gov, the CDBG program will reimburse those reasonable mileage and travel costs that are necessary to carry out the services identified in the subrecipient/entity’s Agreement with the County. Mileage and travel expenses that are not necessary for the program or are of a personal nature are not eligible for reimbursement.
Volunteers authorized by the program to be reimbursed for mileage relating to services for the program must provide proof of automobile insurance, copies of which must be kept at the subrecipient/entity’s office.

- **Mileage**: The subrecipients/entity shall submit written mileage records identifying the driver of the vehicle, the number of miles driven on each day, and the purpose of the trip. The subrecipient/entity shall certify the accuracy of the information reported. Travel to and from work is not an eligible expense for mileage reimbursement.

- **Travel**: Reimbursable costs include conferences, lodging, food, and other non-mileage costs. CD policy requires that all travel costs be kept to a minimum. Supporting documentation must be provided with all requests for travel reimbursement.
  - **Local Travel**: Defined as travel within Bexar County.
  - **Out-of-County Travel**: Approval for out-of-county travel must be requested in writing from the County’s Community Development Manager at least ten working days prior to the trip. The Community Development Manager will review the request and provide a response within five working days.

**Telephone Expenses**

The CDBG program will reimburse only those reasonable telephone expenses necessary to carry out the services identified in the subrecipients/entity’s Agreement with the County. Actual costs of phone calls and the monthly cost of supporting the phone system are eligible for reimbursement. Such expenses include equipment rental or lease and monthly service charges. All international calls must be documented with a description of the purpose of the call and its relationship to program activities. The County will not reimburse personal calls. In addition, calls made for the purpose of raising funds are not eligible for reimbursement.

Pro-rating of Expenses: If the program receives funding from several sources, only those telephone expenses solely related to the portion of the activity which is funded out of the subrecipient/entity’s CDBG grant are reimbursable. All such costs must be specifically identified to the County’s satisfaction.

Additionally, if the amount of the subrecipient/entity’s CDBG grant is less than the program total budget, phone costs are reimbursable at a percentage equal to the level of CDBG funding as compared to total program funding.

**Purchasing and Contracting**

A price or cost analysis must be made in connection with every procurement action. Price analysis involves comparing the bottom line price quoted, with typical prices paid for the same or similar materials or services (does not apply to sole source contracts). Cost analysis means the
best price with the best service is obtained. Typically a minimum of three bids, quotes, or estimates is required.

Subrecipients/entities must meet with the CD staff to schedule pre-bid and preconstruction meetings and to discuss the compliance process. By contacting, informing, and including CD staff from the beginning of the project, the subrecipient/entity can ensure full compliance with all rules and a smoother contract management process.

Effective March 5, 2019, subrecipient/entity municipalities are required to oversee the procurement of all goods and services related to CDBG funded projects.

**Purchasing**

- **$0 to $4,999 (by County)** – Procurement by micro-purchases (as listed in 2 CFR 200.320). To the extent practicable, staff must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations.

- **$5,000 to $19,999 (by County) (2 CFR 200.320 allows up to $149,999)** – Requires 3 competitive quotations submitted with the requisition for the item. One must be from a certified MBE or WBE, if available.

- **$20,000 and over (2 CFR 200.320 is anything $150,000 or greater)** – Written specifications are necessary and require a competitive bidding process using a “Request for Proposal” or “Competitive Bid.” Competitive bidding must be advertised for at least 10 business days.

Sole Source Procurement (noncompetitive process) is solicitation from only one source. This process is rare and is acceptable only after solicitation of a number of sources is determined inadequate. Extensive documentation and justification is required to establish the audit trail.

The subrecipient/entity may make the determination that competition is not feasible if one of the following circumstances exists:

- The item is unique and available only from a single source.
- There is a public urgency or emergency that exists that will not permit a delay resulting from a competitive solicitation.

**Subcontracts**

Should a subrecipient/entity find it necessary to subcontract in order to meet its obligations under its agreement with the County, it must enter into a written agreement with those individuals or organizations providing services.

The following provisions are required in a subcontract:
• Name, address, phone number and social security number of subcontractor;
• A termination clause requiring twenty days’ notice by which either party may terminate the agreement;
• A County run-involvement clause releasing the County from any liability for any breach of the subcontract by either party;
• The scope of services;
• The total dollar amount of the subcontract;
• A termination date no later than the end of the current CDBG program year;
• A clause requiring the contractor to comply with stated “Conditions of Federal Funding”;
• An independent contractor clause stating that the subcontractor is an independent contractor or employee of the subrecipient/entity. Subcontractor is not an agent or employee of the County and as such waives any claims to any rights or benefits which accrue to employees of the County;
• Signature of person authorized by the subrecipient/entity’s Board of Directors to execute agreements; and
• Signature of person authorized by subcontractor to execute agreements.

**Review of Subcontracts by County**

Subrecipients/entities receiving their first year of CDBG funds must submit all subcontracts valued at more than $500 to the County for review and approval prior to execution.

Subrecipients/entities in the second year of CDBG funding are required to obtain prior review and County approval only when the value of the subcontract exceeds 10% of its CDBG grant or $10,000, whichever is less.

All subcontracts requiring review and approval by the County must be submitted at least 10 business days prior to an effective date. The Project Analyst will typically respond to the request for approval within 7 working days. Subcontracts must be approved prior to execution by any of the parties.

**Required Subcontract Documentation**

The subrecipient/entity shall maintain the following documentation in its files:

• Summary of bids and proposals received;
• Justification for any non-competitive procurement of contract services and reasons for the selection of the subcontractor;
• Justification for the selection of other than the lowest bidder in a competitive procurement; and
• Section 3 compliance documentation, if required.

Types of subcontracts covered under this section:

• Bookkeepers and auditors;
• Contractual personnel services (those not on the subrecipient/entity’s payroll);
• Office equipment rental and space rental; and
• Rental of vehicle (van, bus, etc.) to be used on a regular basis for carrying clients of the subrecipient/entity.

Codes of Conduct

The recipient shall maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts.

No employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by Federal Funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer or agent, any immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees, and agents of the recipient shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to sub agreements. However, recipients may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the recipient.

Equipment Procurement

Equipment is defined as tangible property costing more than $500 and having a useful life of more than one year. Items which cost less than $500 and which have a useful life of less than one year are considered to be supplies and are to be purchased under the General Non-Personnel Costs (Supplies) cost category, except for computer equipment, which must be inventoried and accounted for.

Under HUD regulations, the purchase of equipment, fixtures, or furnishings that are not an integral structural fixture is ineligible except when necessary for use by the County or subrecipient/entity in the administration of the overall County CDBG grant or as part of the administration of a public service program. The County does not allow for purchase of vehicles with CDBG funds, unless explicitly approved in writing beforehand.

Notification Requirements

All purchases of equipment require prior County approval. Requests to purchase equipment are to be sent to the Project Analyst 45 days prior to the purchase order date. Exceptions may be granted on a case by case basis. The request is to include the cost of the item, where it will be purchased, a detailed explanation of why it should be bought rather than leased or rented, and where the funds for the purchase will come from. If County CDBG funds will only be paying a portion of the purchase, list other funding sources and the respective amounts. The Project Analyst will typically review the request and issue a decision within 10 working days. Rationale for a negative decision will be included in the response.
Reversion to County/HUD

Under HUD regulations, the County/HUD has the option to obtain the equipment from the program when funding stops for the program. The review of the type of equipment to be purchased will include mention of its possible usefulness to the County. The County may also permit the subrecipient/entity to retain the equipment at the time the funding ends. All other personal property, supplies, and equipment purchased pursuant to this agreement and not consumed may become property of the County/HUD.

Inventory Instructions

- Subrecipient/entity - Name of subrecipient/entity receiving grant.
- Description - A brief description of the item of property.
- Manufacturer's Serial Number - Provide the manufacturer's serial number for all items.
- Title or Owner - Name of subrecipient/entity on property's title.
- Acquisition Date - Date of Purchase.
- Percentage of Federal Participation - Portion paid by CDBG funds.
- Cost - Supply the actual purchase price.
- Disposal Date - Date sold or disposed.

Reporting

Subrecipients/entities are required to submit quarterly reports as described in each contract. Subrecipients/entities must report quarterly the number of clients served, including their incomes, race/ethnicity, and status of head of household.

Data must be unduplicated; i.e., a client receiving service three times should only appear once on the quarterly report and that client also should not appear again on any following quarterly report during the program year.

Quarterly reports are due no later than the 15th of the month even if a request for payment has not been submitted.

The quarterly status report explains the progress the program has made in relation to the goals and performance indicators outlined in the Agreement Scope of Work. The quarterly report must be submitted on the form provided by CD, unless approved in writing, in advance. No other format will be accepted. Failure to submit quarterly reports may result in delayed reimbursements.

Program Client Demographics: (Race/Ethnicity and Income Level Section)

- Data should be recorded for all unduplicated clients obtaining services in the program.
- Total client count for the Race and Income sections should equal the total client count.
HUD has implemented a ten category race and ethnicity in one reporting system. This means that the subrecipient/entity is to report on race first and Hispanic Ethnicity second. This area sometimes causes confusion, as HUD does not consider Hispanic to be a separate race category. Therefore, a client may be White and Hispanic, Black and Hispanic, or any Other Multi Racial and Hispanic. Some Hispanic clients will state that they are Hispanic, but refuse to select a race category. In that case, HUD has said that the staff person doing the intake should mark on the form their best guess as to the race of the client.

Please double check the quarterly information for accuracy.

The client income for the unduplicated CLV quarterly clients served is reported in one of three categories – Extremely Low (EL), Very Low (EL) and Moderate (M). Income Guidelines are updated annually. Subrecipients/entities are responsible for ensuring the correct information is used.

**Closeout Reports**

Programmatic close-out will consist of, but will not be limited to, the following:

- Review and verification of annual client statistical and narrative report due 15 days after the end of the program year - October 15th.
- Review of subrecipient/entity’s record keeping system, including, but not limited to:
  - Activity documentation;
  - Personnel files;
  - Inventory control files; and
  - Evaluation of activity and program accomplishment.

Financial closeout will consist of, but will not be limited to the following:

- Review and verification of information submitted in the final drawdown request;
- Review of subrecipient/entity’s record keeping system:
  - Accounting records and ledgers;
  - Source documentation (invoices, time cards, canceled checks, etc.);
  - Budget documentation (modifications, etc.);
  - Equipment purchases; and
  - Evaluation of activity financial accomplishment.

**Demonstrating Client Eligibility**

In order for a project or program to be eligible to receive CDBG funds, at least 51% of the participants or recipients must have income that is less than 80% of median income.

- Low income household means a household having an income equal to or less than the Section 8 low income limit (80%) established by HUD, adjusted for family size.
- A very low income household means a household having an income equal to or less than the Section 8 very low income limit (50%) established by HUD, adjusted for family size.
• An extremely low income household means a household whose income is 30 percent or less of the area median income, adjusted for family size.

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<td>Very Low (50%) Income Limits ($)</td>
<td>29,050</td>
</tr>
<tr>
<td>Extremely Low Income Limits ($)</td>
<td>17,400</td>
</tr>
<tr>
<td>Low (80%) Income Limits ($)</td>
<td>46,450</td>
</tr>
</tbody>
</table>

* Effective April 1, 2022. Income Limits are updated annually. Subrecipients/entities are responsible for ensuring they are using the most current income limit.

Beneficiaries must demonstrate to the subrecipient/entity that they meet the income requirements through 3rd party documentation whenever possible (paystubs, benefit letters, etc.).

When 3rd party verification is not possible, a client may sign a certification indicating their income. A sample certification is included below:

**Client Certification of Income and Household Size**

The program under which the subrecipient/entity is receiving assistance utilizes Bexar County HUD funds. In accordance with the federal regulations governing the use of these funds, please supply the information requested below. This information is confidential and only for use by the public agencies providing this funding:

• Client name and address;
• Gender;
• Ethnicity/race;
• Head of household status;
• Income of all household members, and
• Household size.

Additionally, all applicants shall sign certify to the following:
Applicant Certification

I/We certify that the information given on household composition and income is accurate and complete to the best of my/our knowledge and belief. I/We understand that false statements or information are punishable under Federal law. I/We also understand that false statements or information are grounds for termination of assistance. I hereby certify that my household size and income are as stated above. I consent to verification of this information by the service provider, Bexar County, or other governmental officials as required.

Client Documentation and Records

Each subrecipient/entity is required to maintain documentation on clients benefiting from activities and programs funded through the County’s CDBG program. As a condition of receiving the HUD grant, the County, and in turn the subrecipient/entity, must certify that low- and moderate-income persons are being served. HUD also requires information on the race and ethnic background of the clients, how many are female heads of households, their residency in the County, and how many are very-low income. County staff and HUD must also have access to the names and addresses of the clients. Any information regarding applicants for services funded through federal monies shall be held in strict confidence.

Required Documentation

All subrecipients/entities must obtain and maintain at their local offices, the following information on each client served:
- Client name and address;
- Gender;
- Ethnicity/race;
- Head of household status, and
- Income.

Exceptions to Maintaining Required Income Documentation

Income documentation is not required for the following client types:
- Clients of a battered women's shelter;
- Abused children;
- Homeless persons;
- Illiterate adults;
- Persons living with AIDS;
- Migrant farm workers;
- Seniors aged 62 years and older, or
- Persons with recognized disabilities.

File Organization and Maintenance
Subrecipients/entities should structure their project/program files and other records to comply with the general requirements as discussed in this manual. In setting up a program or client file, the following may be helpful:

Program file should contain:
- Original executed copy of the agreement with the County;
- Any amendments to the application and agreement;
- Correspondence relating to the grant award;
- Copies of Requests for Reimbursement;
- Any other information pertinent to the CDBG Grant; and
- Program measurable goals and expectations

Client files should contain:
- An application for assistance, if applicable;
- Client Income Documentation or Certification Form;
- Documentation as to services provided to the client and any outcomes of service, for example, if a client is referred to another agency for services, a follow up contact is required to document the services the client received;
- Copies of any program requirements; and
- Pre and post program evaluations, if applicable

Subrecipients/entities shall adhere to HUD's legal requirement as contained in 24 CFR Part 570 Subpart J; HUD funded records must be retained for three years after the completion of the program, in order to allow access for audit and public examination. If audit findings are not resolved, the records shall be retained beyond the three years. The retention period starts when the annual or final expenditure report has been submitted or, for non-expendable property, from the date of final disposition.

