

**PROGRAM YEAR 2009  
REQUEST FOR PROPOSALS**

**APPLICATION GUIDEBOOK**

**FOR:**

**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)**

**EMERGENCY SHELTER GRANTS (ESG)**

**HOME INVESTMENT PARTNERSHIPS (HOME)**

# TABLE OF CONTENTS

<b>Application Fact Sheet</b>	3
<b>General Information</b>	
Consolidated Plan	4
Annual Action Plan	4
Harris County Service Area	4
PY2008-2012 Consolidated Plan Measurable Objectives	4
<b>Application Process</b>	
Limitations of the RFP	9
Eligible Applicants	9
Religious Organizations	9
Line of Credit or Other Resources	9
Conflict of Interest	10
Minimum Criteria	11
Review Criteria	11
Timeline	13
<b>What's New?</b>	14
<b>General Harris County Policies and Practices</b>	
Income Limits	15
Tax Policy for all Applicants	15
Regulatory Agreement, Deed of Trust and Intercreditor Agreement	15
Section 3 Requirements	16
Davis Bacon Labor Act	16
Water and Wastewater Regionalization Policy	16
<b>Monitoring and Recordkeeping</b>	
Monitoring Reviews	20
Recordkeeping	20
Access to Records	21
<b>Program Specific Information</b>	
Community Development Block Grant Program	22
Emergency Shelter Grants Program	24
HOME Investment Partnerships Program	28
<b>Documentation Examples (CDBG Public Services and ESG projects only)</b>	
Individual Eligibility Form	34
Sample Documentation of Homelessness	34
<b>Frequently Asked Questions (FAQs)</b>	35
<b>Glossary of Terms</b>	38

## Application Fact Sheet

The Harris County Community Services Department (CSD) invites qualified organizations with eligible projects to apply for Community Development Block Grant, Emergency Shelter Grants and HOME Investment Partnerships Program funds. Harris County seeks organizations that can demonstrate the capacity to carry out the role of the Department in meeting its priority needs (Measurable Objectives) of the 2008 – 2012 Consolidated Plan.

Prior to responding to the application, each qualified organization is urged to review the Guidebook and read the instructions carefully. Before submitting the application, check all calculations and review the package for completion of all forms and sections. Inaccuracies, omissions and use of application forms from previous competitions will be grounds for rejection. All proposals will become part of Harris County's official files.

### Application Submittal

- All applicants are encouraged to attend the Applicant Workshops held June 3, 2008 through June 5, 2008. Please visit our website at [www.csd.hctx.net](http://www.csd.hctx.net) or call (713) 578-2030 to register for the Workshops.
- HCCSD will offer Technical Assistance Days, June 9, 2008 through June 13, 2008 for applicants who have partially completed applications. Members of the Development Staff will be available for consultations. Please call (713) 578-2030 to schedule your appointment beginning June 2, 2008 or visit our website at [www.csd.hctx.net](http://www.csd.hctx.net).
- Submit no more than three (3) proposals in response to the PY2009 RFP. If submitting more than one proposal, prioritize each application (Priority 1, Priority 2, Priority 3). Indicate the Priority on the first page of each application.
- Bind only with binder clips. Insert labeled tabs for the sections as outlined in the Application Checklist. Do not use sticky notes as a substitute for tabbed dividers.
- **Submit five (5) copies (two originals and three copies) of the proposal.** Indicate whether the proposal is an original or copy on the first page of each application. All proposals must:
  - ✓ Include all attachments in their entirety as outlined on the Application Checklist.
  - ✓ **Include the job number (#) on the outside of its sealed envelope. Each copy of the proposal must be in an individually sealed envelope and clearly marked with the job number and be clearly marked as "Original" or "Copy."**
  - ✓ All originals **must** be signed in **blue** ink.

**Proposal Due Date: Monday, June 30, 2008 by 2:00 P.M. CDT**

Harris County Purchasing Department

1001 Preston, Suite 670 (6<sup>th</sup> Floor), Houston, Texas 77002

**Late proposals will NOT be accepted.**

## GENERAL INFORMATION

### **Consolidated Plan\***

The U.S. Department of Housing and Urban Development (HUD) requires all participating jurisdictions to submit a long-range strategic planning document called the Consolidated Plan. The PY2008-2012 Consolidated Plan describes the housing and community development needs of Harris County for a five-year period. This document represents Harris County's vision for improving the quality of life in the low-income areas of the County. It also gives specific details on what will be accomplished and how it will be done. It is through the Consolidated Plan that Harris County determines its funding priorities each program year.

### **Annual Action Plan\***

The Annual Action Plan (AAP) is the annual update to the Consolidated Plan. The AAP describes resources available, how those resources are to be utilized, including funded projects, and the geographic distribution of those resources. The AAP process has been specifically created to assist in mapping one-year actions for community development and making good use of available federal, state and local resources.

### **Harris County Service Area\***

All projects must benefit low-income residents of Harris County's service area, which includes unincorporated Harris County and the 15 cities within the county that have signed cooperative agreements. Presently, the County has cooperative agreements with the following cities: Bellaire, Deer Park, Galena Park, Humble, Jacinto City, Katy, LaPorte, Morgan's Point, Seabrook, Shoreacres, South Houston, Tomball, Waller, Webster, and West University Place. Houston, Baytown and Pasadena utilize their own community development resources and are not within the Harris County service area.

**\*These documents and the Harris County service area map may be viewed on our website at [www.csd.hctx.net](http://www.csd.hctx.net).**

### **PY2008-2012 Consolidated Plan Measurable Objectives**

By regulation, HUD grant funds must be used to meet the Measurable Objectives of the Harris County Consolidated Plan. Measurable Objectives are developed after analysis of existing conditions and an extensive citizen participation process.

The following chart illustrates the measurable objectives outlined in the PY2008-2012 Consolidated Plan that are relevant to CSD's HUD programs. Harris County has assigned a priority classification (high, medium, low) to each objective. *High* priority indicates that Harris County will expend entitlement funds on that activity. *Medium* priority indicates that Entitlement funds will be expended on these activities, if available. *Low* priority indicates that minimal funds will be allocated for that particular need.

PRIORITY	OBJECTIVE
<b>Housing</b>	
	OWNERS
<b>H</b>	<b>Objective 1: Homeownership</b> -To provide 800 individuals and families with the opportunity for homeownership by February 28, 2012, thus improving quality of life and supplying decent housing. This objective will be accomplished through financial assistance to prospective low-income homebuyers. Financial assistance includes, but is not limited to downpayment and closing cost assistance. Programs providing downpayment and closing cost services should provide a minimum of \$10,000 in downpayment and closing costs per eligible program household participant. Harris County places a high priority on projects servicing seniors, the disabled, and persons with HIV/AIDS.
<b>H</b>	<b>Objective 2: New Construction</b> -To provide financial assistance to aid in the construction of 15 affordable housing units within the Harris County service area by February 28, 2012 for the purpose of supplying decent housing for low-income owner occupied households. Harris County places a high priority on projects servicing seniors, the disabled, and persons with HIV/AIDS.
<b>H</b>	<b>Objective 3: Single-family Home Rehabilitation</b> -To provide 100 low-income homeowners with home repair and/or rehabilitation assistance for the purpose of supplying decent housing for low-income households. Minor home repair assistance includes but is not limited to rehabilitation of septic systems and water wells. Harris County places a high priority on projects servicing seniors, the disabled, and persons with HIV/AIDS. (CDBG funds use only and involves repairs that cost less than \$10,000 per house)
<b>H</b>	<b>Objective 4: Lead Based Paint Hazard Control</b> -To assist in the control of lead based paint hazards in 150 owner-occupied, single-family housing units by February 28, 2012 for the purpose of providing safe and decent housing for low-income households.
	RENTERS
<b>H</b>	<b>Objective 5: New Construction</b> -To provide financial assistance to aid in the construction of 200 affordable multi-family housing units within the Harris County service area by February 28, 2012 for the purpose of supplying decent housing to low- and moderate-income renter households. Harris County places a high priority on projects servicing seniors, the disabled, and persons with HIV/AIDS.
<b>H</b>	<b>Objective 6: Acquisition of Multi-Family Housing</b> -To provide assistance to acquire 100 multi-family, affordable housing units in the Harris County service area by February 28, 2012 for the purpose of supplying decent housing to low-income renter households. (If acquiring and rehabilitating units use code 14G)
<b>M</b>	<b>Objective 7: Rehabilitation, Multi-Unit</b> -To provide financial assistance to aid in the rehabilitation of 15 multi-family, affordable housing units in the Harris County service area by February 28, 2012 for the purpose of supplying decent housing to low-income renter households.