**Conflict of Interest**

Conflicts of interest arise when officials or staff stand to benefit either directly themselves or indirectly through business partners or relatives from the awarding or contracting of grant funds. The County is encouraged to avoid conflicts of interest to the extent possible. When conflicts of interest arise, CD staff will identify, disclose, and manage them in compliance with Super Circular 2 CFR Part 200.112 Conflict of Interest and 24 CFR Part 570.611 Conflict of Interest for CDBG. When conflict of interest issues are overlooked or hidden, this creates problems for the individuals involved, as well as the County, the subrecipient/entity, or contractors.

In the procurement of supplies, equipment, construction, and services by the County and by subrecipients/entities, the conflict of interest provisions in 2 CFR 200.318 shall apply. In all cases not governed by 2 CFR 200.318, this policy will be followed. Such cases include the acquisition and disposition of real property and the provision of assistance by the County or by its
subrecipient/entity to individuals, businesses, and other private entities under eligible activities that authorize such assistance (e.g., rehabilitation, preservation, and other improvements of private properties or facilities pursuant to §570.202; or grants, loans, and other assistance to businesses, individuals, and other private entities pursuant to §570.203, 570.204, 570.455, or 570.703(i)).

Community Development Division Staff:
- Staff directly involved with CDBG will review the conflict of interest policy and sign an affirmation.
- Staff will forward any potential conflict of interest exemption requests to the Community Development Manager.
- All CDBG agreements to the subrecipient/entity will include a Conflict of Interest statement which includes at a minimum the following:
  - Require that the subrecipient/entity has a conflict of interest statement that meets the federal regulation, and;
  - Require that the subrecipient/entity documents the dissemination of the policy to covered persons.

Conflicts Prohibited - Exemptions Must be Approved by HUD.
No persons described under “Persons Covered” who exercise or have exercised any functions or responsibilities with respect to activities assisted with CDBG funds or who are in a position to participate in a decision-making process or gain inside information with regard to these activities may obtain a financial interest or financial benefit from a CDBG assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to the CDBG assisted activity, or the proceeds from such activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.

For the purpose of this policy and lack of definition within 24 CFR Part 500.611, the County adopts the definition of immediate family ties from the HOME Investment Partnership Program, 24 CFR Part 92, regulations.

Persons Covered include person who is an:
- Employee;
- Agent;
- Consultant;
- Officer;
- Elected official; or
- Appointed official of the County, or of any designated public agencies, or subrecipients which are receiving CDBG funds.

Exemption Requests

If there are income requirements, after it is determined that the applicant is income qualified, persons/agencies seeking CDBG funds will disclose in writing any potential conflict of interest to
CD staff working directly with the client. Exemption requests will be submitted to the County’s Community Development Manager and include proof that the Board, if applicable, approved the exemption. The factors that may be considered for an exemption are below.

At a minimum, the request will include the following:

- Person’s name, position, phone number and address;
- Details of the nature of the conflict of interest, (perceived, apparent, or actual);
- Date of the notification (when the subrecipient/entity was notified of the conflict); and
- Requested action to address the conflict of interest (recusal, exemption request, etc.)

HUD approval of the exemption is required. The Community Development Manager will confirm what the nature of the conflict is and if an exception should be pursued. Nature of the conflict is the relationship to the Persons Covered.

The Community Development Manager considers the following factors when determining if an exemption should be pursued:

- Has the person met the program requirements?
- HUD granting the exemption will serve to further the purposes of the Act and the effective and efficient administration of the recipient’s program or project, taking into account the cumulative effect of the following factors, as applicable:
  - Does the exemption provide a significant cost benefit or an essential degree of expertise to the program or project that would otherwise not be available?
  - Whether an opportunity was provided for open competitive bidding or negotiation;
  - Is the person a member of a group or class of low or moderate income persons benefiting from the assisted activity, and the exemption will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;
  - Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision making process with respect to the specific assisted activity in question;
  - When was the benefit available? Was it available before or after the person took the position that created a conflict?
  - Does avoiding the prohibited conflict cause undue hardship; and
  - Any other relevant considerations.

CD staff will provide adequate information to the County Legal Attorney for him/her to prepare an opinion. This opinion will state that the interest for which the exemption is sought would not violate State or local law.

Public Notification
CD staff will ensure the conflict is publically disclosed. All disclosures will be documented in the Conflict of Interest general file and the project/activity file.

Examples of acceptable public notifications are as follows:
- Post on display boards within Courthouse, County Halls, Newspapers, etc.; and
- Post on the CD web site.

The following must be included in the public notification:
- Employee name;
- Statement of the nature of the conflict; and
- Project information.

Approval
Conflict exemption requests to HUD will include the following when submitted:
- Statement of the nature of the conflict;
- Proof of public disclosure of the conflict; and
- The County Legal opinion that discloses that an exemption would not violate State or local law.

CD staff will ensure all backup documentation and the exemption determination is placed in the Conflict of Interest file and the project/activity file.

Religious Activities

In accordance with First Amendment Church/State Principles, CDBG assistance may not be used for religious activities or provided to primarily religious entities for any activities, including secular activities. Subrecipients/entities may not use CDBG funds for the acquisition of property or the construction or rehabilitation of structures to be used for religious purposes or which will otherwise promote religious interests.

However, CDBG funds may be used to rehabilitate buildings owned by primarily religious entities if the primarily religious entity agrees to provide all eligible activities under this program in a manner that is free from religious influences and to be used for a wholly secular purpose under certain conditions, as cited at 24 CFR 570.200(J)(1)(2)(3).

Likely Eligible: A church hosts a weekly soup kitchen in their auditorium. No other activities are hosted in the auditorium. While the building as a whole is a religious institution and volunteers are often members of the congregation, there are no religious requirements or activities surrounding the soup kitchen, and no other activities take place in the auditorium. CDBG funds could thus be used to improve aspects of the auditorium, such as making the entrance of the auditorium handicap accessible.
**Likely Ineligible:** A church runs a homeless shelter which requires residents to pray daily. This religiously-affiliated homeless shelter would not be eligible for CDBG improvements.

**Political Activities**

Subrecipients/entities shall not use CDBG funds to finance the use of facilities or equipment for political purposes or to engage in other partisan political activities, such as sponsoring candidate forums, distributing brochures, voter transportation, or voter registration.

However, a facility originally assisted with CDBG funds may be used on an incidental basis to hold meetings, candidate forums, or voter registration, provided that all parties and organizations have access to the facility on an equal basis and are assessed equal rent or use charges, if any.

**Hatch Act, Chapter 15, Title 5 U.S. Code**

The Hatch Act (Public Law 76-252), as amended, prohibits local Community Development Program officials or other personnel employed by a Community Development Program from undertaking certain political activities or from using Community Development funds for political activities. In addition, personnel covered under this Act may not be a candidate for elected office unless candidacies are nonpartisan.

The Hatch Act applies to employees of subrecipients/entities only if the statute through which the organization derives its federal funding contains a provision, which states that recipient organizations shall be deemed to be state or local government agencies for the purposes of the Hatch Act.

**Anti-Lobbying**

Section 319 of Public Law 101-121, of the Department of the Interior Appropriations Act, prohibits subrecipients/entities from using appropriated Federal funds for lobbying the executive or legislative branches of the Federal Government in connection with a specific contract, grant, or loan. Further, the law requires that no Federal appropriated funds have been paid or will be paid, by or on behalf of subrecipients/entities to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

**Program Income**

Program income shall be recorded separately and returned to Bexar County for disposition. Upon approval by the County, income from the Project may be retained by the subrecipient/entity.
provided that written notification is given by the Economic and Community Development Department Director and that the income is to be used for the exclusive benefit of the Program.

Such income will be subject to guidelines for use in accordance with HUD regulations.

Program income, as defined in 24 CFR 570.500, includes, but is not limited to, the following:
- Proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG funds;
- Proceeds from the disposition of equipment purchased with CDBG funds;
- Gross income from the use or rental of real or personal property acquired by the subrecipient/entity with CDBG funds, less costs incidental to generation of the income;
- Gross income from the use or rental of real property, owned by the subrecipient/entity, that was constructed or improved with CDBG funds, less costs incidental to generation of the income;
- Payments of principal and interest on loans made using CDBG funds, except as provided in 24 CFR 570.500(a)(3); and
- Interest earned on program income pending its disposition.

**Anti-Discrimination Policies**

CDBG subrecipients/entities are prohibited from discriminating on the basis of:
- Race;
- Color;
- Religion;
- National origin;
- Disability Status (Including prior Alcohol & Illegal Substance Addictions);
- Familial status;
- Ethnicity;
- Gender;
- Gender Identity;
- Language(s) Spoken;
- Literacy;
- Sexual Orientation; or
- Veteran Status

Discrimination is prohibited in delivery of services, program administration, and any enforcement mechanisms.

No person in the United States shall on the ground of race, color, national origin (or any of the other items listed above) be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal funding and/or assistance. Assistance includes:
• Grants and loans of Federal funds;
• The grant or donation of Federal property and interests in property;
• The detail of Federal personnel;
• The sale and lease of, and the permission to use (on other than a casual or transient basis), Federal property or any interest in such property without consideration or at a nominal consideration, or at a consideration which is reduced for the purpose of assisting the recipient, or in recognition of the public interest to be served by such sale or lease to the recipient; and
• Any Federal agreement, arrangement, or other contract which has as one of its purposes the provision of assistance.

Furthermore, subrecipients/entities must be in compliance with the following Federal laws and Executive Orders, and implementing regulations:

**Section 109 of Title I of the Housing and Community Development Act of 1974**, as amended (42 U.S.C. 5301 et. seq., particularly 42 U.S.C. 6101 et. seq., and 29 U.S.C. 794): This law mandates that no person on the grounds of race, color, national origin, sex, or religion shall be excluded from participation, denied the benefits of, or otherwise be subject to discrimination under any activity funded in whole or part with CDBG funds.

**Title VI of the Civil Rights Act of 1964** (Public Law 88-352 implemented in 24 CFR Part 1): This law states that no person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

**Fair Housing Act, Title VIII of the Civil Rights Act of 1968** (Public Law 90-234): The Fair Housing Act prohibits discrimination in housing practices on the basis of race, color, religion, sex, and national origin. The Fair Housing Act was amended in 1988 to provide protections from discrimination in any aspect of the sale or rental of housing for families with children and persons with disabilities. The Fair Housing Act also establishes requirements for the design and construction of new rental or for-sale multi-family housing to ensure a minimum level of accessibility for persons with disabilities.

**Executive Order 11063, as amended by Executive Order 12259** (implemented in 24 CFR Part 107): This order and its implementing regulations require HUD to take all actions necessary to prevent discrimination because of race, color, religion, sex, or national origin in the use, occupancy, sale, leasing, rental, or other disposition of residential property assisted with Federal loans, advances, grants, or contributions.

**The Age Discrimination Act of 1975**, as amended: This law provides that no person shall be excluded from participation, denied program benefits, or subjected to discrimination on the basis of age under any program or activity receiving Federal assistance.
Section 504 of the Rehabilitation Act of 1973, as amended (implemented at 24 CFR Part 135): This section specifies that no otherwise qualified individual shall solely by reason of his or her handicap be excluded from participation (including employment), denied program benefits, or subjected to discrimination under any program or activity receiving Federal assistance. Part 8 requires that recipients ensure that their programs are accessible to and usable by persons with disabilities. Part 8 also prohibits recipients from employment discrimination based upon disability.

Access for Persons with Disabilities

Subrecipients/entities shall comply fully with any and all provisions of the Americans with Disabilities Act (ADA) of 1990. This law prohibits discrimination on the basis of disability in employment by state and local governments and in places of public accommodation and commercial facilities.

The ADA also requires that facilities that are newly constructed or altered, by, on behalf of, or for use of a public entity, be designed and constructed in a manner that makes the facility readily accessible to and usable by persons with disabilities.

The Act defines the range of conditions that qualify as disabilities and the reasonable accommodations that must be made to assure equality of opportunity, full participation, independent living, and economic self-sufficiency for persons with disabilities. Subrecipients/entities shall comply with Section 504 of the Rehabilitation Act of 1974, which prohibits discrimination based on handicap in:

- Information;
- Participation;
- Services;
- Housing;
- Employment;
- Building accessibility; or
- Any other aspects of a program funded by HUD.

Individuals with Disabilities include persons that are:

- Mobility impaired;
- Hearing impaired;
- Visually impaired;
- Developmentally disabled; and,
- Persons who remain in-home or institutionalized care settings.

General Requirements
No qualified individual with disabilities shall, solely on the basis of disability, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program funded by HUD, including CDBG.

Subrecipients/entities may not deny the opportunity, provide less of an opportunity or otherwise limit qualified individuals with disabilities from participating in or receiving services and benefits. This includes participating as a member of the planning or advisory boards or occupying a housing unit provided by the subrecipient/entity.

**Communications**

Appropriate auxiliary aids shall be provided where necessary or reasonably requested (e.g. telecommunication devices for deaf persons) for applicants, clients, and employees of the subrecipient/entity. This does not include wheelchairs, hearing aids, or other devices of a personal nature.

Procedures shall be in place to ensure that individuals with disabilities can obtain information on services and their location. This may include the provision of printed materials in Braille, large type, cassette, or disk.

Subrecipients/entities shall provide proper notification (e.g. in brochures and general printed information) to applicants, clients, and employees of the subrecipient/entity, including those with impaired vision or hearing, that the subrecipient/entity does not discriminate based on disability.

The above notifications should include a telecommunications device number for deaf persons (TDD).

**Employment**

The subrecipient/entities shall not discriminate in its hiring practices against qualified individuals with disabilities. Discrimination in employment also applies to promotions, tenure, transfers, terminations, rates of pay, job assignments, leaves of absence, sick leave, fringe benefits, and any other terms of employment.

Subrecipients/entities shall make reasonable accommodations to the known physical or mental limitations of an otherwise qualified applicant or employee with disabilities. This may include the provision of equipment or devices, job relocation, job restructuring, or facilities modifications.

**Building and Program Accessibility**

Subrecipients/entities shall comply with the following requirements:
• **New Construction** – Non-housing facilities shall be designed and constructed to be readily accessible to individuals with disabilities in conformance with the Local Building Code.

• **Rehab or Alterations** - Rehabilitation of non-housing facilities shall be made to be readily accessible to individuals with disabilities in conformance with the Local Building Code. Rehab does not include re-roofing, interior decorations, or changes to mechanical systems. However, rehab shall not be performed in such a manner that it reduces accessibility.

• **Existing Non-Housing Facilities** - The subrecipient/entity shall locate and operate each program receiving HUD assistance so the program, when viewed in its entirety, is readily accessible to and usable by individuals with disabilities. The subrecipient/entity may achieve accessibility through methods such as the following:
  - Location of programs or services to accessible facilities or accessible portions of facilities;
  - Assignment of aides to assist beneficiaries;
  - Home visits;
  - The addition or redesign of equipment or furnishings;
  - Acquisition or construction of additional facilities; and
  - Rehab or alterations to facilities on a selective basis.

  - Additional Requirements Applicable Only to Housing Projects: New housing projects shall be designed and constructed to be readily accessible to and usable by individuals with disabilities in conformance with Bexar County building code; and
  - Renovation to housing projects shall, to the maximum extent feasible, be made to be readily accessible and usable by individuals with disabilities in conformance with the local building code. Once five percent (5%) of the dwelling units are readily accessible, additional units do not need to be accessible, but are encouraged.

**Accessibility Self Evaluation**

Each subrecipient/entity shall conduct a review and self-evaluation of its programs, policies procedures, communications, employment practices, facilities, and other aspect of its program(s) to determine compliance with regulations concerning accessibility and nondiscrimination on the basis of disability. The Project Analyst will provide one to be completed and kept as part of the program records.

Furthermore, any practices or policies that do not meet accessibility requirements shall be modified by the subrecipient/entity to achieve accessibility, and any discrimination revealed by the self-evaluation shall be corrected.

All subrecipients/entities shall:
- Maintain the results of the above self-evaluation on file and make it available for three years;
• Designate an employee to coordinate compliance with HUD disability regulations;
• Adopt grievance procedures for people with disabilities; and
• Provide proper notices that the subrecipient/entity does not discriminate based on disability.

Environmental Standards

According to the National Environmental Policy Act (40 CFR 1500-1508) and Part 58, the subrecipient/entity is required to ensure that environmental information is available before decisions are made and before actions are taken. In order to achieve this objective, Part 58 prohibits the commitment or expenditure of CDBG funds until the County has completed the environmental review process, including the following:

• Subrecipients/entities may not spend either public or private funds (CDBG, other Federal or non-Federal funds), or execute a legally binding agreement for property acquisition, rehabilitation, conversion, repair or construction pertaining to a specific site until environmental clearance has been achieved.
• Grantees must avoid any and all actions that would preclude the selection of alternative choices before a final decision is made – that decision being based upon an understanding of the environmental consequences and actions that can protect, restore, and enhance the human environment (i.e., the natural, physical, social, and economic environment).
• Activities that have physical impacts or which limit the choice of alternatives cannot be undertaken, even with the grantee or other project participant’s own funds, prior to obtaining environmental clearance.

For the purposes of the environmental review process, “commitment of funds” includes:
• Execution of a legally binding agreement (such as a property purchase or construction contract);
• Expenditure of CDBG funds;
• Use of non-CDBG funds on actions that would have an adverse impact--- e.g., demolition, dredging, filling, excavating; and
• Use of non-CDBG funds on actions that would be “choice limiting”--- e.g., acquisition of real property; leasing property; rehabilitation, demolition, construction of buildings or structures; relocating buildings or structures; or conversion of land or buildings/structures.

It is acceptable for grantees to execute non-legally binding agreements prior to completion of the environmental review process. A non-legally binding agreement contains stipulations that ensure the project participant does not have a legal claim to any amount of CDBG funds to be used for the specific project or site until the environmental review process is satisfactorily completed.
Exemptions

Certain activities which by their nature are unlikely to have any direct impact on the environment may be exempt from the procedural requirements of environmental review. If a project is determined to be exempt, the subrecipient/entity is required to document the conditions for exemption in writing. Listed below are examples of activities which may be exempt from environmental review.

- Public service activities that will not have a physical impact or result in any physical changes;
- Information and financial services;
- Engineering and design costs;
- Environmental and other studies;
- Inspections and testing of properties for hazards or defects;
- Purchase of tools or insurance; and
- Technical assistance or training.

National Flood Insurance Program

Subrecipients/entities must comply with the Flood Disaster Protection Act of 1973, and the regulations in 44 CFR Parts 59 through 79. The 1973 Act made the purchase of flood insurance mandatory for the protection of property located in Special Flood Hazard Areas.

If a community has had notice for more than a year that an area has been identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, CDBG funds cannot be spent for acquisition or construction purposes in the area unless the community is participating in the National Flood Insurance Program and such insurance has been purchased for the properties in question.

There is also a statutory (24 CFR 58.6(b)) prohibition against providing Federal disaster assistance to a person who had previously received Federal flood disaster assistance conditioned on obtaining and maintaining flood insurance and the person failed to obtain and maintain such insurance.

Equal Employment Opportunity

Subrecipients/entities shall comply with Executive Order 11246, which provides for Equal Employment Opportunity. The Executive Order prohibits federal contractors and federally assisted construction contractors and subcontractors, who do over $10,000 in Government business in one year from discriminating in employment decisions on the basis of race, color, religion, sex, or national origin. It also requires government contractors to take affirmative action to ensure that equal opportunity is provided in all aspects of their employment.
Section 3 of the Housing and Urban Development Act of 1968 with implementing regulations at 24 CFR Part 135, also applies to employment and contracting opportunities. Section 3 requires that subrecipients/entities of CDBG funds, to the greatest extent feasible, provide job training, employment, and contracting opportunities for low- or very-low income residents in connection with projects and activities in their neighborhoods.

Use of Debarred, Suspended, or Ineligible Contractors/Vendors

No Contract shall be made to parties listed on the General Services Administration’s List of Parties Excluded from Federal Procurement or Non-procurement Programs List, found online at https://www.sam.gov.

Subrecipients/entities shall procure in accordance with Executive Orders 12549 and 12689, “Debarment and Suspension,” as set forth at 24 CFR part 24.

Limited English Proficiency Access

Subrecipients/entities must ensure meaningful access to their programs and activities by persons who do not speak English as their primary language and who have limited ability to speak, read, write, or understand English, pursuant to Executive Order 13166. This Executive Order mandates that the federal government reduce language barriers to Limited English Proficiency (LEP) persons with regard to accessing federal benefits.

In certain situations, failure to ensure persons who have LEP have access to CDBG programs or services may violate Title VI’s prohibition against national origin discrimination.

If 25% or more of a CDBG activity’s service clientele has limited English proficiency and speaks a non-English language, the CDBG activity must provide key documents translated in that population’s language.

If 50% or more of a CDBG activity’s service clientele has limited English proficiency and speaks a non-English language, the CDBG activity must make every attempt to provide assistance to a person in their designated language, either through translation services or by employing staff who speak the language.

If CDBG funds are provided for counseling, mental health services, medical services, and/or case management, these services MUST be provided in the client’s native language, regardless of the size of the population the subrecipient/entity serves.

Drug Free Workplace
The subrecipient/entity agrees that it shall comply with the provisions of the Drug-Free Workplace Act of 1988, 24 CFR Part 21, by taking the following steps:

- Publish and give a policy statement to all covered employees informing them that the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited in the covered workplace and specifying the actions that will be taken against employees who violate the policy.
- Establish a drug-free awareness program to make employees aware of a) the dangers of drug abuse in the workplace; b) the policy of maintaining a drug-free workplace; c) any available drug counseling, rehabilitation, and employee assistance programs; and d) penalties that may be imposed upon employees for drug abuse violations.
- Notify employees that as a condition of employment on a Federal contract or grant, the employee must a) abide by the terms of the policy statement; and b) notify the employer, within five calendar days, if he or she is convicted of a criminal drug violation in the workplace.
- Notify the grantee within 10 days after receiving notice that a covered employee has been convicted of a criminal drug violation in the workplace.
- Impose a penalty on or require satisfactory participation in a drug abuse assistance or rehabilitation program by any employee who is convicted of a reportable workplace drug conviction.
- Make an ongoing, good faith effort to maintain a drug-free workplace by meeting the requirements of the Act.
- A subrecipient/entity who fails to comply with these requirements is subject to certain penalties.

Insurance Requirements

Subrecipients/entities, at their sole cost and expense, for the full term of their CDBG Agreement (and any extensions thereof), shall obtain and maintain at minimum compliance with all of the following insurance coverage(s) and requirements.

Such insurance coverage shall be primary coverage. Any insurance or self-insurance maintained by Bexar County shall be excess of the subrecipient/entity’s insurance coverage and shall not contribute to it. Bexar County must be listed as an additional insured.

If the subrecipient/entity utilizes one or more subcontractor(s) in the performance of the CDBG Agreement, the subrecipient/entity shall obtain and maintain independent insurance as to each subcontractor or otherwise provide evidence of insurance coverage for each subcontractor equivalent to that required of the subrecipient/entity.

Types of Insurance and Minimum Limits
The following types of insurance and minimum limits are required by a Multi-Peril policy or equivalent combination of Mono-Line policies providing at least the following minimum coverage and limits of liability:

- Worker's Compensation written in accordance with the laws of the State of Texas and providing coverage for any and all employees of the subrecipient/entity in the minimum statutorily required coverage amounts;
- Automobile Liability Insurance for each of the subrecipient/entity’'s vehicles used in the performance of their CDBG Agreement, including owned, non-owned (e.g. owned by the subrecipient/entity’s employees or contractors), leased or hired vehicles, in the minimum amount of $500,000 combined single limit per occurrence for bodily injury and property damage. This insurance coverage may not be required if the vehicle used by the subrecipient/entity is not a material part of the performance of the CDBG Agreement and the subrecipient/entity receives explicit written approval from Bexar County.
- Comprehensive or Commercial General Liability Insurance coverage in the minimum amount of $1,000,000 combined single limit, including coverage for:
  - Bodily injury;
  - Personal injury;
  - Broad form property damage;
  - Contractual liability;
  - Cross-liability;
  - Professional Liability;

Other Insurance Provisions

If any insurance coverage required is provided on a "Claims Made" rather than "Occurrence" form, the subrecipient/entity agrees to maintain the required coverage for a period of three years after the expiration of the CDBG Agreement and any extensions thereof.

Endorsements

All required Automobile and Comprehensive or Commercial General Liability Insurance shall be endorsed to contain the following clause, with the exception that Endorsement (ii), providing for 30-day notices, is the only endorsement required to be made a part of the Worker's Compensation and Employers' Liability policy coverage.

(1) "Bexar County, its employees, officers, agents and volunteers are hereby added as additional insureds, but only as respects work done by, for, or on behalf of the named insured under Agreement with Bexar County."

(2) "Thirty (30) days prior written notice shall be given to Bexar County in the event of cancellation, reduction in coverage, or non-renewal of this policy for whatever reason."

Proof of Coverage
A subrecipient/entity shall provide its insurance broker(s) with a full copy of these insurance provisions and provide Bexar County on or before the effective date of their CDBG Agreement with Certificate of Insurance for all required coverage.

Copies of all the required Endorsements listed above shall be attached to the Certificate(s) of Insurance or other evidence of insurance acceptable to Bexar County, which shall be provided by the subrecipient/entity’s insurance company as evidence of the stipulated coverage.

**Rights to Inventions Made Under a Contract or Agreement**

Contracts or agreements for the performance of experimental, developmental, or research work shall provide for the rights of the Federal Government and the subrecipient/entity in any resulting invention in accordance with 37 CFR part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by HUD.

**Clean Air Act and the Federal Water Pollution Control Act**

Subrecipients/entities and their contractors/vendors shall comply with the Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act as amended (33 U.S.C.1251 et seq.). Violations shall be reported to HUD and the Regional Office of the Environmental Protection Agency (EPA).

**Additional Policies & Procedures for Construction/Improvement/Acquisition Activities**

**Construction Timeline**

Subrecipients/entities shall undertake their CDBG activity in accordance with the following schedule:

**Pre-Bid and Bid**

Attend Pre-bid meeting with Bexar County Community Development (CD) staff to:
- Review County procurement policy and bid solicitation process;
  - Prior to soliciting bids, recipients should contact the compliance officer or his/her designee to ensure compliance for the project;
  - Advertisement must be placed at least two weeks prior to acceptance of bids – when required by procurement rules;
  - Determine lowest responsible bidder – when required by procurement rules;
  - Conduct reference check;
  - Confirm and obtain bond and insurance documentation; and
Submit documentation of bid process to CD Staff.

- Review Davis-Bacon and Section 3 requirements;
- Review Environmental Review requirements/process; and
- Receive technical assistance;

Preconstruction

Attend preconstruction meeting with the contractor and CD staff, to:

- Review compliance monitoring process and requirements;
- Review requisition process;
- Finalize construction schedule;
- Submit to CD staff requisitions with required documentation submitted. Requisitions must include detail on work completed; Contractor’s AIA forms are not sufficient;

Compliance site visits will be conducted randomly by CD staff.

Project Completion

- Schedule final project inspection with CD staff.
- Submit final requisition. Requisition must include detail on work completed.
- Final requisition must include a letter from grantee that work has been completed and completed satisfactorily.
- Subrecipients/entities complete Closeout Report (showing beneficiaries).

Labor Standards and Davis Bacon

Section 110(a) of the Housing and Community Development Act requires the applicability of the Davis Bacon Act in CDBG-funded construction projects in excess of $2,000 or in residential projects if the building has eight or more units.

The Davis-Bacon Act, as amended (40 U.S.C. 276a--276a-5), states that all laborers and mechanics employed by contractors or subcontractors in the performance of federally-funded construction work shall be paid wages at rates not less than those prevailing on similar construction in the locality.

Prevailing wage rates are found at the Department of Labor website:
https://www.wdol.gov/

A guide for contractors on Davis Bacon can be found online at:
https://www.hudexchange.info/resource/2541/making-davis-bacon-work-contractorsguide-prevailing-wage-requirements/

Even if the largest part of funding for the project is not CDBG, Davis-Bacon still applies.
Subrecipients/entities (and their contractors) shall also comply with the Contract Work Hours and Safety Standards Act. Section 102 of the Act requires that certain contracts contain a clause specifying that no laborer or mechanic doing any part of the work contemplated by the contract shall be required or permitted to work more than 40 hours in any workweek unless paid for all such overtime hours at not less than 1 1/2 times the basic rate of pay. Section 107 of the Act requires that no laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous.

Section 3

Section 3 projects are housing rehabilitation, housing construction, and other public construction projects assisted under HUD programs that provide housing and community development financial assistance when the total amount of assistance to the project exceeds a threshold of $200,000.

The Section 3 program requires that recipients of applicable HUD financial assistance, to the greatest extent possible, provide training, employment, contracting and other economic opportunities to low- and very low-income persons, especially recipients of government assistance for housing, and to businesses that provide economic opportunities to low- and very low-income persons.

Section 3 FAQs:

https://www.hud.gov/sites/documents/11SECFAQS.PDF


All contracts and subcontracts in excess of $2,000 for construction or repair shall include a provision for compliance with the Copeland “Anti-Kickback” Act (18 U.S.C. 874), as supplemented by Department of Labor regulations (29 CFR part 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or subrecipient/entity shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he is otherwise entitled. In addition, all contractors and subcontractors must maintain and submit weekly certified payroll records including certification of compliance with the Act. The recipient shall report all suspected or reported violations to HUD.