PRIORITY	OBJECTIVE
H	<b>Objective 8: Rental Assistance-</b> To provide tenant based rental assistance to 50 extremely low- and low-income Harris County families and individuals, by February 28, 2012 for the purpose of supplying decent housing for low-income renter households. Harris County places a high priority on projects servicing seniors, the disabled, and persons with HIV/AIDS.
H	<b>Objective 9: Lead Based Paint Hazard Control-</b> To assist in the control of lead based paint hazards in 15 renter-occupied, single-family housing units by February 28, 2012 for the purpose of providing safe, decent housing for low-income renter households.
<b>Homeless</b>	
H	<b>Objective 1: Essential Services-</b> To provide 3,500 units of outreach, assessment and other essential services for homeless persons and families to improve their overall quality of life and assist in moving them to self-sufficiency by February 28, 2012. Essential services include but are not limited to counseling, case management, food and clothing distribution, job training and placement, life skills training, child care, health care, transportation, emergency dental care, education, housing placement and substance abuse treatment.
H	<b>Objective 2: Homeless Prevention-</b> To provide outreach and homeless prevention services to 500 persons and families at risk of homelessness by February 28, 2012 for the purpose of promoting the sustenance of decent housing for the low-income population. Homeless prevention services include but are not limited to emergency housing and utility assistance, security deposits, mediation and legal assistance, case management and counseling.
H	<b>Objective 3: Emergency and Transitional Shelters-</b> To maintain and expand operations and support renovations and rehabilitation of structures to provide shelter for 10,000 homeless persons within new and existing emergency and transitional shelters by February 28, 2012 for the purpose of providing decent housing for the homeless population.
<b>Public Facilities</b>	
H	<b>Objective 1: General Public Facilities-</b> Provide improvements and/or construction of 10 neighborhood or social service facilities by February 28, 2012 for the purpose of improving the quality of life of 20,000 residents of low-income communities by promoting the availability of public facilities to the meet unmet neighborhood needs. Neighborhood facilities include but are not limited to community centers, multi-purpose centers, and arts and crafts facilities. Social Service Facilities are structures, which provide space for the purpose of providing a needed service to low-income persons such as group homes, libraries, and healthcare faculties.
H	<b>Objective 2: Senior Centers-</b> Provide improvements to 5 senior center facilities located throughout the Harris County service area by February 28, 2012 for the purpose of improving the quality of life of 5,000 elderly individuals by promoting the availability of facilities to serve unmet needs. Senior centers are facilities that exclusively provide space for services to persons aged 62 years and older.
H	<b>Objective 3: Youth Centers-</b> Provide improvements to 1 youth centers located in the Harris County service area particularly low-income by February 28, 2012 for the purpose of improving the quality of life of 1,000 youth by promoting the availability of facilities to serve unmet needs. Youth centers are facilities that primarily provide space for services to persons aged 18 years and younger.
H	<b>Objective 4: Parks-</b> Provide improvements to and/or construction of 10 parks/recreational facilities benefiting low-income areas by February 28, 2012 for the purpose of improving the quality of life of 10,000 residents of low-income communities by promoting the availability of green space and playground areas to serve recreational and leisure needs.

PRIORITY	OBJECTIVE
<b>Economic Development</b>	
<b>H</b>	<b>Objective 1: Direct Financial Assistance to For-Profits-</b> To provide direct financial assistance to for-profit businesses by February 28, 2012, for the purpose of creating/retaining 25 jobs with at least 51 percent reserved for low and moderate income persons thus expanding economic opportunity and improving the quality of life for unemployed and underemployed individuals.
<b>H</b>	<b>Objective 2: Microenterprise Assistance -</b> To provide financial and technical assistance and training to enable 25 low-income persons the opportunity for entrepreneurship by February 28, 2012. Training and assistance to include but not limited to business counseling and micro-loan availability.
<b>Infrastructure</b>	
<b>H</b>	<b>Objective 1: Street Improvements-</b> Construct and improve 15 miles of roadways benefiting low-income areas of the Harris County service area by February 28, 2012 for the purpose of improving the living environment and quality of life of 10,000 low-income persons.
<b>H</b>	<b>Objective 2: Water/Sewer Improvements-</b> Provide improvements to 50,000 linear feet of water/sewer lines and 4 water/sewer facilities benefiting low-income areas within the Harris County service area by February 28, 2012, for the purpose of improving the living environment and quality of life of 50,000 low-income persons. Improvements may include, but are not limited to sewage treatment facilities, rehabilitation of manholes, rehabilitation of water storage tanks, and construction and maintenance of lift and pump stations.
<b>H</b>	<b>Objective 3: Sidewalks/Pathways-</b> Construct and improve 3 miles of sidewalks/pathways benefiting low-income areas within the Harris County service area by February 28, 2012, for the purpose of improving the living environment and improving the quality of life for 5,000 low-income persons.
<b>H</b>	<b>Objective 4: Flood drain improvements-</b> Construct and improve 2 miles flood drains and controls benefiting low-income areas of the Harris County service area by February 28, 2012 for the purpose of improving the living environment and quality of life of 1,500 low -income persons.
<b>Public Services</b>	
<b>H</b>	<b>Objective 1: General Services-</b> To provide general public services to 5,000 low and moderate persons to increase quality of life and general well-being for individuals and families throughout the HCCEDD service area. Services include but are not limited to food and clothing distribution, housing counseling, crime awareness, and neighborhood clean up.
<b>H</b>	<b>Objective 2: Senior Services (Special Needs Population)-</b> To provide senior services to 2,500 elderly and frail elderly persons to enable them to increase or maintain quality of life and promote physical, mental, and social well-being. Senior services include but are not limited to food and clothing distribution, housing counseling, transportation services, enrichment classes, exercise and recreation programs, healthcare/medication assistance, emergency dental care and services for Alzheimer's disease patients and their families.
<b>H</b>	<b>Objective 3: Youth Services/Child Care-</b> To provide youth services/child care for 12,000 low-income persons, 5-19 years of age, for the purpose of enriching, protecting, and improving quality of life by February 28, 2012. Youth services include but are not limited to counseling, after-school programs, sports and recreational programs, education and tutoring programs, life skills building, self-esteem building, drug and alcohol education, youth retreats, mentor programs, summer youth programs, child care services, juvenile crime/gangs programs, and job and career counseling.
<b>H</b>	<b>Objective 4: Health Services-</b> To provide health prevention, services, and outreach to 2,500 low-income persons to increase the mental, physical, and social well-being of the individual and family by February 28, 2012. Health prevention, services, and outreach include but are not limited to immunization, health clinic service, mobile care, vision care, dental care, nutrition counseling, tele-medicine, after hours care, physical rehabilitation, services to

PRIORITY	OBJECTIVE
	person with HIV/AIDS, and health education and awareness.
<b>H</b>	<b>Objective 5: Services to Persons with Disabilities and Persons with HIV/AIDS (Special Needs Populations)</b> -To provide services to 200 disabled adults or persons with HIV/AIDS to enable them to increase or maintain their quality of life and promote physical, mental, and social well-being. Services include but are not limited to counseling, housing placement, food and clothing distribution, transportation services, enrichment classes, exercise and recreation programs, job training and placement and independent living skills training.
<b>H</b>	<b>Objective 6: Transportation Services</b> -To promote transportation services to 500 low-income persons by February 28, 2012 to increase mobility to access essential service, facilities, jobs and employment centers thus improving the quality of life.
<b>H</b>	<b>Objective 8: Abused and Neglected Children</b> -To provide services to 1,000 abused and neglected children by February 28, 2012 for the purpose of enabling a secure and stable environment thus increasing quality of life. Services include but are not limited to advocacy, counseling, childcare, and protection.
<b>Other</b>	
<b>H</b>	<b>Objective 1: Clearance and Demolition</b> - To eliminate 100 dilapidated and/or unsafe structures located in low-income areas in an effort to improve integrity of Harris County neighborhoods by February 28, 2012.
<b>M</b>	<b>Objective 2: Nonprofit Technical Assistance</b> - To provide assistance to 10 non-profit organizations, including assistance to Community Housing Development Organizations (CHDOs) and Community Based Development Organizations (CBDOs), to build capacity to support revitalization activities in low-income communities. Assistance includes but is not limited to technical assistance, referral services, and providing research and information services.
<b>H</b>	<b>Objective 3: Planning</b> - To support, encourage and facilitate countywide service planning and local community planning activities through the Harris County service area for the purpose of preparing for the future and ensuring stabilization and needed expansion of services and facilities through February 28, 2012. Local planning activities to provide neighborhood level plan for 4 low-income target areas by developing and conducting a planning process, supporting research and analyses, and providing technical assistance. Four plans to be submitted to the U.S Department of Housing and Urban Development as Neighborhood Revitalization Strategies (NRS) by February 28, 2012.

## **APPLICATION PROCESS**

### **Limitations of the RFP**

Harris County Community Services Department reserves the right to accept or reject any and all proposals received. In addition, Harris County reserves the right to negotiate with all qualifying organizations or to cancel in whole or in part an application if deemed in the best interest of Harris County as it relates to the Consolidated Plan. Organizations selected for funding participate in negotiations and resubmit any proposed expenses, technicality, or other revisions of their proposal as requested by CSD.

### **Eligible Applicants**

Non-profit organizations, municipalities and local governments who deliver services to low-income clients within Harris County's service area may apply for funding. All non-profit organizations must have 501(c)(3) status with supporting documentation from the IRS at the time of application to receive funding through Harris County.

### **Religious Organizations**

A religious organization that participates in a federal program will retain its independence from Federal, State and local governments, and may continue to carry out its mission, including the definition, practice, and expression of its religious beliefs, provided that it does not use federal funds to support any inherently religious activities, such as worship, religious instruction, or proselytization. Among other things, faith-based organizations may use space in their facilities, without removing religious art, icons, scriptures, or other religious symbols. In addition, a federally-funded religious organization retains its authority over its internal governance, and it may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents. An organization that participates in a federal program shall not, in providing program assistance, discriminate against a program beneficiary or prospective program beneficiary on the basis of religion or religious belief.