Displacement, Relocation, Acquisition, and Replacement of Housing

Subrecipients/entities shall assure that they have taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, non-profit organizations, and farms) as a result of CDBG activities pursuant to Part 570.606.
Relocation of displaced persons shall be provided in conformance with Section 104D of the Housing and Community Development Act and the Uniform Relocation Assistance and Real Property Acquisition Act of 1970 as amended (URA).

When contemplating any project or program, the subrecipient/entity shall:

- Gather complete information identifying all tenants and owners who might be affected;
- Immediately notify the County if any action under the grant might result in an owner or tenant, business or residential, moving either temporarily or permanently; and
- Immediately inform any tenant or owner that he or she is entitled to information and counseling and should not move unless specifically required to do so and until formal notices have been received. Inform and tenant or owner that moving before that has occurred may cause him or her to give up rights.

Generally, a displaced person under the URA is an individual, family, partnership, association, corporation, or organization which moves from their home, business, or farm or moves their personal property, as a direct result of acquisition, demolition, or rehabilitation for a federally funded project.

Under URA CDBG projects are held to BOTH:

- Relocation assistance for displaced persons/businesses/occupants; and
- Replacement of any housing units lost as a result of project.

Some steps that will be required in the event of acquisition or displacement include:

**For Real Property Voluntary Acquisition**

- Prior to making an offer for the property, the subrecipient/entity must clearly advise the owner that it is unable to acquire the property if negotiations fail to result in an agreement; and
- Inform the owner in writing of what it believes to be the market value of the property.

**For Real Property Involuntary Acquisition** (under threat or use of eminent domain)

- Appraise property before negotiations, if possible;
- Provide the owner with a written offer of just compensation and a summary of what is being acquired;
- Pay for property before possession; and
- Reimburse expenses resulting from the transfer of title such as recording fees, prepaid real estate taxes, or other expenses.

**For Residential Displacements**

- Provide relocation advisory services to displaced tenants and owner occupants;
- Provide a minimum 90 days written notice to vacate prior to requiring possession;
- Reimburse for moving expenses; and
• Provide payments for the added cost of renting or purchasing comparable replacement housing.

**For Nonresidential Displacements (Businesses, Farms, and Nonprofit Organizations)**
• Provide relocation advisory services;
• Provide a minimum 90 days written notice to vacate prior to requiring possession; and
• Reimburse for moving and reestablishment expenses.

**For the acquisition of vacant property**
Bexar County may determine that an appraisal is unnecessary if the valuation problem is uncomplicated and the anticipated value of the proposed acquisition is estimated at $10,000 or less, based on a review of available data. If this is the case, the subrecipient/entity shall prepare a waiver valuation.

If personal property is stored on vacant land that is to be acquired, the owner qualifies for payment of his or her actual moving and related expenses. Actual direct loss of tangible personal property incurred by the acquisition shall result in the payment of the fair market value of the item or a substitute item that performs a comparable function.

**Replacement of Affordable Housing**
In general, when federal funds are used to eliminate any unit of affordable housing through demolition or downsizing, another affordable unit must be created. A unit does not need to be replaced if it is a substandard unit not suitable for rehabilitation that has been vacant for over a year.

Subrecipients/entities MUST replace a *vacant, occupiable dwelling unit*, defined as follows:
• A dwelling unit in standard condition (regardless of how long it has been vacant);
• A vacant unit in substandard condition that is suitable for rehabilitation (regardless of how long it has been vacant); or
• A dilapidated unit, not suitable for rehabilitation which has been occupied (except by squatters) within one year prior to the date of agreement.

**Monitoring**
Subrecipients/entities shall adhere to HUD’s recordkeeping requirements as contained in 24 CFR Part 570.502, HUD funded records must be retained for three years after expiration or termination of the subrecipient agreement in order to allow access for audit and public examination. If any litigation, claim, or audit is started prior to the expiration of the three-year period; the records must be maintained until all litigation, claims, and audit findings have been resolved.

**Monitoring Reviews**
Bexar County is responsible for monitoring subrecipients/entities to see if they comply with all regulations and requirements governing their administrative, financial, and programmatic operations. This includes assuring that performance goals are achieved within the scheduled time frame, budget, and when necessary taking appropriate actions when performance problems arise. Monitoring is not a "one-time-event", but rather will occur through visits, review of quarterly reports, and ongoing contract supervision.

**Monitoring Visits**

The five basic steps to the formal monitoring visit include:
- **Notification Call or Letter** - Explains the purpose of the visit, confirms date, scope of monitoring, and outlines the information that will be needed to conduct the review.
- **Entrance Conference** - Introduces monitoring visit purpose, scope, and schedule.
- **Documentation and Data Gathering** - The County will review and collect data and document conversations held with staff, which will serve as the basis for conclusions drawn from the visit. This includes reviewing client files, financial records, and subrecipient/entity procedures.
- **Exit Conference** - At the end of the visit the County will meet again with the key subrecipient/entity representatives to present preliminary results, provide an opportunity for the subrecipient/entity to correct misconceptions and report any corrective actions already in the works.
- **Follow-Up Letter** - The County will forward a formal written notification of the results of the monitoring visit pointing out problem areas and recognizing successes. The subrecipient/entity will be required to respond in writing to any problems or concerns noted.

**Ongoing Monitoring**

Bexar County CD staff will conduct an on-going monitoring process in order to review the programmatic and financial aspects of the subrecipient/entity’s activities. CD staff will review quarterly reports submitted by the subrecipient/entity for compliance with federal regulations regarding the use of federal funds and the implementation of the program.

The monitoring process is oriented towards resolving problems, offering technical assistance, and promoting timely implementation of programs. To this end, CD staff may require corrective actions of the subrecipient/entity.

Following are examples of significant problems, which will trigger corrective action by the subrecipient/entity:
- Services are not documented;
- Goals are not being met;
- Program files not in order;
- Complaints by clients;
- Required reports not being submitted in a timely manner; or
• Funding not spent correctly.

**Quarterly Programmatic Monitoring**

Subrecipients/entities shall submit a quarterly report detailing the implementation and administration of the activity or program. The quarterly programmatic report shall include the following:

- Progress in meeting stated goals and objectives;
- Changes in staff or Board of Directors;
- Problems encountered and steps taken to resolve them;
- Other general information as appropriate;
- Client Summary that identifies the income, ethnicity, and household status of clients receiving CDBG-funded assistance within the reporting period.

This report is due in the County CD office by the fifteenth (15th) working day of the month following the month when services were provided.

**On-Site Visits**

Based on monitoring results and other criteria, County CD staff may hold discussions with subrecipients/entities whose performance does not appear to be sufficient to meet the goals and achievements as outlined in the agreement. An on-site visit may occur to discuss the service activity shortfall. On-site monitoring visits may also be conducted in order to ascertain that eligible clients for whom the program was intended are being served and that in the event of an audit; the required client information is being maintained.

**Reprogramming**

CDBG funds associated with projects that are withdrawn, suspended, or cancelled; surplus funds that result from completing projects under budgets; unobligated administrative funds; and program income shall be reprogrammed.

It is the policy of Bexar County to administer CDBG reprogramming funds in accordance with the following standards:

1. **Notification**
   Subrecipients shall report any funds that will be returned to the County’s CDBG program, as soon as they are identified. The notification should include the amount of reprogrammable funds and the reason for the unutilized or returned funds.

2. **Eligibility**
   All reprogrammed funds shall be used in accordance CDBG program guidelines and Bexar County’s Five-Year Consolidated Plan. No allocation of CDBG funds will be made to a
project for which a CDBG application has not been received by the County - unless an allocation is granted to a County department (e.g., Public Works or Parks and Recreation).

3. **Prioritization**
   CDBG reprogramming funds must be allocated to existing capital improvement projects (i.e., street infrastructure or public facility improvement) in unincorporated Bexar County and/or Participating Cities. Projects administered by Bexar County will be given first priority. Capital improvement projects for which a CDBG application is on file will be given secondary prioritization.

4. **Timeline**
   All CDBG reprogrammed funds shall be expended within one year of the contract execution.

**Lead Based Paint**

For all structures constructed prior to 1978, the U.S. Department of Housing and Urban Development’s “GUIDELINES FOR THE EVALUATION AND CONTROL OF LEAD-BASED PAINT HAZARDS IN HOUSING” must be followed, where applicable:

https://www.hud.gov/program_offices/healthy_homes/lbp/hudguidelines

Subrecipients/entities must abide by all applicable local, state, and federal regulations and codes governing lead based paint hazards. Where regulations differ, subrecipients/entities are held to the stricter of the standards. More information regarding State Lead laws can be found online:

https://www.dshs.state.tx.us/elp/rules-summary.aspx

For federal lead regulations, subrecipients/entities are subject to Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and 24 CFR Part 35, prohibiting the use of lead-based paint in residential structures; AND ; requiring notification of hazards of lead-based paint poisoning; AND requiring elimination of lead-based paint hazards.

At a minimum, the subrecipient/entity is required to:

- Notify a purchaser or lessee of the presence of any known lead-based paint and/or lead-based paint hazards;
- Paint test surfaces to be disturbed or removed during rehabilitation for the presence of lead-based paint, or presume lead-based paint and notify the occupants of the results within 15 days of when the evaluation report is received or the presumption is made;
• Provide each occupied dwelling unit discussed in (a) and (b) in the preceding section with the EPA-approved lead hazard information pamphlet Protect Your Family From Lead in Your Home or EPA-approved equivalent;
• Reduce lead hazards as required by the applicable subparts of Part 35 (see full description on following page); and
• Perform clearance testing, including dust testing, before re-occupancy after all but minimal ("de minimis") amounts of paint disturbances.

<table>
<thead>
<tr>
<th>Level of Assistance in Property</th>
<th>Hazard Reduction Requirements</th>
<th>Summary of Requirements</th>
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</table>
| Assistance of less than 5,000 per unit (some exceptions) | Exempt | Typically, the following are exempt from the Hazard Reduction Requirements (not necessarily notice and other requirements):
• Assistance is Less than 5,000 a Unit
• Unit was Built Prior to 1978
• Single Room Occupancy Unit
• Deed Restricted Elderly Housing
• Lead Free Building
• No Disruption of a Painted Service |
| Assistance of more than $5,000 per unit up to and including $25,000 per unit | Interim controls. | Interim controls means a set of measures designed to reduce temporarily human exposure or likely exposure to lead-based paint hazards.

Once work is completed a passing a TX Dept. of Health LEAD SAFE CERTIFICATE Inspection must be realized for the exterior, common spaces, and all assisted units. |
This approach provides assurances that lead-based paint (if present) is stable and the unit is “lead safe”. Clearance is conducted for the entire unit; however, it does prevent the reappearance of lead-based paint hazards. On-going maintenance is required.

Interim controls include, but are not limited to, repairs, painting, temporary containment, specialized cleaning, clearance, on-going lead based paint maintenance activities, and the establishment and operation of management and resident education programs.

| Assistance of more than $25,000 per unit | Abatement of lead-based paint hazards. | Abatement means any set of measures designed to permanently eliminate lead-based paint or lead-based paint hazards (see definition of “permanent”) in the ENTIRE STRUCTURE (not just the areas where work is being done).

Once work is completed a passing a Lead Free Certificate must be realized for the exterior, common spaces, and all assisted units.

Abatement includes:
- The removal of lead-based paint and dust-lead |
<p>| hazards, the permanent enclosure or encapsulation of lead-based paint, the replacement of components or fixtures painted with lead-based paint, and the removal or permanent covering of soil-lead hazards; and |
| All preparation, cleanup, disposal, and post abatement clearance testing activities associated with such measures. |</p>
<table>
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<tr>
<th>Approach to Lead Hazard Evaluation and Reduction</th>
<th>Rehabilitation (Subpart J)</th>
<th>TBRA (Subpart M)</th>
<th>A,L,SS,O (Subpart K)</th>
<th>Homebuyer and Special Needs*</th>
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<td>&lt; $5,000</td>
<td>$5000-$2500</td>
<td>$25,000</td>
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<tr>
<td>Notification</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
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<tr>
<td>Lead Hazard Reduction</td>
<td>Repair surfaces disturbed during rehabilitation</td>
<td>Interim Controls</td>
<td>Abatement (Interim Controls on exterior surfaces not disturbed by rehabilitation)</td>
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<td>Safe work practices Clearance</td>
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<tr>
<td>EIBLL Requirements</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
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<tr>
<td>Options</td>
<td>Presume lead-based paint</td>
<td>Presume lead-based and/or hazards</td>
<td>Presume lead-based and/or hazards</td>
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<tr>
<td></td>
<td>Use safe work practices on all surfaces</td>
<td>Use Standard treatments</td>
<td>Abate all applicable surfaces</td>
<td>Use safe work practices only on lead-based paint surfaces</td>
</tr>
</tbody>
</table>

- Special Needs Housing may be subject to the requirements of Subpart J, M, or K depending on the nature of the assistance provided. However, since most special needs housing involves acquisition, leasing, support services, and operations, for the purposes of this table, it has been placed in this column.
THE LEAD-SAFE CERTIFIED GUIDE TO
RENOVATE RIGHT

Important lead hazard information for
families, child care providers and schools.

This document may be purchased through the U.S. Government Printing Office online at
IT’S THE LAW!

Federal law requires contractors that disturb painted surfaces in homes, child care facilities and schools built before 1978 to be certified and follow specific work practices to prevent lead contamination. Always ask to see your contractor’s certification.

Federal law requires that individuals receive certain information before renovating more than six square feet of painted surfaces in a room for interior projects or more than twenty square feet of painted surfaces for exterior projects or window replacement or demolition in housing, child care facilities and schools built before 1978.

• Homeowners and tenants: renovators must give you this pamphlet before starting work.

• Child care facilities, including preschools and kindergarten classrooms, and the families of children under six years of age that attend those facilities: renovators must provide a copy of this pamphlet to child care facilities and general renovation information to families whose children attend those facilities.
WHO SHOULD READ THIS PAMPHLET?

This pamphlet is for you if you:

• Reside in a home built before 1978.
• Own or operate a child care facility, including preschools and kindergarten classrooms, built before 1978, or
• Have a child under six years of age who attends a child care facility built before 1978.

You will learn:

• Basic facts about lead and your health.
• How to choose a contractor, if you are a property owner.
• What tenants, and parents/guardians of a child in a child care facility or school should consider.
• How to prepare for the renovation or repair job.
• What to look for during the job and after the job is done.
• Where to get more information about lead.

This pamphlet is not for:

• Abatement projects. Abatement is a set of activities aimed specifically at eliminating lead or lead hazards. EPA has regulations for certification and training of abatement professionals. If your goal is to eliminate lead or lead hazards, contact the National Lead Information Center at 1-800-424-LEAD (5323) for more information.
• “Do-it-yourself” projects. If you plan to do renovation work yourself, this document is a good start, but you will need more information to complete the work safely. Call the National Lead Information Center at 1-800-424-LEAD (5323) and ask for more information on how to work safely in a home with lead-based paint.
• Contractor education. Contractors who want information about working safely with lead should contact the National Lead Information Center at 1-800-424-LEAD (5323) for information about courses and resources on lead-safe work practices.
RENOVATING, REPAIRING, OR PAINTING?

- Is your home, your building, or the child care facility or school your children attend being renovated, repaired, or painted?
- Was your home, your building, or the child care facility or school where your children under six years of age attend built before 1978?

If the answer to these questions is YES, there are a few important things you need to know about lead-based paint.

This pamphlet provides basic facts about lead and information about lead safety when work is being done in your home, your building or the child care facility or school your children attend.

The Facts About Lead

• Lead can affect children’s brains and developing nervous systems, causing reduced IQ, learning disabilities, and behavioral problems. Lead is also harmful to adults.
• Lead in dust is the most common way people are exposed to lead. People can also get lead in their bodies from lead in soil or paint chips. Lead dust is often invisible.
• Lead-based paint was used in more than 38 million homes until it was banned for residential use in 1978.
• Projects that disturb painted surfaces can create dust and endanger you and your family. Don’t let this happen to you. Follow the practices described in this pamphlet to protect you and your family.

LEAD AND YOUR HEALTH

Lead is especially dangerous to children under six years of age.

Lead can affect children’s brains and developing nervous systems, causing:
• Reduced IQ and learning disabilities.
• Behavior problems.

Even children who appear healthy can have dangerous levels of lead in their bodies.

Lead is also harmful to adults. In adults, low levels of lead can pose many dangers, including:
• High blood pressure and hypertension.
• Pregnant women exposed to lead can transfer lead to their fetuses. Lead gets into the body when it is swallowed or inhaled.
• People, especially children, can swallow lead dust as they eat, play, and do other normal hand-to-mouth activities.
• People may also breathe in lead dust or fumes if they disturb lead-based paint. People who sand, scrape, burn, brush, blast or otherwise disturb lead-based paint risk unsafe exposure to lead.

What should I do if I am concerned about my family's exposure to lead?

• A blood test is the only way to find out if you or a family member already has lead poisoning. Call your doctor or local health department to arrange for a blood test.
• Call your local health department for advice on reducing and eliminating exposures to lead inside and outside your home, child care facility or school.
• Always use lead-safe work practices when renovation or repair will disturb painted surfaces.

For more information about the health effects of exposure to lead, visit the EPA lead website at epa.gov/lead/pubs/leadinfo or call 1-800-424-LEAD (5323).

There are other things you can do to protect your family every day.

• Regularly clean floors, window sills, and other surfaces.
• Wash children’s hands, bottles, pacifiers, and toys often.
• Make sure children eat a healthy, nutritious diet consistent with the USDA’s dietary guidelines, that helps protect children from the effects of lead.
• Wipe off shoes before entering the house.
WHERE DOES THE LEAD COME FROM?

Dust is the main problem.
The most common way to get lead in the body is from dust. Lead dust comes from deteriorating lead-based paint and lead-contaminated soil that gets tracked into your home. This dust may accumulate to unsafe levels. Then, normal hand-to-mouth activities, like playing and eating (especially in young children), move that dust from surfaces like floors and window sills into the body.

Home renovation creates dust.
Common renovation activities like sanding, cutting, and demolition can create hazardous lead dust and chips.

Proper work practices protect you from the dust.
The key to protecting yourself and your family during a renovation, repair or painting job is to use lead-safe work practices such as containing dust inside the work area, using dust-minimizing work methods, and conducting a careful cleanup, as described in this pamphlet.

Other sources of lead.
Remember, lead can also come from outside soil, your water, or household items (such as lead-glazed pottery and lead crystal). Contact the National Lead Information Center at 1-800-424-LEAD (5323) for more information on these sources.

CHECKING YOUR HOME FOR LEAD-BASED PAINT

Older homes, child care facilities, and schools are more likely to contain lead-based paint.
Homes may be single-family homes or apartments. They may be private, government-assisted, or public housing. Schools are preschools and kindergarten classrooms. They may be urban, suburban, or rural.

You have the following options:
You may decide to assume your home, child care facility, or school contains lead. Especially in older homes and buildings, you may simply want to assume lead-based paint is present and follow the lead-safe work practices described in this brochure during the renovation, repair, or painting job.

You can hire a certified professional to check for lead-based paint.
These professionals are certified risk assessors or inspectors, and can determine if your home has lead or lead hazards.

- A certified inspector or risk assessor can conduct an inspection telling you whether your home, or a portion of your home, has lead-based paint and where it is located. This will tell you the areas in your home where lead-safe work practices are needed.
- A certified risk assessor can conduct a risk assessment telling you if your home currently has any lead hazards from lead in paint, dust, or soil. The risk assessor can also tell you what actions to take to address any hazards.
- For help finding a certified risk assessor or inspector, call the National Lead Information Center at 1-800-424-LEAD (5323).

You may also have a certified renovator test the surfaces or components being disturbed for lead by using a lead test kit or by taking paint chip samples and sending them to an EPA-recognized testing laboratory. Test kits must be EPA-recognized and are available at hardware stores. They include detailed instructions for their use.
FOR PROPERTY OWNERS

You have the ultimate responsibility for the safety of your family, tenants, or children in your care.

This means properly preparing for the renovation and keeping persons out of the work area (see p. 8). It also means ensuring the contractor uses lead-safe work practices.

Federal law requires that contractors performing renovation, repair and painting projects that disturb painted surfaces in homes, child care facilities, and schools built before 1978 be certified and follow specific work practices to prevent lead contamination.

Make sure your contractor is certified, and can explain clearly the details of the job and how the contractor will minimize lead hazards during the work.

• You can verify that a contractor is certified by checking EPA’s website at epa.gov/getleadsafe or by calling the National Lead Information Center at 1-800-424-LEAD (5323). You can also ask to see a copy of the contractor’s firm certification.

• Ask if the contractor is trained to perform lead-safe work practices and to see a copy of their training certificate.

• Ask them what lead-safe methods they will use to set up and perform the job in your home, child care facility or school.

• Ask for references from at least three recent jobs involving homes built before 1978, and speak to each personally.

Always make sure the contract is clear about how the work will be set up, performed, and cleaned.

• Share the results of any previous lead tests with the contractor.

• You should specify in the contract that they follow the work practices described on pages 9 and 10 of this brochure.

• The contract should specify which parts of your home are part of the work area and specify which lead-safe work practices will be used in those areas. Remember, your contractor should confine dust and debris to the work area and should minimize spreading that dust to other areas of the home.

• The contract should also specify that the contractor will clean the work area, verify that it was cleaned adequately, and re-clean it if necessary.

If you think a worker is not doing what he is supposed to do or is doing something that is unsafe, you should:

• Contact your landlord.

• Call your local health or building department, or

• Call EPA’s hotline 1-800-424-LEAD (5323).

If your property receives housing assistance from HUD (or a state or local agency that uses HUD funds), you must follow the requirements of HUD’s Lead-Safe Housing Rule and the ones described in this pamphlet.

FOR TENANTS AND FAMILIES OF CHILDREN UNDER SIX YEARS OF AGE IN CHILD CARE FACILITIES AND SCHOOLS

You play an important role ensuring the ultimate safety of your family.

This means properly preparing for the renovation and staying out of the work area (see p. 8).

Federal law requires that contractors performing renovation, repair and painting projects that disturb painted surfaces in homes built before 1978 and in child care facilities and schools built before 1978, that a child under six years of age visits regularly, to be certified and follow specific work practices to prevent lead contamination.

The law requires anyone hired to renovate, repair, or do painting preparation work on a property built before 1978 to follow the steps described on pages 9 and 10 unless the area where the work will be done contains no lead-based paint.

If you think a worker is not doing what he is supposed to do or is doing something that is unsafe, you should:

• Contact your landlord.

• Call your local health or building department, or

• Call EPA’s hotline 1-800-424-LEAD (5323).

If you are concerned about lead hazards left behind after the job is over, you can check the work yourself (see page 10).
PREPARING FOR A RENOVATION

The work areas should not be accessible to occupants while the work occurs.
The rooms or areas where work is being done may need to be blocked off or sealed with plastic sheeting to contain any dust that is generated. Therefore, the contained area may not be available to you until the work in that room or area is complete, cleaned thoroughly, and the containment has been removed. Because you may not have access to some areas during the renovation, you should plan accordingly.

You may need:
- Alternative bedroom, bathroom, and kitchen arrangements if work is occurring in those areas of your home.
- A safe place for pets because they too can be poisoned by lead and can track lead dust into other areas of the home.
- A separate pathway for the contractor from the work area to the outside in order to bring materials in and out of the home. Ideally, it should not be through the same entrance that your family uses.
- A place to store your furniture. All furniture and belongings may have to be moved from the work area while the work is being done. Items that can’t be moved, such as cabinets, should be wrapped in plastic.
- To turn off forced-air heating and air conditioning systems while the work is being done. This prevents dust from spreading through vents from the work area to the rest of your home. Consider how this may affect your living arrangements.

You may even want to move out of your home temporarily while all or part of the work is being done.

Child care facilities and schools may want to consider alternative accommodations for children and access to necessary facilities.

DURING THE WORK

Federal law requires contractors that are hired to perform renovation, repair and painting projects in homes, child care facilities, and schools built before 1978 that disturb painted surfaces to be certified and follow specific work practices to prevent lead contamination.

The work practices the contractor must follow include these three simple procedures, described below:

1. **Contain the work area.** The area must be contained so that dust and debris do not escape from that area. Warning signs must be put up and plastic or other impermeable material and tape must be used as appropriate to:
   - Cover the floors and any furniture that cannot be moved.
   - Seal off doors and heating and cooling system vents.
   - For exterior renovations, cover the ground and, in some instances, erect vertical containment or equivalent extra precautions in containing the work area.

   These work practices will help prevent dust or debris from getting outside the work area.

2. **Avoid renovation methods that generate large amounts of lead-contaminated dust.** Some methods generate so much lead-contaminated dust that their use is prohibited. They are:
   - Open flame burning or torching.
   - Sanding, grinding, planing, needle gunning, or blasting with power tools and equipment not equipped with a shroud and HEPA vacuum attachment.
   - Using a heat gun at temperatures greater than 1100°F.

   There is no way to eliminate dust, but some renovation methods make less dust than others. Contractors may choose to use various methods to minimize dust generation, including using water to mist areas before sanding or scraping; scoring paint before separating components; and prying and pulling apart components instead of breaking them.

3. **Clean up thoroughly.** The work area should be cleaned up daily to keep it as clean as possible. When all the work is done, the area must be cleaned up using special cleaning methods before taking down any plastic that isolates the work area from the rest of the home. The special cleaning methods should include:
   - Using a HEPA vacuum to clean up dust and debris on all surfaces, followed by
   - Wet wiping and wet mopping with plenty of rinse water.

   When the final cleaning is done, look around. There should be no dust, paint chips, or debris in the work area. If you see any dust, paint chips, or debris, the area must be re-cleaned.
FOR PROPERTY OWNERS: AFTER THE WORK IS DONE

When all the work is finished, you will want to know if your home, child care facility, or school where children under six attend has been cleaned up properly.

**EPA Requires Cleaning Verification.**

In addition to using allowable work practices and working in a lead-safe manner, EPA’s RRP rule requires contractors to follow a specific cleaning protocol. The protocol requires the contractor to use disposable cleaning cloths to wipe the floor and other surfaces of the work area and compare these cloths to an EPA-provided cleaning verification card to determine if the work area was adequately cleaned. EPA research has shown that following the use of lead-safe work practices with the cleaning verification protocol will effectively reduce lead-dust hazards.

**Lead-Dust Testing.**

EPA believes that if you use a certified and trained renovation contractor who follows the LRRP rule by using lead-safe work practices and the cleaning protocol after the job is finished, lead-dust hazards will be effectively reduced. If, however, you are interested in having lead-dust testing done at the completion of your job, outlined below is some helpful information.

**What is a lead-dust test?**

• Lead-dust tests are wipe samples sent to a laboratory for analysis. You will get a report specifying the levels of lead found after your specific job.

**How and when should I ask my contractor about lead-dust testing?**

• Contractors are not required by EPA to conduct lead-dust testing. However, if you want testing, EPA recommends testing be conducted by a lead professional. To locate a lead professional who will perform an evaluation near you, visit EPA’s website at [epa.gov/lead/pubs/locate](http://epa.gov/lead/pubs/locate) or contact the National Lead Information Center at 1-800-424-LEAD (5323).

• If you decide that you want lead-dust testing, it is a good idea to specify in your contract, before the start of the job, that a lead-dust test is to be done for your job and who will do the testing, as well as whether re-cleaning will be required based on the results of the test.

• You may do the testing yourself. If you choose to do the testing, some EPA-recognized lead laboratories will send you a kit that allows you to collect samples and send them back to the laboratory for analysis. Contact the National Lead Information Center for lists of EPA-recognized testing laboratories.

FOR ADDITIONAL INFORMATION

You may need additional information on how to protect yourself and your children while a job is going on in your home, your building, or child care facility.

The National Lead Information Center at 1-800-424-LEAD (5323) or [epa.gov/lead/nlic](http://epa.gov/lead/nlic) can tell you how to contact your state, local, and/or tribal programs or get general information about lead poisoning prevention.

• State and tribal lead poisoning prevention or environmental protection programs can provide information about lead regulations and potential sources of financial aid for reducing lead hazards. If your state or local government has requirements more stringent than those described in this pamphlet, you must follow those requirements.

• Local building code officials can tell you the regulations that apply to the renovation work that you are planning.

• State, county, and local health departments can provide information about local programs, including assistance for lead-poisoned children and advice on ways to get your home checked for lead.

The National Lead Information Center can also provide a variety of resource materials, including the following guides to lead-safe work practices. Many of these materials are also available at [epa.gov/lead/pubs/brochure](http://epa.gov/lead/pubs/brochure).

• Steps to Lead Safe Renovation, Repair and Painting.

• Protect Your Family from Lead in Your Home

• Lead in Your Home: A Parent’s Reference Guide

For the hearing impaired, call the Federal Information Relay Service at 1-800-877-8339 to access any of the phone numbers in this brochure.
EPA CONTACTS

EPA Regional Offices
EPA addresses residential lead hazards through several different regulations. EPA requires training and certification for conducting abatement and renovations, education about hazards associated with renovations, disclosure about known lead paint and lead hazards in housing, and sets lead-paint hazard standards.