Federal funds may not be used for the acquisition, construction, or rehabilitation of structures to the extent that those structures are used for inherently religious activities. Federal funds may be used for the acquisition, construction, or rehabilitation of structures only to the extent that those structures are used for conducting eligible activities. Where a structure is used for both eligible and inherently religious activities, federal funds may not exceed the cost of those portions of the acquisition, construction, or rehabilitation that are attributable to eligible activities in accordance with the cost accounting requirements applicable to federal funds. Sanctuaries, chapels or other rooms that a federally-funded religious congregation uses as its principal place of worship, however, are ineligible for federally-funded improvements. Disposition of real property after the term of the award, or any change in use of the property during the term of the award, is subject to government-wide regulations governing real property disposition (see 24 CFR parts 84 and 85).

### **Line of Credit or Other Resources**

Harris County funds are provided to awarded projects on a reimbursement basis only. This means that funds will be available to the organization *after* it has paid for eligible project costs; however, no costs incurred prior to contract approval may be reimbursed.

Harris County requires that organizations provide documentation that they will have at least three months of working capital to cover project costs or have an open line of credit.

### Conflict of Interest

The standards in OMB Circular A-110, Subpart C, provide that no employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by Federal funds if a real or perceived conflict of interest would be involved. Such a conflict would arise when an employee, officer, or agent, any member of his or her 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. All organizations must complete and submit the Conflict of Interest Disclosure section of the application to document any perceived or actual conflict of interest.

### Available Funds

The table below provides a breakdown of how CDBG funds are distributed according to 24 CFR 570. Harris County received \$14,603,771 in PY2008. Assuming that Harris County receives a similar level of funding from year to year, these estimates will also reflect the funding available in future program years.

Funding and Activity Type	Actual PY2008	Mandated Cap
<b>Community Development Block Grant Program</b>		
Public service projects	\$1,612,254	15 percent
General projects	\$6,986,434	
HCSD Administration	\$2,149,672	20 percent
<b>Emergency Shelter Grants Program</b>		
Operations/Rehab	\$166,374	
Homeless Prevention	\$142,604	30 percent
Essential Services	\$142,604	30 percent
HCSD Administration	\$23,767	5 percent
<b>HOME Investment Partnerships Program</b>		
CHDO Set Aside	\$502,933	15 percent minimum
HCSD Administration	\$335,288	10 percent
CHDO Operating Expense	\$167,644	5 percent
Other	\$2,374,197	
<b>Total</b>	<b>\$14,603,771</b>	

## **Minimum Criteria**

The proposed program must:

- Provide services that benefit low-income persons residing in unincorporated Harris County or one of the 15 cooperative cities
- Meet at least one of the Consolidated Plan Measurable Objectives
- Meet one HUD National Objective.

All applicants must complete the application in a professional manner, with all sections properly completed, as well as demonstrate knowledge in the area of programming proposed.

Organizations must demonstrate financial viability and capacity to operate a federally-funded program strictly on a reimbursement basis. A financially viable organization is one that is able to:

- Operate for three to six months pending reimbursement without financial hardship
- Demonstrate an existing and consistent cash flow
- Have a separation of duties for personnel, time allocations, etc.

Organizations that are current subrecipients must be in good standing with the County (i.e. have no outstanding reporting delinquencies, monitoring findings, or program capacity issues) to be considered for funding.

## **Review Criteria**

At the time of submission, all applications are reviewed by Harris County staff for eligibility based on a number of threshold factors. While evaluating applications for initial eligibility, reviewers use the following established criteria:

- Does the project meet at least one National Objective or applicable program objective?
- Does this project address a Measurable Objective outlined in the PY2008-2012 Harris County Consolidated Plan?
- Is this project located within the Harris County service area and/or serve Harris County service area residents?
- Does this project require leverage or matching funds, and if so, are the funds eligible and secured?
- Does the organization have prior history with federal funds? Are there any outstanding monitoring findings?
- Did the proposed project fall within the category of explicitly ineligible activities?
- Is the application complete, and is all of the requested information included in the application?
- Is the project new to CSD, and if so, does the site visit accurately reflect the description provided in the application?

The second phase of the review process addresses the specific projects being proposed. The following criteria are used in making project recommendations:

- Priorities of the Consolidated Plan
- Completeness of proposal
- Diversity of funding base
- Availability of working capital
- Need and community impact
- Measurable goals and objectives
- Program administration and operational expenses
- Organizational capacity
- Financial capacity
- Duplication of services
- Geographic distribution of projects
- Past and current performance
- Projected outcomes
- Reasonable projected costs
- Leveraging

If applicable:

- Construction work descriptions, plans, schedules, photos and cost estimates
- Relocation policy
- Marketing plans
- Other program required information (i.e.: Davis-Bacon Labor policy, Affirmative Marketing Plan, participation of a homeless or previously homeless person in policy and decision making, and Minority Outreach Plan, Lead-Based Paint, etc.)

## PY2009 RFP Timeline

Activity	Date
Distribution of Notice of Funding Availability (NOFA) to mailing list	April 18, 2008
Publishing Public Notice regarding Request for Proposal	May 23, 30 and June 6, 2008
Issue RFP ( <i>Available for Download</i> )	May 23, 2008
Technical Assistance Week ( <i>By Appointment Only</i> )	June 9-12, 2008
RFP DEADLINE ( <i>Due to Purchasing Office</i> )	June 30, 2008, 2 pm
Publishing Public Notice of recommended projects	October 2008
Commissioners Court approval and mailing of conditional award letters	November 2008
Contract negotiations	February 2009
Program year begins	March 1, 2009
Applicant Workshops	
CDBG General Activities Program Information	June 3, 2008 1:30 pm- 3:00 pm
CDBG General Non-Housing Activities Application Review	June 3, 2008 3:00 pm- 4:30 pm
HOME Program Information	June 4, 2008 9:00 am – 10 :30 am
HOME/CDBG Affordable Housing Activities Application Review	June 4, 2008 10:30 am – 12 :00 pm
CDBG Public Services Program Information	June 4, 2008 1:30 pm- 3:00 pm
CDBG Public Services Application Review	June 4, 2008 3:00 pm- 4:30 pm
CDBG Public Services Program Information	June 5, 2008 9:00 am- 10:30 am
CDBG Public Services Application Review	June 5, 2008 10:30 pm- 12:00 pm
ESG Program Information	June 5, 2008 1:30 pm- 3:00 pm
ESG Application Review	June 5, 2008 3:00 pm- 4:30 pm

## **WHAT'S NEW?**

**The Harris County Community Services Department has made significant changes to the application process this year.**

These changes include:

- The application no longer uses the Microsoft Word format and now utilizes a Microsoft Excel format that auto calculates where possible. Responses to requested information should be concise as responses are now limited to the size of space provided for each answer and cannot be expanded.
- Organizations applying for CDBG General funds for water and sewer projects must comply with the Water and Wastewater Regionalization Policy. In addition, applicants must submit planned projects to be completed during the next four (4) program years, including PY 2009-2012. A full application must be submitted for PY2009 while just a budget summary and detailed description must be submitted for PY2010, PY2011 and PY2012. If approved, the applicant will be required to complete a full application during each respective Program Year but will not be applying competitively with other applicants.
- When calculating unit costs for shelter bed days, organizations applying for CDBG Public Services funds and/or ESG funds should only include in the unit costs, costs associated with the following:
  - - Personnel (salaries and benefits)
    - Food
    - Supplies (programmatic and office)
    - Utilities
    - Rent
- All standard forms and budget forms have been incorporated directly into the application. Attachments are limited to those items that are not already a part of the application.
- If awarded funding, Public Service applicants will be provided an option to renew during the PY2010 RFP process. The applicant will not be required to apply competitively and will be able to once again utilize all information submitted during the PY2009 process.
- As a result of an analysis completed by Public Consulting Group, HCCSD will be utilizing a directory of reasonable unit costs collected from programs operating throughout the state. As a part of the proposal evaluation process HCCSD will be referencing this information to determine if costs proposed by a program are reasonable.

## **HARRIS COUNTY POLICIES AND PRACTICES**

### **Income Limits**

Entitlement funds administered by Harris County are to be used for services to low-income persons, as defined by HUD. Low-income is defined as earning less than 80 percent of the median family income (MFI). The MFI for the Houston, Texas, Primary Metropolitan Statistical Area is \$61,500 for a family of four. The table below denotes low-income limits for PY2008.

Income Levels	Household Size							
	1	2	3	4	5	6	7	8
30 % of Median	\$12,850	\$14,700	\$16,500	\$18,350	\$19,800	\$21,300	\$22,750	\$24,200
Very Low Income 31 – 51%	\$21,400	\$24,450	\$27,500	\$30,550	\$33,000	\$35,450	\$37,900	\$40,350
Low Income 51 – 80%	\$34,250	\$39,100	\$44,000	\$48,900	\$52,800	\$56,700	\$60,650	\$64,550

**Source: U.S. Department of Housing and Urban Development (Effective April 2008)**

### **Tax Policy for all Applicants**

Pursuant to TX Local Government Code 262.0276, Harris County Commissioners Court has adopted a policy that requires that applicants' taxes be current as of the date proposals are due. Applicants with delinquent taxes on the due date will not be eligible for award. Whether or not an applicant's taxes are delinquent will be determined by an independent review of the Tax Office records. Applicants who believe a delinquency is reflected in error must contact the Tax Office to correct any errors or discrepancies prior to submitting their proposal in order to ensure that their proposal will be considered. Tax records are available online at the Tax Office website – [www.hctax.net](http://www.hctax.net). Prior to submitting a proposal, applicants are encouraged to visit the Tax Office website, set up a portfolio of their accounts and make their own initial determination of the status of their tax accounts. Furthermore, if, during the performance of this contract, an applicant's taxes become delinquent, Harris County reserves the right to provide notice to the Auditor or Treasurer pursuant to Texas Local Government Code §154.045. This policy is effective for all proposals.

### **Regulatory Agreement, Deed of Trust and Intercreditor Agreement Requirements**

For all acquisition, construction and rehabilitation projects, Harris County shall require the execution of a Regulatory Agreement, Deed of Trust and Intercreditor Agreement prepared by the County Attorney to secure the obligations of all selected awardees. The Regulatory Agreement is prepared to ensure the affordability of the project while the Deed of Trust and Intercreditor Agreements are utilized to secure performance and recognize all creditors and their positions. Such documents shall be executed near or at the time of commitment of funds under a binding agreement and must be in place prior to any disbursement of grant funds.

### **Section 3 Requirements**

Section 3 of the Housing and Urban Development Act of 1968 requires that employment and other economic opportunities generated by U.S. Department of Housing and Urban Development (HUD) financial assistance, such as Community Development Block Grant (CDBG) and Home Investment Partnerships (HOME) Program, shall to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations, be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to businesses which are located in or owned in substantial part by persons residing in the area of the project.

Section 3 compliance must be adhered to by any public, private, or non-profit agency that is a recipient of over \$200,000 in HUD funding for certain construction-related projects. Additionally, these recipients' contractors and subcontractors who receive contracts or subcontracts of \$100,000 or more must also comply with Section 3.

The following are types of Section 3 covered assisted projects:

- Housing rehabilitation;
- Abatement of lead-based paint hazards (excluding routine maintenance, repair and replacement);
- Housing construction; and
- Other public construction, including but not limited to public facilities, and infrastructure projects.

### **Davis-Bacon Labor Act**

The Davis-Bacon Labor Act provides that contracts in excess of \$2,000.00 to which the United States (Federal funds) is a party for the construction, alteration and/or repair, including painting and decorating, of federally funded projects which involve the employment of laborers and/or mechanics, shall contain provisions with respect to minimum wages, fringe benefits, payments without deductions or rebates, withholding funds from contractors to ensure compliance with the wage provisions, and termination of the contract or debarment for failure to adhere to the required provisions.

### **Water and Wastewater Regionalization Policy**

Purpose- Harris County and Harris County Flood Control District (HCFCD) have developed this policy to affirm their position on the issue of water and wastewater regionalization and to establish guidelines for achieving regionalization. With this policy, the County and HCFCD anticipate a reduction in the number of water treatment plants and wastewater treatment plants and a reduction in pollutant loads to waterways by planning or participating in larger and/or more efficient wastewater systems.

Scope- This policy applies to water systems and wastewater systems 1) owned or operated by Harris County and/or HCFCD and 2) funded in full or in part by Harris County, HCFCD, or other funds administered by or received by Harris County or HCFCD.

Overview- Harris County and HCFCD recognize that water and wastewater regionalization, when properly applied, have the following advantages:

- Improved treatment efficiency
- Improved unit cost for treatment
- Reduced number of wastewater discharges

- Reduced groundwater extraction
- Reduced liability from regulatory oversight, permitting, and fines
- Improved water quality resulting from improved treatment
- Reduced overall maintenance costs

As owners of several water and wastewater systems, as a regulatory oversight agency for public and private water and wastewater systems, and as environmental stewards of the County's natural environment, Harris County and HCFCD recognize the manifold benefits to regionalization of water and wastewater systems and hereby affirm their commitment to the concept of water and wastewater regionalization.

Please read the Water and Wastewater Regionalization Policy in its entirety. It is located on our website at [www.csd.hctx.net](http://www.csd.hctx.net).

## **MONITORING AND RECORDKEEPING**

### **Monitoring Reviews**

Monitoring is an important component of the allocation process. Therefore, it is critical that Harris County and subrecipients maintain the appropriate documentation to support their activities in accordance to federal guidelines and Harris County Community Services reporting requirements.

Harris County will review three primary areas for compliance with federal requirements:

1. Review for compliance with the primary and national objectives and other program requirements
  - Consistency with the primary objective;
  - Each CDBG assisted activity meets the criteria for one or more of the national objectives;
  - Compliance with all other activity eligibility requirements of the regulations;
  - Compliance with the Consolidated Plan submission requirements;
  - Compliance with the applicable grant administration requirements; and
  - Compliance with all other applicable laws and program requirements.
2. Review to determine if the grantee/subrecipient is meeting its Consolidated Plan Objective
  - Whether the Grantee (Harris County) followed its HUD-approved Consolidated Plan for the most recently completed program year, and whether activities assisted with HUD funds during that period were consistent with that Plan.
  - The subrecipient will be considered to be following Harris County's Consolidated Plan if it has taken all of the planned actions described in its contract.
3. Equal Opportunity and Fair Housing Review Criteria
  - Harris County will presume compliance with civil rights certifications and requirements (i.e., equal opportunity and affirmatively furthering fair housing) unless there is evidence to the contrary.

In conducting performance reviews, Harris County will primarily rely on information obtained from the subrecipient's performance reports, records from on-site monitoring, and audit reports.

Performance monitoring reviews typically result in a formal written report from Harris County summarizing the monitoring review and indicating whether or not the subrecipient was found to be in noncompliance with any applicable regulations or requirements.

If findings or concerns are presented in a monitoring report, subrecipients are given a specific time frame in which to respond to the reported deficiencies. In addition, Harris County may either provide subrecipients with recommended corrective action, or may require subrecipients to submit proposals for corrective actions for approval.

### **Recordkeeping**

Accurate recordkeeping is crucial to the successful management of grant-funded activities. Insufficient documentation will likely lead to monitoring findings, and these

findings will be more difficult to resolve if records are missing, inadequate or inaccurate. Please pay careful attention to guidelines outlined within the National Objectives area of this guidebook. Organizations receiving funding must complete an Individual Eligibility Form for each individual and household client and maintain supporting documentation in participant files. If it is determined that the supporting documentation is incorrect or insufficient, reimbursement will be denied for costs associated with the ineligible expense.

**Access to Records**

HUD and the Comptroller General of the United States, or their authorized representatives in addition to Harris County Staff, have the right to access Grantee and subrecipient program records.

# COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM

## **What is CDBG?**

The Community Development Block Grant (CDBG) Program is authorized under Title I of the Housing and Community Development Act of 1974, as amended. The CDBG program grew out of the consolidation of eight categorical programs under which communities competed nationally for funds.

Local governments participate in either the Entitlement Program (for cities over 50,000 in population or urban counties with more than 200,000 people) or the States and Small Cities Program (communities with populations of 50,000 or less). In Harris County, there are four CDBG entitlement jurisdictions: City of Houston, City of Baytown, City of Pasadena, and unincorporated Harris County.

Participating local governments automatically receive an annual allocation of CDBG funds. The regulations implementing the CDBG Program are found at 24 CFR Part 570 (To review 24 CFR 570 in its entirety, visit HUD's website at [www.hud.gov](http://www.hud.gov)).

## **CDBG Objectives**

The *primary* objective of the CDBG program is the development of viable urban communities through the provision of the following, principally for low-income persons:

- decent housing
- a suitable living environment
- economic opportunity

CDBG applicants must choose one of the HUD **national** objectives under which to apply for funding. CDBG grantees are responsible for assuring that each eligible activity meets one of the following three objectives.

1. **Directly benefit low-income persons:** The project must be located in a Harris County target area or serve an area within Harris County's service area where at least 51 percent of the residents are low income persons (**Area Benefit**), or must provide a direct benefit to Harris County individuals or families, the majority of whose income is less than that median income figure (**Limited Clientele Benefit**).
2. **Aid in the prevention of slum or blight:** The applicant must supply proof that the area meets the State or local government's definition of slums and blight.
3. **Meet an urgent need:** The activity provides a remedy to a serious and immediate health or welfare problem, such as a natural disaster; *and* there are no other funds available; *and* the problem is of a recent origin.

## **Match Requirements**

Unlike some other federal grant programs, CDBG regulations do not require matching funds on behalf of the Grantee. While there are no federal match requirements for CDBG funds, Harris County highly recommends that organizations provide leverage funds. Leverage fund sources include contributions derived from other federal and nonfederal sources and the value of third party in-kind contributions, (i.e. volunteers, personnel, office space, materials, equipment and supplies). ***Harris County will not consider applications requesting greater than 90 percent of funding; however, applications will receive favorable scoring based on higher leveraging funds.***

## **HUD National Objective**

CDBG Public Service applicants must meet the National Objective regarding benefit to low-income persons in order to apply for funding. Under this objective, CDBG-assisted public service activities must benefit low-income persons using the **Limited Clientele** category (see below).

*Low-income* is defined as being less than 80 percent of the median family income for the area.

**Limited clientele** – Limited clientele activities benefit a limited number of people rather than everyone in a defined area. At least 51 percent of those persons served must be low-income persons. These activities must meet one of the following criteria:

- Benefit a clientele generally presumed by HUD to be principally low-income, i.e. abused children, elderly persons, battered spouses, homeless persons, severely disabled adults, illiterate adults, persons living with AIDS, or migrant farm workers; or
- Require information and documentation on family size and income in order to show that at least 51 percent of the clientele are low-income; or
- Have income eligibility requirements limiting the activity to low-income persons; or
- Be of such nature and in such location that it can be reasonably concluded that activity's clientele will primarily be low-income; or
- Be an activity that provides job training and placement and/or other employment support services when the percentage of persons assisted is less than 51 percent. Examples include, but are not limited to, peer support programs, counseling, childcare, transportation, and other similar services. [Note: Some restrictions apply to these activities. See §570.208(a)(2)(iv).]