Your Regional EPA Office can provide further information regarding lead safety and lead protection programs at epa.gov/lead.

Region 1
(Connecticut, Massachusetts, Maine, New Hampshire, Rhode Island, Vermont)
Regional Lead Contact
U.S. EPA Region 1
Suite 1100
One Congress Street
Boston, MA 02114-2023
(888) 372-7341

Region 2
(New Jersey, New York, Puerto Rico, Virgin Islands)
Regional Lead Contact
U.S. EPA Region 2
2890 Woodbridge Avenue
Building 205, Mail Stop 225
Edison, NJ 08837-3679
(732) 321-6671

Region 3
(Delaware, Maryland, Pennsylvania, Virginia, Washington, DC, West Virginia)
Regional Lead Contact
U.S. EPA Region 3
1650 Arch Street
Philadelphia, PA 19103-2029
(215) 814-5000

Region 4
(Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee)
Regional Lead Contact
U.S. EPA Region 4
61 Forsyth Street, SW
Atlanta, GA 30303-8960
(404) 562-9900

Region 5
(Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin)
Regional Lead Contact
U.S. EPA Region 5
77 West Jackson Boulevard
Chicago, IL 60604-3507
(312) 886-6003

Region 6
(Arkansas, Louisiana, New Mexico, Oklahoma, Texas)
Regional Lead Contact
U.S. EPA Region 6
1445 Ross Avenue, 12th Floor
Dallas, TX 75202-2733
(214) 665-7577

Region 7
(Iowa, Kansas, Missouri, Nebraska)
Regional Lead Contact
U.S. EPA Region 7
901 N. 5th Street
Kansas City, KS 66101
(913) 551-7003

Region 8
(Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming)
Regional Lead Contact
U.S. EPA Region 8
1595 Wynkoop Street
Denver, CO 80202
(303) 312-6312

Region 9
(Arizona, California, Hawaii, Nevada)
Regional Lead Contact
U.S. EPA Region 9
75 Hawthorne Street
San Francisco, CA 94105
(415) 947-8021

Region 10
(Alaska, Idaho, Oregon, Washington)
Regional Lead Contact
U.S. EPA Region 10
1200 Sixth Avenue
Seattle, WA 98101-1128
(206) 553-1200

OTHER FEDERAL AGENCIES

CPSC
The Consumer Product Safety Commission (CPSC) protects the public from the unreasonable risk of injury or death from 15,000 types of consumer products under the agency’s jurisdiction. CPSC warns the public and private sectors to reduce exposure to lead and increase consumer awareness. Contact CPSC for further information regarding regulations and consumer product safety.

CPSC
4330 East West Highway
Bethesda, MD 20814
Hotline 1-(800) 638-2772
cpsc.gov

CDC Childhood Lead Poisoning Prevention Branch
The Centers for Disease Control and Prevention (CDC) assists state and local childhood lead poisoning prevention programs to provide a scientific basis for policy decisions, and to ensure that health issues are addressed in decisions about housing and the environment. Contact CDC Childhood Lead Poisoning Prevention Program for additional materials and links on the topic of lead.

CDC Childhood Lead Poisoning Prevention Branch
4770 Buford Highway, MS F-40
Atlanta, GA 30341
(770) 488-3300
cdc.gov/nceh/lead

HUD Office of Healthy Homes and Lead Hazard Control
The Department of Housing and Urban Development (HUD) provides funds to state and local governments to develop cost-effective ways to reduce lead-based paint hazards in America’s privately-owned low-income housing. In addition, the office enforces the rule on disclosure of known lead paint and lead hazards in housing, and HUD’s lead safety regulations in HUD-assisted housing, provides public outreach and technical assistance, and conducts technical studies to help protect children and their families from health and safety hazards in the home. Contact the HUD Office of Healthy Homes and Lead Hazard Control for information on lead regulations, outreach efforts, and lead hazard control research and outreach grant programs.

U.S. Department of Housing and Urban Development
Office of Healthy Homes and Lead Hazard Control
451 Seventh Street, SW, Room 8236
Washington, DC 20410-3000
HUD’s Lead Regulations Hotline
(202) 402-7698
hud.gov/offices/lead/
SAMPLE PRE-RENOVATION FORM

This sample form may be used by renovation firms to document compliance with the Federal pre-renovation education and renovation, repair, and painting regulations.

Occupant Confirmation

Pamphlet Receipt

☐ I have received a copy of the lead hazard information pamphlet informing me of the potential risk of the lead hazard exposure from renovation activity to be performed in my dwelling unit. I received this pamphlet before the work began.

Printed Name of Owner-occupant

Signature of Owner-occupant  Signature Date

Renovator’s Self Certification Option (for tenant-occupied dwellings only)

Instructions to Renovator: If the lead hazard information pamphlet was delivered but a tenant signature was not obtainable, you may check the appropriate box below.

☐ Declined – I certify that I have made a good faith effort to deliver the lead hazard information pamphlet to the rental dwelling unit listed below at the date and time indicated and that the occupant declined to sign the confirmation of receipt. I further certify that I have left a copy of the pamphlet at the unit with the occupant.

☐ Unavailable for signature – I certify that I have made a good faith effort to deliver the lead hazard information pamphlet to the rental dwelling unit listed below and that the occupant was unavailable to sign the confirmation of receipt. I further certify that I have left a copy of the pamphlet at the unit by sliding it under the door or by (fill in how pamphlet was left).

Printed Name of Person Certifying Delivery  Attempted Delivery Date

Signature of Person Certifying Lead Pamphlet Delivery

Unit Address

Note Regarding Mailing Option — As an alternative to delivery in person, you may mail the lead hazard information pamphlet to the owner and/or tenant. Pamphlet must be mailed at least seven days before renovation. Mailing must be documented by a certificate of mailing from the post office.
Lead Safe Housing Requirements Screening on Exemption or Limited Exemption

This worksheet should be placed in the project file for any residential property that is assisted with Federal funds. Parts 1-3 should be completed for all projects. Read the footnotes for additional information.

Property Owner and Address: ________________________________

Part 1: Exemptions from Lead Safe Housing Rule including Lead Disclosure

If the answer to any of the following questions is yes, the property is exempt from all requirements of 24 CFR Part 35 (Lead Safe Housing Rule), including Disclosure and provision of the Protect Your Family Pamphlet (Subpart A). The regulatory citation of each exemption is cited as additional guidance.

<table>
<thead>
<tr>
<th>Question</th>
<th>Reference</th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Was the property constructed after January 1, 1978?</td>
<td>[35.86, 115]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is this a zero-bedroom unit? (e.g. SRO, efficiency)</td>
<td>[35.86, 115]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is this dedicated elderly housing? (i.e. over age 62)</td>
<td>[35.86, 115]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is this housing dedicated for the disabled?</td>
<td>[35.86, 115]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>For lease transaction, has a paint inspection conducted in accordance with 35.1320(a) established that the property is free of lead-based paint?</td>
<td>[35.82, 115]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The date of the original paint inspection was __________________________.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>An optional paint inspection conducted on _____ confirmed this prior finding.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is this a short-term lease of 100 days or less, where no lease renewal or extension can occur?</td>
<td>[35.82]</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1Defined as retirement communities or similar types of housing reserved for households composed of one or more persons over age 62, or other age if recognized by a specific Federal housing assistance program. However, if a child under age 6 resides or is expected to reside in such a unit, the unit is not exempt.

2The housing must be a residential property designated exclusively for persons with disabilities, defined as any person who has a physical or mental impairment that substantially limits one or more major life activities, has a record of impairment, or is regarded by others as having such an impairment. However, if a child under age 6 resides or is expected to reside in such a unit, the unit is not exempt.
Lead Hazard Evaluation Notice – Sample Form

The LSHR requires the results of the Lead Hazard Evaluation to be provided to the occupant of the unit. The attached sample form can be to record the Lead Hazard Evaluation Results and be issued to the occupants meeting the disclosure requirements.

Address: ____________________________________________

Evaluation Completed (circle one):  Paint  Paint Testing  Risk Assessment

Inspection Date: ________________

Summary of Results:

_____ No lead-based paint or lead-based paint hazards were found.

_____ Lead-based paint and/or lead-based paint hazards were found. See attachment for details

Contact person for more information about the risk evaluation:

Printed name: ____________________________
Signature: _________________________________
Date: ________________________________
Organization: ____________________________
Street: __________________________________
City & State _______________________________
Zip _____________________________________
Phone #: ________________________________

Person who prepared this notice:

Printed name: ____________________________
Signature: _________________________________
Date: ________________________________
Organization: ____________________________
Street: __________________________________
City & State _______________________________
Zip _____________________________________
Phone #: ________________________________
Post-Work Checklist for Lead Hazard Reduction Activities

For Owners: Check Number 1 or 2 and Number 3

I, ______________________ (name), owner of ______________________ (unit or address), certify that all deteriorated paint identified in the Risk Assessment report dated _______ was stabilized and that safe work practices were followed. Items 1A-1E were adhered to, in compliance with Federal, state and local regulations, except in cases where the work was exempt from safe work practice requirements as described in Item 2. I also certify that I will conduct ongoing maintenance as described in Item 3.

For Contractors: Check Number 1 or 2 and Complete Number 4

I, ______________________ (name), an employee of ______________________ (contractor or organization), certify that we followed safe work practices on ______________________ (address of property). Items 1A-1D were adhered to, in compliance with Federal, state and local regulations, except in cases where the work was exempt from safe work practice requirements as described in Item 2.

1. The following practices were followed as appropriate (check all that apply).

☐ A. The prohibited work methods listed below were not used.

— Open flame burning or torching.

— Machine sanding or grinding without a high-efficiency particulate air (HEPA) local exhaust control.

— Abrasive blasting or sandblasting without HEPA local exhaust control.

— Heat guns operating above 1,100 degrees Fahrenheit, or those that operate high enough to char the paint.

— Dry sanding or dry scraping. (For exceptions to this rule see 24CFR 35.140 (e).)

— Paint stripping in a poorly ventilated space using a volatile stripper that is a hazardous substance in accordance with regulations of the Consumer Product Safety Commission at 16 CFR 1500.3, and/or a hazardous chemical in accordance with the Occupational Safety and Health Administration at 29 CFR 1010.1200 or 1926.59, as applicable to the work.

☐ B. Workers performing the work were qualified to do so, in compliance with 24 CFR 35

— Workers were supervised by a certified abatement supervisor; or

— Workers successfully completed a HUD-approved training on Lead Safe work practices (i.e., the EPA or state equivalent Renovation Repair and Painting 8-hour training course (see https://cfpub.epa.gov/flpp/pub/index.cfm?do=main.firm Search for listing of certified renovators))
Sample Notice of Lead Hazard Reduction

Property Address: ________________________________  Today’s Date: ____________________

Summary of the Hazard Reduction Activity:
Start Date: ________________________________  Completion Date: ____________________

Location and type of activity. (List the location and type of activity conducted or attach a copy of the summary page from the clearance report or the lead hazard scope of work providing this information.)

______________________________________________________________________________

______________________________________________________________________________

Date(s) of clearance testing: ______________________________________________________

Summary of results of clearance testing:

(a) ___________ No clearance testing was performed.
   (i) Reason: ________________________________

(b) ___________ Clearance testing showed clearance was achieved.

(c) ___________ Clearance testing showed clearance was not achieved.
   (i) _____ Re-clearance showed clearance was achieved.

List any components with known lead-based paint that remain in the areas where activities were conducted.
List the location of the component (e.g. kitchen-door, bedroom-windows).

______________________________________________________________________________

______________________________________________________________________________

Person who prepared this summary notice

Printed Name: ________________________________  Signature: ________________________________
Title: ________________________________  Organization: ________________________________
Address: ________________________________________________________________
Phone: ________________________________  Fax: ________________________________

Owner: ____________________________________________  Date: ________________________________
(Give to Property Owner with work-write up)

If you have any questions about this summary, please contact ____________________________ at

www.hudexchange.info/programs/lead-based-paint/lshr-toolkit
C. Protection of occupants and preparation of the worksite as described below.

○ Occupant Protection

— Occupants were appropriately notified that their belongings would be protected during the work and what, if anything, they would need to do to prepare for the project.

  ▪ Occupants were not permitted to enter the worksite during hazard reduction activities until final clearance was achieved and were temporarily relocated before and during hazard reduction activities; and

  ▪ Dwelling unit and worksite were secured against unauthorized entry, and occupants’ belongings were protected from contamination by dust-lead hazards and debris during hazard reduction activities, or

  ▪ Occupants were temporarily relocated during hazard reduction activities to a suitable, decent, safe, and similarly accessible lead-safe unit and until clearance was achieved

     AND

  ▪ Occupants’ belongings in the containment area were relocated to a safe and secure area outside the containment area, or covered with an impermeable covering with all seams and edges taped/sealed

○ Worksite Preparation

— Worksite was prepared to prevent release of leaded dust and contained lead-based paint chips and other debris from hazard reduction activities within the worksite.

— A warning sign was posted at each entry to rooms where hazard reduction activities were conducted when occupants were present; or at each main and secondary entryway to the building from which occupants were relocated. The warning sign included the occupants’ primary language.

D. Specialized cleaning after hazard reduction activities including:

— HEPA vacuum cleaners; or other method of equivalent efficacy; and

— Lead-specific detergents or equivalents.

E. Clearance of unit achieved before reoccupancy was permitted.

2. Safe work practices and clearance were not required when activities do not disturb painted surfaces below the de minimis thresholds defined below.

  • The maintenance or rehab hazard reduction activities did not disturb painted surfaces that totaled more than:
— 20 square feet on exterior surfaces;
— 2 square feet in any one interior room or space; or
— 10 percent of the total surface area on an interior or exterior type of component with a small surface area (such as windowsills, baseboards, and trim).

3. I will comply with ongoing maintenance requirements, for the term of the HUD assistance including:
   • Performance of visual assessments for deteriorated paint, bare soil and lead hazard control failures of all lead-based paint in units, annually and at unit turnover.
   • Repair all deteriorated paint above de minimis levels* using an RRP certified firm and certified renovators who will employ Lead Safe Work Practices.
   • Repair all encapsulated or enclosed areas that are damaged or failing using appropriate interim controls or abatement methods (if applicable) by certified RRP renovators or certified and licensed lead-based paint abatement workers.
   • Request in writing that occupants of units monitor lead-based paint surfaces and notify me regarding any new potential lead hazards. (For units that are newly leased during this monitoring period.)

*De minimis levels are defined as:
   • 20 square feet on exterior surfaces;
   • 2 square feet in any one interior room or space; or
   • 10 percent of the total surface area on an interior or exterior type of component with a small surface area (such as windowsills, baseboards, and trim).