Examples of limited clientele activities include:

- public services for the homeless,
- Meals on Wheels for the elderly, and
- job training services for severely disabled adults.

**For each activity, one of the following types of documentation must be kept:**

1. Documentation showing that the activity is designed to be used exclusively by a segment of the population presumed by HUD to be low-income persons; or
2. Documentation describing how the nature and the location of the activity establishes that it will be used predominantly by low-income persons; or
3. Data showing the size and annual income of the family of each person receiving the benefit.

**Please note: All information used to verify the program's national objective criteria must be documented, verifiable, and maintained in the subrecipient's records on-site. Further details on documentation requirements are provided upon awarding of project.**

**To classify a project under the national objective as an area benefit, the service must be undertaken in an area where at least 51 percent of the residents are low income.**

# EMERGENCY SHELTER GRANTS (ESG) PROGRAM

## What is ESG?

The primary purpose of the ESG Program is to increase the number and quality of emergency and transitional housing facilities and is designed to be the first step in a continuum of assistance to enable homeless individuals and families to move toward independent living as well as to prevent homelessness.

ESG is a formula-funded program that uses the Community Development Block Grant (CDBG) program formula as a basis of allocating funds to eligible jurisdictions, including States, territories, and qualified metropolitan cities and urban counties for the rehabilitation or conversion of buildings into homeless shelters, operating expenses, essential services, and prevention activities.

The ESG Program was originally established by the Homeless Housing Act of 1986, in response to the growing issue of homelessness among men, women, and children in the United States. In 1987, the ESG program was incorporated into subtitle B of title IV of the Stewart B. McKinney Homeless Assistance Act.

## ESG Program Objectives

The objectives of the ESG Program are to:

- Increase the number and quality of emergency shelters and transitional housing facilities for homeless individuals and families;
- To operate these facilities and provide essential services; and
- To help prevent homelessness.

## Eligible Clients

A person must be homeless (or at great risk of becoming immediately homeless) to receive help from ESG program activities.

HUD defines homelessness using the following definition: “A homeless person is someone who is living on the street or in an emergency shelter, or who would be living on the street or in an emergency shelter without ESG’s homelessness assistance. A person is considered homeless only when he/she resides in one of the places described below:

- In places not meant for human habitation, such as cars, parks, sidewalks, abandoned buildings, on the street;
- In an emergency shelter;
- In transitional or supportive housing for homeless persons who *originally* came from the streets or emergency shelters;
- In any of the above places but is spending a short time (up to 30 consecutive days) in a hospital or other institution;
- Is being evicted within a week from a private dwelling unit *and* no subsequent residence has been identified *and* the person lacks the resources and support networks needed to obtain housing or their housing has been condemned by housing officials and is no longer considered meant for human habitation;

- Is being discharged within a week from an institution in which the person has been a resident for more than 30 consecutive days and lacks the support networks needed to obtain housing; or
- Is fleeing a domestic violence housing situation and subsequent residence has been identified and the person lacks the resources and support networks needed to obtain housing.”

### **Documentation of Client Eligibility**

All persons serviced by shelters or other service providers documenting clients must demonstrate in writing that the client is homeless. The homeless population served must be identified further as battered spouses, runaway/throwaway youth, chronically mentally ill, developmentally disabled, persons with HIV/AIDS, alcohol dependent individuals, drug dependent individuals, elderly, veterans, physically disabled, and other. See the Sample Documentation of Homelessness form and the Individual Eligibility Form in the Guidebook (p.21) for all individuals and households and provide documentation according to Harris County Monitoring and Recordkeeping Guidelines.

Persons receiving homeless prevention funds cannot be homeless. To be eligible to receive this type of financial assistance, individuals must have an eviction notice or a utility termination notice, qualify under low-income guidelines, and reside within the Harris County Service Area. Additionally, the agency must provide evidence that the inability to pay was sudden, the assistance is necessary to prevent homelessness, and the client is reasonably expected to be able to resume payments in the near future.

### **Participation of Homeless Persons in Policy-making and Operations**

All ESG applicant organizations are required by Federal rule to provide for the participation of at least one homeless or formerly homeless person(s) in a **policy-making function** within the organization. This might include, for example, involvement of a homeless or formerly homeless person on the Board of Directors or similar position that considers and sets policy or makes decisions for the recipient agency.

All recipients are further required to involve participants in the **operation** of the ESG-funded program. This involvement includes the participant’s employment or volunteering in project activities such as construction, renovation, maintenance, general operation of facilities, or provision of services. This involvement can include paid and/or volunteer work. For example, a shelter might involve participants in ongoing maintenance tasks or other operations of the facility such as staffing the reception desk.

### **Eligible Activities**

ESG funding may be used by shelters and other service providers for four main categories of eligible activities.

- Renovation, rehabilitation, and conversion of buildings for use as emergency shelters or transitional housing for the homeless. All activities of this type must meet local safety and sanitary standards.
- Essential services, including services concerned with employment, health, drug abuse, and education.
- Operating costs such as maintenance, insurance, rent, security, and other costs associated with maintaining beds or units in the shelter.

- Homeless prevention, including short-term subsidies to defray rent and utility arrearages.

### **Ineligible Activities**

ESG funding may NOT be used by shelters and other service providers for the following ineligible activities:

- Ineligible rehabilitation or renovation costs include: acquisition of real property, new construction, property clearance or demolition, rehabilitation administration, staff training or fund raising activities associated with rehabilitation and building maintenance and repairs.
- Ineligible essential services costs include: existing services and staff (services must be new or provided to more persons); salary of case management supervisor when not working directly on participant issues; advocacy, planning and organizational capacity building; staff recruitment/training; and transportation costs not directly associated with service delivery.
- Ineligible operating or maintenance costs include: recruitment or on-going training of staff; depreciation; costs associated with the organization rather than the supportive housing project (advertisements, pamphlets about organization, surveys, etc.); staff training, entertainment, conferences or retreats; public relations or fund raising; bad debts/late fees; mortgage payments.
- Ineligible homeless prevention costs include: housing/services to homeless persons; direct payments to individuals; long-term assistance beyond several months; and application for Federal Funds or Unprogrammed Funds.

### **Funding Limitations/Caps under Eligible Activities**

The legislation and the regulations both limit the amount of ESG funds that may be spent on eligible ESG activities.

- **Renovation** activities must continue use as a shelter for 3 years and major **rehabilitation/conversion** activities must continue use as a shelter for 10 years.
- No more than 30 percent of Harris County's aggregate ESG Program funds, subject to waiver, may be spent on **essential services**. Funding must be spent on: **new services** (any service not previously delivered by an agency), **expansion** (an established service not currently funded by Harris County Funds), or **renewal** (current service funded by Harris County).
- Staff salaries (including fringe benefits) paid under the **operating cost** category is limited to 10 percent of the grant. Maintenance and security salary costs are not subject to the 10 percent standard.
- No more than 30 percent of Harris County's aggregate ESG Program funds may be used for activities under **homeless prevention** activities.

**Match Requirements**

Organizations must match ESG funds 100 percent from non-federal sources. Matching funds must be provided after the date of the grant award. Funds used to match a previous ESG activity may not be used to match a subsequent grant award. An organization may comply with this requirement by providing the match funds itself, or through matching funds or voluntary efforts provided by any nonprofit recipient.

Applicants may use any of the following in calculating the amount of matching funds provided:

- Cash;
- The value or fair rental value of any donated material or building;
- The value of any lease on a building;
- Any salary paid to staff to carry out the program; and
- The value of the time and service contributed by volunteers to carry out the program, valued at \$5/hour. (Note: Volunteers providing professional services such as medical or legal services are valued at the reasonable and customary rate in the community.)

# HOME Investment Partnerships Program (HOME)

## ***What is HOME?***

The HOME program was created under Title 11 (the Home Investment Partnerships Act) of the Cranston-Gonzales National Affordable Housing Act of 1990. This program represented a historic affirmation of the Federal Government's commitment to providing decent, safe, and affordable housing for all Americans and to alleviating the problems of excessive rent burdens, homelessness, and deteriorating housing stock nationwide.

## **Eligible Activities**

The following list includes the types of activities that may be funded under the HOME Program, provided that the activity falls into the objective described above.

### **I. Homebuyer Activities**

HOME funds may be used to finance new construction and/or the acquisition of land for the construction of homes for homebuyers, as well as programs that provide down-payment and closing cost assistance. Per HCCSD Policy, the purchase price of an existing or newly constructed single family home cannot exceed \$115,000.

HOME-assisted homebuyers units carry occupancy restrictions for varying lengths of time, known as the affordability period. The HOME Program requires a minimum affordability period for all homebuyers units receiving HOME funds, depending on the average amount of direct homebuyer benefit. The chart below shows how the activity and direct benefit determine the HOME required affordability period.

### **Affordability Periods\* for Homeownership Activities**

<b>HOME benefit to homebuyer</b>	<b>Minimum period of affordability</b>
Under \$15,000	5 years
\$15,000 to \$40,000	10 years
Over \$40,000	15 years

\* The affordability period represents the minimum length of time a recipient (beginning after project completion) of homeownership assistance must maintain and reside in the property as his/her primary residence. When the homebuyer sells or fails to reside in the property as his/her primary residence during the affordability period, the action triggers repayment of the direct HOME subsidy to the County.

### **II. Rental Housing**

HOME funds may be used to acquire land or existing rental housing and/or rehabilitate or construct affordable rental housing. HOME funds may be used to acquire and/or rehabilitate or construct affordable permanent or transitional rental housing. Unlike other federal grant programs, HOME distinguishes between the units in a project that have been assisted with HOME funds and those that have not. "HOME-assisted units" is a term that refers to the units within a HOME project for which rent and occupancy restrictions apply. The number of units designated as

HOME-assisted affects the maximum HOME subsidies that may be provided to a project.

*i. Fixed and Floating Units*

For properties with both assisted and non-assisted units, the program administrator must select “fixed” or “floating” units at the time of project commitment. When HOME-assisted units are “fixed”, the specific units that are HOME-assisted are designated and never change. When HOME-assisted units are “floating”, the units that are designated as HOME-assisted may change over time as long as the total number of HOME-assisted units in the project remains constant.

*ii. Multi-Unit Occupancy Requirements*

The program funds rule requires that at least 90 percent of HOME-assisted units must be reserved for residents whose income does not exceed 60 percent of the area median income. For rental properties of which five or more units will be HOME-assisted, at least 20 percent of the units must be reserved for families who meet the threshold as very-low income (at or below 50 percent median income). The balance of rental units must assist tenants with incomes that do not exceed 80 percent of the area median income.

*iii. Rents*

Every HOME-assisted rental unit is subject to rent limits designed to help make rents affordable to low-income households. These maximum rents are referred to as “HOME rents.” HUD publishes the rent schedule each year based on changes in area income levels or market conditions. There are two HOME rents used in the HOME program:

High HOME Rents are the lesser of:

- The Section 8 Fair Market Rents (FMRs) for existing housing; OR
- Thirty (30) percent of the adjusted income of a family whose income equals 65 percent of median income.

Low HOME Rents – For properties with five or more HOME-assisted units, at least 20 percent of HOME-assisted units must have rents which are no greater than:

- Thirty (30) percent of the tenant’s monthly adjusted income; OR
- Thirty (30) percent of the annual income of a family whose income equals 50 percent of the median income.

In units receiving Federal or State project-based rental assistance in which the very low-income family pays not more than 30 percent of the family’s adjusted income, the maximum rent allowable may be determined by the Federal or State program.

### **III. Multi-Unit Affordability Period**

HOME-assisted rental units carry rent and occupancy restrictions for varying lengths of time, known as the affordability period. The HOME Program requires a minimum affordability period for all rental projects receiving HOME funds, depending on the average amount of HOME funds invested in each unit and the type of activities performed using HOME funds. The chart below shows how the activity and per-unit subsidy determine the HOME required affordability period.

**Affordability Periods\* for Rental Housing Activities**

<b>Activity</b>	<b>HOME Subsidy</b>	<b>Unit Must Remain Affordable for at Least</b>
Rehabilitation or acquisition of existing housing	Less than \$15,000/unit	5 years
	\$15,000-\$40,000/unit	10 years
	Greater than \$40,000	15 years
Rehabilitation with refinancing	Any amount	15 years
New construction or acquisition of new housing	Any amount	20 years

\* The affordability period represent the minimum length of time (beginning upon project completion) a recipient of HOME assistance for a rental housing project must be in compliance with HOME rules and regulations regarding maximum HOME rent limits, tenant income, and other applicable requirements. The period is based on the amount of HOME funds provided per HOME-assisted unit. When the recipient fails to comply with the HOME regulations during the designated affordability period, the action triggers repayment of the direct HOME subsidy to the County.

### **IV. Tenant-Based Rental Assistance (TBRA)**

HOME funds may be used to provide financial assistance to tenants for rent, security deposits, and under certain conditions, utility deposits to tenants. Assistance for utility deposits may only be provided in conjunction with a TBRA security deposit or monthly rental assistance program. *Note: Funds for TBRA may not be used for project-related soft costs.*

### **V. Community Housing Development Organization (CHDO) Activities**

The CHDO set-aside portion of HOME funds may be used to acquire and/or rehabilitate rental housing and homebuyer properties, construct rental or homebuyer properties, and provide direct financial assistance to purchasers of HOME-assisted housing sponsored or developed by a CHDO with HOME funds. CHDOs are also eligible to apply for HOME funds for project pre-development loans and operating assistance but must have a project ready to move forward.

### **Matching Funds Requirement**

In accordance with HOME Program regulations (24 CFR 92.218), HCCSD requires applicants to provide match in an amount equal to no less than 25 percent of the total requested amount. Please note that match is not leveraging, but is a permanent contribution to affordable housing and the obligation is created by the “drawdown” of HOME funds for a particular project.

Generally, investments from state or local governments or the private sector qualify as matching contributions, whereas federal funds (such as CDBG, HOME, HOPWA) do not qualify. Eligible sources of a match for HOME funds include:

- Cash contributions from non-federal sources,
- Donated construction materials or voluntary labor,
- Value of donated land or real property,
- Value of foregone interest, taxes, fees, or charges levied by public or private entities,
- Investments in on- or off-site improvements,
- Proceeds from bond financing,
- The cost of supportive services provided to families living in HOME-assisted units, or
- The cost of homebuyer counseling to families purchasing HOME-assisted units.

### **Project Development**

In accordance to 24 CFR 983.6, HCCSD requires all organizations utilizing HOME funds for new construction of affordable housing to comply with its Site and Neighborhood Standards policy. These standards require housing units to meet certain requirements in areas such as amenities, proximity to public facilities, location and size.

Harris County must administer its HOME program in a manner that provides housing that is suitable for promoting greater choice of housing opportunities and facilitating and furthering full compliance with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, Executive Order 11063, and HUD regulations. HUD requires its participating jurisdictions to establish site and neighborhood requirements with respect to new construction of rental housing. The determined requirements must meet the requirements stated in 24 CFR 983.6(b).

To be considered for HOME funding, all applicants submitting proposals for new construction of rental housing must adhere to Harris County's Project Development requirements. Applicants must read and agree to comply with Harris County's Project Development policy which may be viewed at [www.csd.hctx.net](http://www.csd.hctx.net).

### **Minimum Acceptable Property Standards (Construction, Rehabilitation and Acquisition)**

All HOME-assisted units must meet local codes and standards. In the absence of local codes, housing should conform to the property standards identified in 24 CFR 92.251. HCCSD has established Minimum Acceptable Standards for single-family and multi-family properties that receive federal assistance. For the applicable projects, the housing unit will be inspected prior to final close-out of the project. HCCSD Minimum Acceptable Property Standards are available for review by clicking [Minimum Acceptable Standards for Residential Acquisition, Construction, and Rehabilitation](#).

### **Housing Quality Standards**

In accordance with 24 CFR 982.401, all housing assisted with HOME funds must comply with Housing Quality Standards (HQS), both at initial occupancy of the dwelling unit and during the term of the affordability period (rental only). HQS regulations provide performance requirements and acceptability criteria to meet each performance requirement. HQS includes requirements for all housing types, including single- and multi-family housing dwelling units, to include:

- Sanitary facilities;
- Food preparation and refuse disposal;
- Space and security;
- Thermal environment;
- Illumination and electricity;
- Structure and materials;
- Water supply;
- Interior air quality;
- Lead-based paint;
- Access;
- Site and neighborhood;
- Sanitary condition; and
- Smoke detectors.

### **Minimum/Maximum Investment Amounts**

*Minimum HOME Investment:* The minimum amount of HOME funds is an average of \$1,000, multiplied by the number of HOME-assisted units in a project. The minimum only applies to the HOME funds in a project, and does not include any other funds. The minimum HOME investment does not apply to TBRA projects.

*Maximum HOME Investment:* The maximum per-unit HOME subsidy varies and is determined by HUD based upon Section 221(d)(3) program limits for the metropolitan area each year. Harris County has established a more restrictive policy which sets the maximum per-unit HOME subsidy at \$40,000 per assisted rental unit. Maximum per-unit HOME subsidy for single family homes varies.

### **Income Eligibility Standards**

HCCSD has adopted the Section 8 Annual Income (Part 5) method of calculating annual income for HOME Program Participants. Projects receiving HOME funds must follow this method in the determination of participant eligibility in HOME-assisted housing units. This activity must be addressed in the application.

### **Community Housing Development Organizations (CHDOs)**

Not-for-profit organizations that are rooted in and accountable to the neighborhoods they serve embody the idea of community-led revitalization that HOME and other HUD programs are designed to promote. Through HOME, the federal government is making an investment in the future of local nonprofit housing groups, requiring that each jurisdiction reserve at least 15 percent of its total HOME allocation to fund housing that will be owned, developed, or sponsored by entities designated as Community Housing Development Organizations (CHDOs).

HCCSD can use HOME funds to aid CHDOs in a number of ways. In addition to project funding that will increase their experience in developing affordable housing, HCCSD can provide up to \$50,000 or 50 percent of the organization's operating budget. In addition, funds can be provided pre-development assistance up to \$35,000.00.