4. Document that workers who worked on the rehabilitation project were properly qualified to do the work.

I, _________________________ (name), an employee of _________________________ (contractor/organization), certify that the employees listed below, who worked on the building located at _________________________ (address of property) were properly trained and certified RRP renovators and used safe work practices and performed interim controls on a project known or presumed to have lead-based paint or lead-based paint hazards.

Proper training courses include the following. Each person listed below completed at least one of these courses.
   • A renovator (RRP) course accredited in accordance with 40 CFR 745.225.
   • A lead-based paint abatement supervisor course accredited in accordance with 40 CFR 745.225;
   • A lead-based paint abatement worker course accredited in accordance with 40 CFR 745.225;
Names of Trained Employees

_________________________________________  ______________________________________

_________________________________________  ______________________________________

_________________________________________  ______________________________________

_________________________________________  ______________________________________

_________________________________________  ______________________________________

_________________________________________  ______________________________________

Contractor Supervisor Signature  ___________________________

_____________________________  Date

Property Owner Signature  ___________________________

_____________________________  Date

City of Representative  ___________________________

_____________________________  Date
Summarize the types and locations of lead-based paint hazards below or attach your own summary. The summary must list at least the bare soil locations, dust-lead locations, and/or building components (including type of room or space and the material underneath the paint), and types of lead-based paint hazards found:

### Contaminated Soil

<table>
<thead>
<tr>
<th>Area</th>
<th>mg/g (ppm)</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perimeter</td>
<td>mg/g (ppm)</td>
<td></td>
</tr>
<tr>
<td>Play Area</td>
<td>mg/g (ppm)</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>mg/g (ppm)</td>
<td></td>
</tr>
</tbody>
</table>

### Contaminated Dust

<table>
<thead>
<tr>
<th>Area</th>
<th>μg/SF</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Windowsill</td>
<td>μg/SF</td>
<td></td>
</tr>
<tr>
<td>Floor</td>
<td>μg/SF</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>μg/SF</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>μg/SF</td>
<td></td>
</tr>
</tbody>
</table>

### Other Hazards

<table>
<thead>
<tr>
<th>Component*</th>
<th>Location</th>
<th>Condition (good, fair, poor)</th>
<th>Friction or Impact Surface?</th>
<th>Lead Content (if known)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td></td>
<td></td>
<td></td>
<td>mg/cm² (ppm)</td>
</tr>
<tr>
<td>2.</td>
<td></td>
<td></td>
<td></td>
<td>mg/cm² (ppm)</td>
</tr>
<tr>
<td>3.</td>
<td></td>
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<td>mg/cm² (ppm)</td>
</tr>
<tr>
<td>4.</td>
<td></td>
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<td></td>
<td>mg/cm² (ppm)</td>
</tr>
<tr>
<td>5.</td>
<td></td>
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<td></td>
<td>mg/cm² (ppm)</td>
</tr>
<tr>
<td>6.</td>
<td></td>
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<td>mg/cm² (ppm)</td>
</tr>
<tr>
<td>7.</td>
<td></td>
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<td>mg/cm² (ppm)</td>
</tr>
<tr>
<td>8.</td>
<td></td>
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<td>mg/cm² (ppm)</td>
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<tr>
<td>9.</td>
<td></td>
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<td>mg/cm² (ppm)</td>
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<tr>
<td>10.</td>
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<td>mg/cm² (ppm)</td>
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<tr>
<td>11.</td>
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<td>mg/cm² (ppm)</td>
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<tr>
<td>12.</td>
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<td></td>
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<td>mg/cm² (ppm)</td>
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<tr>
<td>13.</td>
<td></td>
<td></td>
<td></td>
<td>mg/cm² (ppm)</td>
</tr>
<tr>
<td>14.</td>
<td></td>
<td></td>
<td></td>
<td>mg/cm² (ppm)</td>
</tr>
</tbody>
</table>

* Components include but are not limited to (interior and exterior) windows, doors, trim, fences, porches, walls and floors.
### Part 2: Exemptions from Lead Safe Housing Rule Subparts B-R Only

If the answer to any of the following questions is yes, the property is exempt from the requirements of 24 CFR Part 35 Subparts B-R. The property must still follow disclosure requirements. The regulatory citation of each exemption is cited as additional guidance.

<table>
<thead>
<tr>
<th>Question</th>
<th>Regulatory Citation</th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Has all lead-based paint in the property been identified and removed (no encapsulation or enclosure), and has clearance been achieved as cited below?</td>
<td>[35.115(a)(5)]</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td>Clearance was achieved prior to September 15, 2000, and the work was done in accordance with 40 CFR Part 745.227(b).</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clearance was achieved after September 15, 2000, and the work was done in accordance with 24 CFR Part 35.1320, 1325 and 1340.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Will a currently vacant unit remain vacant until it is demolished?</td>
<td>[35.115(a)(6)]</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td>Is the property used for non-residential purposes?</td>
<td>[35.115(a)(7)]</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td>Are emergency actions immediately necessary to safeguard again imminent danger to human life, health or safety, or to protect the property from further structural damage (e.g. after natural disaster or fire)? (Note: Only the emergency actions are exempt.)</td>
<td>[35.115(a)(9)]</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td>Will any rehab exclude disturbing painted surfaces?</td>
<td>[35.115(a)(8)]</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td>Is the assistance for emergency housing or foreclosure prevention for a particular unit, where the assistance ends no later than 100 days after the initial payment or assistance? If yes, Subpart K requirements do not apply.</td>
<td>[35.115(a)(11)]</td>
<td>YES</td>
<td>NO</td>
</tr>
</tbody>
</table>

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3 Except that spaces such as entryways, hallways, stairways, etc. serving both residential and non-residential uses in a mixed-use property are not exempt.

4 When a household is provided short-term emergency leasing assistance and will occupy a unit for less than 100 days, the unit is exempt from lead paint regulations. This emergency leasing exemption is attached to the unit, not the family, and is a one-time exemption. After being assisted for a total of 100 consecutive days, the unit becomes subject to regular Subpart K requirements. Multiple families cannot be cycled through the same unit at intervals of less than 100 days under this exemption.
Part 3: Limited Exemptions from Specific Hazard Reduction Requirements

The HUD Final Rule allows for limited exemptions from specific requirements due to the characteristics of the rehabilitation work, the structure, or the occupants. If the answer to any of the following questions is yes, the grantee and/or occupant may waive certain requirements as described below. The other requirements of the LSHR will still apply.

- For minor maintenance or repair work, is the amount of painted surface to be disturbed below de minimis levels, as defined below?

  If yes for all areas/sizes, lead safe work practices and clearance are not required in that work area.

<table>
<thead>
<tr>
<th>Condition</th>
<th>Code/Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 20 square feet on an exterior surface</td>
<td>[35.1350(d)(1)]</td>
</tr>
<tr>
<td>Less than 2 square feet in any single interior room^5</td>
<td>[35.1350(d)(2)]</td>
</tr>
<tr>
<td>Less than 10% of surface area of an interior/exterior component^5</td>
<td>[35.1350(d)(3)]</td>
</tr>
</tbody>
</table>

- Is the unit occupied by an elderly person(s)?

  If yes, relocation of the elderly occupant(s) is not required if complete disclosure of the nature of the work is provided and informed consent is obtained prior to rehabilitation.

- Is a unit that is subject to abatement requirements listed or eligible for listing on the National Register of Historic Places, or does it contribute to a National Register Historic District?

  If yes, the State Historic Preservation Office may request that interim controls be implemented rather than abatement. Ongoing maintenance and re-evaluation are required.

I have evaluated the site and property, the work specifications, and interviewed the occupants. In my professional opinion, this unit qualifies for the indicated exemption(s).

<table>
<thead>
<tr>
<th></th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>For minor maintenance or repair work, is the amount of painted surface to be disturbed below de minimis levels, as defined below?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is the unit occupied by an elderly person(s)?</td>
<td>[HUD Interpretive Guidance, April 16, 2001, # J-24]</td>
<td></td>
</tr>
<tr>
<td>Is a unit that is subject to abatement requirements listed or eligible for listing on the National Register of Historic Places, or does it contribute to a National Register Historic District?</td>
<td>[35.115(13)]</td>
<td></td>
</tr>
</tbody>
</table>

^ To be exempt from safe work practices, the area of deteriorated paint in an interior room cannot exceed a total of 2 square feet OR 10% of a component with a small surface area, such as interior window sills, baseboards and trim. In other words, both thresholds always apply. For example, living room baseboards with 3 square feet of deteriorated paint cannot be exempted on the grounds that the 3 square feet constitutes less than 10% of the component. Similarly, deteriorated paint of an area of less than 2 square feet is not considered below the de minimis level if the area exceeds 10% of a small component, such as a windowsill.
Protect Your Family From Lead in Your Home

United States Environmental Protection Agency

United States Consumer Product Safety Commission

United States Department of Housing and Urban Development

March 2021
Are You Planning to Buy or Rent a Home Built Before 1978?

Did you know that many homes built before 1978 have lead-based paint? Lead from paint, chips, and dust can pose serious health hazards.

Read this entire brochure to learn:

• How lead gets into the body
• How lead affects health
• What you can do to protect your family
• Where to go for more information

Before renting or buying a pre-1978 home or apartment, federal law requires:

• Sellers must disclose known information on lead-based paint or lead-based paint hazards before selling a house.
• Real estate sales contracts must include a specific warning statement about lead-based paint. Buyers have up to 10 days to check for lead.
• Landlords must disclose known information on lead-based paint or lead-based paint hazards before leases take effect. Leases must include a specific warning statement about lead-based paint.

If undertaking renovations, repairs, or painting (RRP) projects in your pre-1978 home or apartment:

• Read EPA’s pamphlet, The Lead-Safe Certified Guide to Renovate Right, to learn about the lead-safe work practices that contractors are required to follow when working in your home (see page 12).
Simple Steps to Protect Your Family from Lead Hazards

If you think your home has lead-based paint:

• Don’t try to remove lead-based paint yourself.

• Always keep painted surfaces in good condition to minimize deterioration.

• Get your home checked for lead hazards. Find a certified inspector or risk assessor at epa.gov/lead.

• Talk to your landlord about fixing surfaces with peeling or chipping paint.

• Regularly clean floors, window sills, and other surfaces.

• Take precautions to avoid exposure to lead dust when remodeling.

• When renovating, repairing, or painting, hire only EPA- or state-approved Lead-Safe certified renovation firms.

• Before buying, renting, or renovating your home, have it checked for lead-based paint.

• Consult your health care provider about testing your children for lead. Your pediatrician can check for lead with a simple blood test.

• Wash children’s hands, bottles, pacifiers, and toys often.

• Make sure children eat healthy, low-fat foods high in iron, calcium, and vitamin C.

• Remove shoes or wipe soil off shoes before entering your house.
Lead Gets into the Body in Many Ways

Adults and children can get lead into their bodies if they:

• Breathe in lead dust (especially during activities such as renovations, repairs, or painting that disturb painted surfaces).

• Swallow lead dust that has settled on food, food preparation surfaces, and other places.

• Eat paint chips or soil that contains lead.

Lead is especially dangerous to children under the age of 6.

• At this age, children’s brains and nervous systems are more sensitive to the damaging effects of lead.

• Children’s growing bodies absorb more lead.

• Babies and young children often put their hands and other objects in their mouths. These objects can have lead dust on them.

Women of childbearing age should know that lead is dangerous to a developing fetus.

• Women with a high lead level in their system before or during pregnancy risk exposing the fetus to lead through the placenta during fetal development.
Health Effects of Lead

**Lead affects the body in many ways.** It is important to know that even exposure to low levels of lead can severely harm children.

**In children, exposure to lead can cause:**

- Nervous system and kidney damage
- Learning disabilities, attention-deficit disorder, and decreased intelligence
- Speech, language, and behavior problems
- Poor muscle coordination
- Decreased muscle and bone growth
- Hearing damage

While low-lead exposure is most common, exposure to high amounts of lead can have devastating effects on children, including seizures, unconsciousness, and in some cases, death.

Although children are especially susceptible to lead exposure, lead can be dangerous for adults, too.

**In adults, exposure to lead can cause:**

- Harm to a developing fetus
- Increased chance of high blood pressure during pregnancy
- Fertility problems (in men and women)
- High blood pressure
- Digestive problems
- Nerve disorders
- Memory and concentration problems
- Muscle and joint pain
Check Your Family for Lead

Get your children and home tested if you think your home has lead.

Children’s blood lead levels tend to increase rapidly from 6 to 12 months of age, and tend to peak at 18 to 24 months of age.

Consult your doctor for advice on testing your children. A simple blood test can detect lead. Blood lead tests are usually recommended for:

- Children at ages 1 and 2
- Children or other family members who have been exposed to high levels of lead
- Children who should be tested under your state or local health screening plan

Your doctor can explain what the test results mean and if more testing will be needed.
Where Lead-Based Paint Is Found

In general, the older your home or childcare facility, the more likely it has lead-based paint.¹

Many homes, including private, federally-assisted, federally-owned housing, and childcare facilities built before 1978 have lead-based paint. In 1978, the federal government banned consumer uses of lead-containing paint.²

Learn how to determine if paint is lead-based paint on page 7.

Lead can be found:

- In homes and childcare facilities in the city, country, or suburbs,
- In private and public single-family homes and apartments,
- On surfaces inside and outside of the house, and
- In soil around a home. (Soil can pick up lead from exterior paint or other sources, such as past use of leaded gas in cars.)

Learn more about where lead is found at epa.gov/lead.

¹ “Lead-based paint” is currently defined by the federal government as paint with lead levels greater than or equal to 1.0 milligram per square centimeter (mg/cm²), or more than 0.5% by weight.

² “Lead-containing paint” is currently defined by the federal government as lead in new dried paint in excess of 90 parts per million (ppm) by weight.
Identifying Lead-Based Paint and Lead-Based Paint Hazards

Deteriorated lead-based paint (peeling, chipping, chalking, cracking, or damaged paint) is a hazard and needs immediate attention. Lead-based paint may also be a hazard when found on surfaces that children can chew or that get a lot of wear and tear, such as:

- On windows and window sills
- Doors and door frames
- Stairs, railings, banisters, and porches

Lead-based paint is usually not a hazard if it is in good condition and if it is not on an impact or friction surface like a window.

Lead dust can form when lead-based paint is scraped, sanded, or heated. Lead dust also forms when painted surfaces containing lead bump or rub together. Lead paint chips and dust can get on surfaces and objects that people touch. Settled lead dust can reenter the air when the home is vacuumed or swept, or when people walk through it. EPA currently defines the following levels of lead in dust as hazardous:

- 10 micrograms per square foot (μg/ft²) and higher for floors, including carpeted floors
- 100 μg/ft² and higher for interior window sills

Lead in soil can be a hazard when children play in bare soil or when people bring soil into the house on their shoes. EPA currently defines the following levels of lead in soil as hazardous:

- 400 parts per million (ppm) and higher in play areas of bare soil
- 1,200 ppm (average) and higher in bare soil in the remainder of the yard

Remember, lead from paint chips—which you can see—and lead dust—which you may not be able to see—both can be hazards.