## **DOCUMENTATION EXAMPLES (CDBG PUBLIC SERVICES AND ESG PROJECTS ONLY)**

- I. CDBG Individual Eligibility Form can be found at:  
<http://www.csd.hctx.net/gmcdbgform.aspx>
- II. ESG Individual Eligibility Form can be found at:  
<http://www.csd.hctx.net/gmesgform.aspx>
- III. Sample Documentation of Homelessness includes:

## Sample Documentation of Homelessness

**Participant Name:** \_\_\_\_\_

**Referral Source (Name/Agency):** \_\_\_\_\_

**Phone Number of Referral Source:** \_\_\_\_\_

CHECK ONE	CURRENT LIVING SITUATION:
	Residing in a place not meant for human habitation, such as a car, park, sidewalks, abandoned buildings, on the street;
	Residing in an emergency shelter;
	Residing in transitional or supportive housing for homeless persons who <i>originally</i> came from the streets or emergency shelters;
	In any of the above places but is spending a short time (up to 30 consecutive days) in a hospital or other institution;
	Is being evicted within a week from a private dwelling unit <i>and</i> no subsequent residence has been identified <i>and</i> the person lacks the resources and support networks needed to obtain housing or their housing has been condemned by housing officials and is no longer considered meant for human habitation;
	Is being discharged within a week from an institution in which the person has been a resident for more than 30 consecutive days and lacks the support networks needed to obtain housing; or
	Is fleeing a domestic violence housing situation and subsequent residence has been identified and the person lacks the resources and support networks needed to obtain housing.

VERIFICATION OF THE ABOVE CHECKED INFORMATION MUST BE ATTACHED TO THIS DOCUMENT, ALONG WITH THE INDIVIDUAL ELIGIBILITY FORM.

***I CERTIFY THAT ALL INFORMATION PRESENTED ABOVE IS TRUE AND ACCURATE.***

\_\_\_\_\_  
Signature of Authorized Personnel

\_\_\_\_\_  
Date

## FREQUENTLY ASKED QUESTIONS (FAQS)

### CAPS

#### **What is a cap?**

A cap is the maximum percentage of funds from each grant program that may be expended to a given activity type. Caps apply to CDBG, ESG, and HOME funds.

#### **What are the caps for various eligible activities under the ESG program?**

HUD mandates that the following caps be used for ESG funding: 30 percent for Homeless Prevention, 30 percent for Essential Services, 10 percent for Operations/Personnel, and 5 percent for Harris County Administration.

#### **What are the caps for various eligible activities under the CDBG program?**

HUD mandates that the following caps be used for CDBG funding: 15 percent for Public Services and 20 percent for Harris County Administration.

#### **What are the caps for various eligible activities under the HOME program?**

HUD mandates that the following cap be used for HOME funding: 10 percent cap for Harris County Administration. Additionally, HUD requires that a minimum of 15 percent be set aside for CHDOs.

### MATCH

#### **What is match?**

Match is the amount of funds and/or resources an organization commits to provide for a proposed project.

#### **What is the difference between match funds and leveraged funds?**

- Match funds must be applied specifically for the proposed project. They can be in the form of cash, donated time, goods, services, etc.
- Leveraging is the use of credit or awarded funds to improve an organization's budget capacity. They are attained after initial funding, serve as a supplement to the project budget, and are in addition to requested funds and matching fund amounts.

#### **What is the required match for CDBG, ESG and HOME programs?**

HUD requires that participating jurisdictions provide 25 percent match funds for all HOME funds and 100 percent for ESG funds. Harris County passes these match requirements on to its subrecipients. While there are no federal match requirements for CDBG, Harris County requires that organizations applying for CDBG General funds provide a minimum of 10 percent leveraging funds. Applications will receive favorable scoring based on higher leveraging funds or a focus on a Disadvantage Zone. Harris County will not consider applications requesting 100 percent funding.

**Are loan funds considered matching funds?**

Yes, loans are considered match funds, but documentation that a loan has been secured must be included in the initial proposal.

**What other sources can matching funds come from?**

Match funds can come from a variety of sources, such as other service providers, in-kind contributions, special events, fundraisers, and non-federal grants.

**Can a commitment letter from an architect be used as in-kind funds?**

A commitment letter from an architect or other professional service provider can be used as in-kind funds as long as the commitment letter states what services are to be performed, if the usual fee is a flat rate or hourly basis. If hourly, the letter must include the hourly rate and estimated number of hours to be used toward the proposed project.

## **APPLICATION INFORMATION**

**Can I submit more than one application?**

Yes. Organizations may submit an application for up to three projects; however, each application must be given a priority (Priority 1, Priority 2, Priority 3).

**Can I submit applications for more than one source of funds?**

Yes. Organizations are allowed to submit a total of three applications to any of the programs or a combination of them. *For example, an organization may submit their Priority 1 application to the CDBG General program and their Priority 2 to the ESG program.*

**If my organization received funds last year, will we automatically receive funds this year?**

No, each RFP is a competitive process. HUD grants are not designed to be used as perpetual funding. Applicants and subrecipients are encouraged to pursue other sources of funding. During PY2009, Public Service applicants will be given the option to accept renewal during PY2010 if awarded; however, funding is always contingent on performance and the receipt of funds from HUD.

## **GENERAL INFORMATION**

**Where can I find additional information about CDBG, HOME, & ESG regulations?**

CDBG regulations can be found at:

[www.hud.gov/offices/cpd/communitydevelopment/programs/index.cfm](http://www.hud.gov/offices/cpd/communitydevelopment/programs/index.cfm)

HOME regulations can be found at:

[www.hud.gov/offices/cpd/affordablehousing/programs/home/index.cfm](http://www.hud.gov/offices/cpd/affordablehousing/programs/home/index.cfm)

ESG regulations can be found at:

[www.hud.gov/offices/cpd/homeless/programs/esg/index.cfm](http://www.hud.gov/offices/cpd/homeless/programs/esg/index.cfm)

**Can I create my own RFP forms?**

No, only CSD application forms will be accepted for proposals submitted.

**When will the contract period begin?**

Contract periods will be determined during contract negotiations and after the conditional award of funds but usually begin March 1 through February 28 of the following year. Conditional awards are issued upon Commissioners Court approval.

**Does a new organization need a financial audit?**

A new organization does not need a financial audit, but must submit a certified financial statement completed by an independent certified public accountant (CPA).

**What type of documents may be used as working capital documentation?**

Any of the following may be used as proof of your organizations working capital:

- A certified financial statement completed by an independent outside source
- A letter from your financial institute on letterhead, stating your line of credit amount within the text
- If the non-profit has a thrift shop, they may submit a copy of the IRS 990 or 990-T form as proof of the thrift shops profits.

**Does a private, non-profit need a 501(c)(3)?**

Yes, all private non-profits must have their 501(c)(3) status from the Internal Revenue Service to be eligible for funding. Documentation of 501(c)(3) status must be included in each proposal.

**Can you collaborate with an existing 501(c)(3)?**

Yes, organizations may collaborate with an existing 501(c)(3), but the 501(c)(3) must be the lead applicant.

**Can the Board of Directors receive pay from the entitlement funds?**

No, the Board of Directors cannot be paid with federal entitlement funds. Only personnel involved in the daily operations and program-related work may be compensated.

**Where can I get a copy of the Consolidated Plan?**

The Consolidated Plan may be downloaded at [www.csd.hctx.net](http://www.csd.hctx.net).

**Where can I get a copy of prior year Annual Action Plans?**

Previous Annual Action Plans may be downloaded at [www.csd.hctx.net](http://www.csd.hctx.net).

**Where can I get a copy of the OMB circulars?**

The OMB circulars may be downloaded from the U.S. Office of Management and Budget's web site at [www.whitehouse.gov/omb](http://www.whitehouse.gov/omb).

**If I have questions or need help, whom do I contact?**

You may contact the Development staff at (713) 578-2000 or by email at [rfp@csd.hctx.net](mailto:rfp@csd.hctx.net).

## Glossary of Terms/ Acronyms

**Affordability Period** – The requirements of the HOME program that relate to the cost of housing both at initial occupancy and over established timeframes, as prescribed in the HOME Final Rule. Affordability requirements vary depending upon the nature of the HOME-assisted activity and the amount awarded to the subrecipient (i.e., homeownership or rental housing).

**Annual Action Plan (AAP)** – The one-year update of the Consolidated Plan that includes the jurisdiction's annual application for entitlement funds. The AAP includes the projects selected for the upcoming program year. Harris County's PY2007 Annual Action Plan may be viewed at [www.cedd.hctx.net](http://www.cedd.hctx.net).

**Annual Income** – HUD programs allow the use of one of three definitions of annual income: Section 8 annual income; annual income as reported on the U.S. Census long form; and adjusted gross income as defined for reporting on IRS Form 1040.

**Area Benefit** – A category of the CDBG national objective *Benefit to Low-Income Persons*. Under this objective, a CDBG-assisted activity benefits all residents in a particular area, where at least 51 percent of the residents are low-income persons.

**Area of Low-Income Concentration** – An area consisting of one or more adjacent block groups in which 51 percent or more of total persons are considered low-income according to definitions and demographic information provided by HUD.

**Area of Minority Concentration** – An area consisting of one or more adjacent block groups in which 30 percent or more of total persons are classified as "minority." CSD defines minority to include all ethnic groups other than Non-Hispanic Whites.

**CFR** – Code of Federal Regulations; The codification of the general and permanent rules published in the Federal Register by the executive departments and agencies of the Federal Government. It is divided into 50 titles that represent broad areas subject to Federal regulation. Each volume of the CFR is updated once each calendar year and is issued on a quarterly basis. CFR citations may be reviewed at [www.gpoaccess.gov/cfr/index.html](http://www.gpoaccess.gov/cfr/index.html).