The only way to find out if paint, dust, or soil lead hazards exist is to test for them. The next page describes how to do this.
Checking Your Home for Lead

You can get your home tested for lead in several different ways:

- A lead-based paint **inspection** tells you if your home has lead-based paint and where it is located. It won’t tell you whether your home currently has lead hazards. A trained and certified testing professional, called a lead-based paint inspector, will conduct a paint inspection using methods, such as:
  - Portable x-ray fluorescence (XRF) machine
  - Lab tests of paint samples

- A **risk assessment** tells you if your home currently has any lead hazards from lead in paint, dust, or soil. It also tells you what actions to take to address any hazards. A trained and certified testing professional, called a risk assessor, will:
  - Sample paint that is deteriorated on doors, windows, floors, stairs, and walls
  - Sample dust near painted surfaces and sample bare soil in the yard
  - Get lab tests of paint, dust, and soil samples

- A combination inspection and risk assessment tells you if your home has any lead-based paint and if your home has any lead hazards, and where both are located.

Be sure to read the report provided to you after your inspection or risk assessment is completed, and ask questions about anything you do not understand.
In preparing for renovation, repair, or painting work in a pre-1978 home, Lead-Safe Certified renovators (see page 12) may:

• Take paint chip samples to determine if lead-based paint is present in the area planned for renovation and send them to an EPA-recognized lead lab for analysis. In housing receiving federal assistance, the person collecting these samples must be a certified lead-based paint inspector or risk assessor

• Use EPA-recognized tests kits to determine if lead-based paint is absent (but not in housing receiving federal assistance)

• Presume that lead-based paint is present and use lead-safe work practices

There are state and federal programs in place to ensure that testing is done safely, reliably, and effectively. Contact your state or local agency for more information, visit epa.gov/lead, or call 1-800-424-LEAD (5323) for a list of contacts in your area.3

3 Hearing- or speech-challenged individuals may access this number through TTY by calling the Federal Relay Service at 1-800-877-8339.
What You Can Do Now to Protect Your Family

If you suspect that your house has lead-based paint hazards, you can take some immediate steps to reduce your family’s risk:

• If you rent, notify your landlord of peeling or chipping paint.

• Keep painted surfaces clean and free of dust. Clean floors, window frames, window sills, and other surfaces weekly. Use a mop or sponge with warm water and a general all-purpose cleaner. (Remember: never mix ammonia and bleach products together because they can form a dangerous gas.)

• Carefully clean up paint chips immediately without creating dust.

• Thoroughly rinse sponges and mop heads often during cleaning of dirty or dusty areas, and again afterward.

• Wash your hands and your children’s hands often, especially before they eat and before nap time and bed time.

• Keep play areas clean. Wash bottles, pacifiers, toys, and stuffed animals regularly.

• Keep children from chewing window sills or other painted surfaces, or eating soil.

• When renovating, repairing, or painting, hire only EPA- or state-approved Lead-Safe Certified renovation firms (see page 12).

• Clean or remove shoes before entering your home to avoid tracking in lead from soil.

• Make sure children eat nutritious, low-fat meals high in iron, and calcium, such as spinach and dairy products. Children with good diets absorb less lead.
Reducing Lead Hazards

Disturbing lead-based paint or removing lead improperly can increase the hazard to your family by spreading even more lead dust around the house.

• In addition to day-to-day cleaning and good nutrition, you can temporarily reduce lead-based paint hazards by taking actions, such as repairing damaged painted surfaces and planting grass to cover lead-contaminated soil. These actions are not permanent solutions and will need ongoing attention.

• You can minimize exposure to lead when renovating, repairing, or painting by hiring an EPA- or state-certified renovator who is trained in the use of lead-safe work practices. If you are a do-it-yourselfer, learn how to use lead-safe work practices in your home.

• To remove lead hazards permanently, you should hire a certified lead abatement contractor. Abatement (or permanent hazard elimination) methods include removing, sealing, or enclosing lead-based paint with special materials. Just painting over the hazard with regular paint is not permanent control.

Always use a certified contractor who is trained to address lead hazards safely.

• Hire a Lead-Safe Certified firm (see page 12) to perform renovation, repair, or painting (RRP) projects that disturb painted surfaces.

• To correct lead hazards permanently, hire a certified lead abatement contractor. This will ensure your contractor knows how to work safely and has the proper equipment to clean up thoroughly.

Certified contractors will employ qualified workers and follow strict safety rules as set by their state or by the federal government.
Reducing Lead Hazards, continued

If your home has had lead abatement work done or if the housing is receiving federal assistance, once the work is completed, dust cleanup activities must be conducted until clearance testing indicates that lead dust levels are below the following levels:

- 10 micrograms per square foot (μg/ft²) for floors, including carpeted floors
- 100 μg/ft² for interior windows sills
- 400 μg/ft² for window troughs

Abatements are designed to permanently eliminate lead-based paint hazards. However, lead dust can be reintroduced into an abated area.

- Use a HEPA vacuum on all furniture and other items returned to the area, to reduce the potential for reintroducing lead dust.
- Regularly clean floors, window sills, troughs, and other hard surfaces with a damp cloth or sponge and a general all-purpose cleaner.

Please see page 9 for more information on steps you can take to protect your home after the abatement. For help in locating certified lead abatement professionals in your area, call your state or local agency (see pages 15 and 16), epa.gov/lead, or call 1-800-424-LEAD.
Renovating, Repairing or Painting a Home with Lead-Based Paint

If you hire a contractor to conduct renovation, repair, or painting (RRP) projects in your pre-1978 home or childcare facility (such as pre-school and kindergarten), your contractor must:

- Be a Lead-Safe Certified firm approved by EPA or an EPA-authorized state program

- Use qualified trained individuals (Lead-Safe Certified renovators) who follow specific lead-safe work practices to prevent lead contamination

- Provide a copy of EPA’s lead hazard information document, *The Lead-Safe Certified Guide to Renovate Right*

RRP contractors working in pre-1978 homes and childcare facilities must follow lead-safe work practices that:

- **Contain the work area.** The area must be contained so that dust and debris do not escape from the work area. Warning signs must be put up, and plastic or other impermeable material and tape must be used.

- **Avoid renovation methods that generate large amounts of lead-contaminated dust.** Some methods generate so much lead-contaminated dust that their use is prohibited. They are:
  
  - Open-flame burning or torching
  
  - Sanding, grinding, planing, needle gunning, or blasting with power tools and equipment not equipped with a shroud and HEPA vacuum attachment
  
  - Using a heat gun at temperatures greater than 1100°F

- **Clean up thoroughly.** The work area should be cleaned up daily. When all the work is done, the area must be cleaned up using special cleaning methods.

- **Dispose of waste properly.** Collect and seal waste in a heavy duty bag or sheeting. When transported, ensure that waste is contained to prevent release of dust and debris.

To learn more about EPA’s requirements for RRP projects, visit epa.gov/getleadsafe, or read *The Lead-Safe Certified Guide to Renovate Right.*
Other Sources of Lead

Lead in Drinking Water

The most common sources of lead in drinking water are lead pipes, faucets, and fixtures.

Lead pipes are more likely to be found in older cities and homes built before 1986.

You can’t smell or taste lead in drinking water.

To find out for certain if you have lead in drinking water, have your water tested.

Remember older homes with a private well can also have plumbing materials that contain lead.

Important Steps You Can Take to Reduce Lead in Drinking Water

• Use only cold water for drinking, cooking and making baby formula. Remember, boiling water does not remove lead from water.

• Before drinking, flush your home’s pipes by running the tap, taking a shower, doing laundry, or doing a load of dishes.

• Regularly clean your faucet’s screen (also known as an aerator).

• If you use a filter certified to remove lead, don’t forget to read the directions to learn when to change the cartridge. Using a filter after it has expired can make it less effective at removing lead.

Contact your water company to determine if the pipe that connects your home to the water main (called a service line) is made from lead. Your area’s water company can also provide information about the lead levels in your system’s drinking water.

For more information about lead in drinking water, please contact EPA’s Safe Drinking Water Hotline at 1-800-426-4791. If you have other questions about lead poisoning prevention, call 1-800-424-LEAD.*

Call your local health department or water company to find out about testing your water, or visit epa.gov/safewater for EPA’s lead in drinking water information. Some states or utilities offer programs to pay for water testing for residents. Contact your state or local water company to learn more.

* Hearing- or speech-challenged individuals may access this number through TTY by calling the Federal Relay Service at 1-800-877-8339.
Other Sources of Lead, continued

- **Lead smelters** or other industries that release lead into the air.

- **Your job.** If you work with lead, you could bring it home on your body or clothes. Shower and change clothes before coming home. Launder your work clothes separately from the rest of your family’s clothes.

- **Hobbies** that use lead, such as making pottery or stained glass, or refinishing furniture. Call your local health department for information about hobbies that may use lead.

- Old **toys** and **furniture** may have been painted with lead-containing paint. Older toys and other children’s products may have parts that contain lead.4

- Food and liquids cooked or stored in **lead crystal** or **lead-glazed pottery or porcelain** may contain lead.

- Folk remedies, such as “**greta**” and “**azarcon,”** used to treat an upset stomach.

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4 In 1978, the federal government banned toys, other children’s products, and furniture with lead-containing paint. In 2008, the federal government banned lead in most children’s products. The federal government currently bans lead in excess of 100 ppm by weight in most children’s products.
For More Information

The National Lead Information Center
Learn how to protect children from lead poisoning and get other information about lead hazards on the Web at epa.gov/lead and hud.gov/lead, or call 1-800-424-LEAD (5323).

EPA’s Safe Drinking Water Hotline
For information about lead in drinking water, call 1-800-426-4791, or visit epa.gov/safewater for information about lead in drinking water.

Consumer Product Safety Commission (CPSC) Hotline
For information on lead in toys and other consumer products, or to report an unsafe consumer product or a product-related injury, call 1-800-638-2772, or visit CPSC’s website at cspc.gov or saferproducts.gov.

State and Local Health and Environmental Agencies
Some states, tribes, and cities have their own rules related to lead-based paint. Check with your local agency to see which laws apply to you. Most agencies can also provide information on finding a lead abatement firm in your area, and on possible sources of financial aid for reducing lead hazards. Receive up-to-date address and phone information for your state or local contacts on the Web at epa.gov/lead, or contact the National Lead Information Center at 1-800-424-LEAD.

Hearing- or speech-challenged individuals may access any of the phone numbers in this brochure through TTY by calling the toll-free Federal Relay Service at 1-800-877-8339.
U. S. Environmental Protection Agency (EPA)
Regional Offices

The mission of EPA is to protect human health and the environment. Your Regional EPA Office can provide further information regarding regulations and lead protection programs.

Region 1 (Connecticut, Massachusetts, Maine, New Hampshire, Rhode Island, Vermont)
Regional Lead Contact
U.S. EPA Region 1
5 Post Office Square, Suite 100, OES 05-4
Boston, MA 02109-3912
(888) 372-7341

Region 2 (New Jersey, New York, Puerto Rico, Virgin Islands)
Regional Lead Contact
U.S. EPA Region 2
2890 Woodbridge Avenue
Building 205, Mail Stop 225
Edison, NJ 08837-3679
(732) 906-6809

Region 3 (Delaware, Maryland, Pennsylvania, Virginia, DC, West Virginia)
Regional Lead Contact
U.S. EPA Region 3
1650 Arch Street
Philadelphia, PA 19103
(215) 814-2088

Region 4 (Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee)
Regional Lead Contact
U.S. EPA Region 4
AFC Tower, 12th Floor, Air, Pesticides & Toxics
61 Forsyth Street, SW
Atlanta, GA 30303
(404) 562-8998

Region 5 (Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin)
Regional Lead Contact
U.S. EPA Region 5 (LL-17J)
77 West Jackson Boulevard
Chicago, IL 60604-3666
(312) 353-3808

Region 6 (Arkansas, Louisiana, New Mexico, Oklahoma, Texas, and 66 Tribes)
Regional Lead Contact
U.S. EPA Region 6
1445 Ross Avenue, 12th Floor
Dallas, TX 75202-2733
(214) 665-2704

Region 7 (Iowa, Kansas, Missouri, Nebraska)
Regional Lead Contact
U.S. EPA Region 7
11201 Renner Blvd.
Lenexa, KS 66219
(800) 223-0425

Region 8 (Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming)
Regional Lead Contact
U.S. EPA Region 8
1595 Wynkoop St.
Denver, CO 80202
(303) 312-6966

Region 9 (Arizona, California, Hawaii, Nevada)
Regional Lead Contact
U.S. EPA Region 9 (CMD-4-2)
75 Hawthorne Street
San Francisco, CA 94105
(415) 947-4280

Region 10 (Alaska, Idaho, Oregon, Washington)
Regional Lead Contact
U.S. EPA Region 10 (20-C04)
Air and Toxics Enforcement Section
1200 Sixth Avenue, Suite 155
Seattle, WA 98101
(206) 553-1200
Consumer Product Safety Commission (CPSC)

The CPSC protects the public against unreasonable risk of injury from consumer products through education, safety standards activities, and enforcement. Contact CPSC for further information regarding consumer product safety and regulations.

CPSC
4330 East West Highway
Bethesda, MD 20814-4421
1-800-638-2772
cpsc.gov or saferproducts.gov

U. S. Department of Housing and Urban Development (HUD)

HUD’s mission is to create strong, sustainable, inclusive communities and quality affordable homes for all. Contact to Office of Lead Hazard Control and Healthy Homes for further information regarding the Lead Safe Housing Rule, which protects families in pre-1978 assisted housing, and for the lead hazard control and research grant programs.

HUD
451 Seventh Street, SW, Room 8236
Washington, DC 20410-3000
(202) 402-7698
hud.gov/lead

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IMPORTANT!

Lead From Paint, Dust, and Soil in and Around Your Home Can Be Dangerous if Not Managed Properly

• Children under 6 years old are most at risk for lead poisoning in your home.

• Lead exposure can harm young children and babies even before they are born.

• Homes, schools, and child care facilities built before 1978 are likely to contain lead-based paint.

• Even children who seem healthy may have dangerous levels of lead in their bodies.

• Disturbing surfaces with lead-based paint or removing lead-based paint improperly can increase the danger to your family.

• People can get lead into their bodies by breathing or swallowing lead dust, or by eating soil or paint chips containing lead.

• People have many options for reducing lead hazards. Generally, lead-based paint that is in good condition is not a hazard (see page 10).