**CSD** – Harris County Community Services Department.

**Community Based Development Organization (CBDO)** – A private non-profit or for profit organization that satisfies the requirements of 24 CFR Part 570.204 and is certified as such by CSD. A CBDO is an association or corporation organized under State or local law to engage in community development activities (which may include housing and economic development activities) primarily within an identified geographic area of operation within the jurisdiction county; and has its primary purpose the improvement of the physical, economic or social environment of its geographic area of operation by addressing one or more critical problems of the area, with particular attention to the needs of persons of low and moderate income.

**Community Development Block Grant (CDBG)** – Authorized by the Housing and Community Development Act of 1974 replacing several community development categorical grant programs. CDBG provides eligible metropolitan cities and urban counties (called "entitlement communities") with annual direct grants that they can use to revitalize neighborhoods, expand affordable housing and economic opportunities, and/or improve community facilities and services, principally to benefit low-income persons. All CDBG activities must benefit low-income persons; aid in the prevention or elimination of slums and blight; or address other community development needs that present a serious and immediate threat to the health or welfare of the community. Detailed information about the CDBG program and eligible activities is available at [www.hud.gov/offices/cpd/communitydevelopment/programs/index.cfm](http://www.hud.gov/offices/cpd/communitydevelopment/programs/index.cfm).

**Community Housing Development Organization (CHDO)** – A private nonprofit organization that satisfies the requirements of 24 CFR 92.2 and is certified as such by CSD. A CHDO is a federally defined type of nonprofit housing provider that is eligible to apply for the jurisdiction's mandatory 15 percent minimum set-aside of HOME funds. Please note: Organizations certified as CHDOs by other jurisdictions must obtain certification from CSD in order to be eligible for CSD's CHDO set-aside funds. Detailed information about CHDO requirements and eligible activities is available at [www.hud.gov/offices/cpd/affordablehousing/programs/home/topical/chdo.cfm](http://www.hud.gov/offices/cpd/affordablehousing/programs/home/topical/chdo.cfm).

**Comparable unit** – A unit of housing that is of similar type, age, size, location and other discernable characteristics that can be used to compare and contrast from a proposed or existing unit.

**Consolidated Plan** – A document developed by local and state governments with the input from citizens and community groups with the requirements set forth in 24 CFR Part 91. The Consolidated Plan serves four functions: 1) it is a planning document for each state and community, built upon public participation and input; 2) it is the application for funds under HUD's formula grant programs (CDBG, HOME, ESG, and ADDI); 3) it lays out local priorities; and 4) it lays out a 3-5 year strategy the jurisdiction will follow in implementing HUD programs. Harris County's PY2008-2012 Consolidated Plan can be viewed at [www.cedd.hctx.net/PY2003\\_2007\\_Consolidated\\_Plan.htm](http://www.cedd.hctx.net/PY2003_2007_Consolidated_Plan.htm).

**Conversion** – A change in the use of a building to an emergency shelter for the homeless, where the cost of conversion and any rehabilitation costs exceed 75 percent of the value of the building after conversion.

**Davis-Bacon Labor Act** – A statutory requirement that all persons working on federally supported projects be paid at least a minimum of the area's prevailing wage rates.

**Disadvantage Zone** – HUD target areas with 65 percent or greater low- to moderate-income individuals, including Bough, Cedar Point, Cloverleaf, Galena Park, Greenwood-Heights, Idlewilde, Little York, Maple, Meadow Vista, Northington-Kenwood, Riverwood Sherwood Place, Sherwood Place, South Houston, Verde Forest, Wayforest, Webster, Woodsdale.

**Direct Costs** – Those costs that can be specifically identified with a particular cost objective. For example, salaries, fringe benefits and travel of a caseworker who is working 100 percent of the time on a grant-funded project are direct costs.

**Department** – Harris County Community Services Department.

**Draw-down** – The process of requesting and receiving funds from HUD. Participating jurisdictions draw down funds from a line of credit established by HUD.

**Emergency shelter** – Any facility, the primary purpose of which is to provide temporary or transitional shelter for the homeless in general or for specific populations of the homeless.

**Emergency Shelter Grants (ESG)** – A Federal grant program designed to help improve the quality of existing emergency shelters for the homeless, to make available additional shelters, to meet the costs of operating shelters, to provide essential social services to homeless individuals, and to help prevent homelessness. Detailed information about the ESG program and eligible activities is available at [www.hud.gov/offices/cpd/homeless/programs/esg/index.cfm](http://www.hud.gov/offices/cpd/homeless/programs/esg/index.cfm).

**Essential Services** – An eligible activity under the ESG program. Assistance provided under this subtitle may be used for the following activities relating to emergency shelter for homeless individuals: the provision of services concerned with employment, health, drug abuse or education to address the immediate needs of the homeless, and can help enable homeless persons to become more independent and to secure permanent housing. HUD regulations limit the amount of ESG funds that may be spent on essential services to 30 percent of the total ESG allocation for any given program year.

**Fair Housing Act** – Legislation first enacted in 1968 and expanded by amendments in 1974 and 1988, which provides the Secretary with investigation and enforcement responsibilities for fair housing practices. The act prohibits discrimination in housing and lending based on race, color, religion, sex, national origin, handicap, or familial status.

**Fair Market Rents (FMR)** – Rent schedules established by HUD. In accordance with 24 CFR Part 888, including utilities (except telephone), ranges and refrigerators, and all maintenance, management, and other services, that would be required to be paid in order to rent privately-owned decent, safe, and sanitary rental housing of a modest (non-luxury) nature with suitable amenities in the market area. Fair market rents for existing housing are published annually in the *Federal Register*.

**Full Time Equivalent (FTE)** – One FTE is 2,080 hours of paid employment in a one-year period.

**HOME Investment Partnerships (HOME)** – The federal housing program which provides funds to local governments and states for new construction, rehabilitation, acquisition of standard housing, assistance to homebuyers, and tenant-based rental assistance. Detailed information about the HOME program and eligible activities is available at [www.hud.gov/offices/cpd/affordablehousing/programs/home/index.cfm](http://www.hud.gov/offices/cpd/affordablehousing/programs/home/index.cfm).

**HOME/CDBG-assisted units** – A term that refers to the units within a HOME or CDBG project for which rent, occupancy and/or resale restrictions apply. The number of units designated as HOME-assisted or CDBG-assisted affects the maximum HOME and/or CDBG subsidies that may be provided to a project.

**Homebuyer Assistance** – Down payment and closing costs assistance provided to eligible homebuyers.

**Homeless** – A homeless person is one that:

- (1) Lacks a fixed, regular, and adequate nighttime residence; and
- (2) An individual who has a primary nighttime residence that is
  - a. A supervised publicly or privately operated shelter designed to provide temporary living accommodations;
  - b. An institution that provides a temporary residence for individuals intended to be institutionalized; or
  - c. A public or private place not designed for, or ordinarily used as, regular sleeping accommodations for human beings.

\* The term “homeless” or “homeless individuals” does not include any individual imprisoned or otherwise detained under an Act of the Congress or a State law. (42 U.S.C. 11302)

**Homeless Prevention** – An eligible activity under the ESG program that includes activities or programs designed to prevent the incidence of homelessness, as described in 24 CFR 576.3. Recipients of these services may not be homeless, but must be at risk of becoming homeless [i.e., families must have received eviction notices or notices of termination of utility services as described in 42 U.S.C. 11374(a)(4)]. HUD regulations limit the amount of ESG funds that may be spent on essential services to 30 percent of the total ESG allocation for any given program year. Eligible activities under CSD’s Homeless Prevention Program are: rental assistance, mortgage assistance and utility assistance. Please refer to each definition directly.

**Household** – One or more persons occupying a housing unit.

**HUD** – The United States Department of Housing and Urban Development; the department of the U.S. government responsible for major housing and urban development programs, including entitlement programs that are redistributed through Harris County, such as CDBG, ESG and HOME.

**Income** – Earnings from all sources of each member of the household as determined in accordance with criteria established by HUD.

**Income Limits:**

Low-Income – Families whose annual incomes do not exceed 80 percent of the median income of the area, as determined by HUD and published by the Department, with adjustments for family size.

Very Low-Income – Families whose annual incomes do not exceed 50 percent of the median family income for the area, as determined by HUD and published by the Department, with adjustments for family size.

30 percent of Median – Families whose annual incomes do not exceed 30 percent of the median income of the area, as determined by HUD and published by the Department, with adjustments for family size.

\* See page 14 of this Guidebook for Harris County's Income Limits, as issued by HUD on March 6, 2006.

**In-kind contributions** – Services to be provided through resources other than grant funds (i.e. volunteer time, services and materials provided at no cost).

**Indirect costs** – Those costs that are not readily identifiable with a particular cost objective but nevertheless are necessary to the general operation of a non-profit organization and the conduct of the activities it performs. The cost of executive salaries, payroll, accounting, personnel, depreciation, general telephone expenses, general travel and supplies expenses are examples of expenses usually considered as indirect costs.

**Limited Clientele** – A category of the CDBG national objective *Benefit to Low-Income Persons*. Under this objective, CDBG-assisted activities benefit a limited number of people as long as at least 51 percent of those persons served are low-income persons. These activities must:

- Benefit a clientele generally presumed to be principally low-income; or
- Require documentation on family size and income in order to show that at least 51 percent of the clientele are low-income; or
- Have income eligibility requirements limiting the activity to low-income persons; or
- Be of a nature and location that it can be concluded that primary clients are low-income.

**Local Amenities** – Amenities relative to permanent housing projects, including but not limited to police and fire protection, transportation, healthcare, retail, grocers, educational institutions, employment center, parks, public libraries, entertainment centers, etc.

**Low-Income Housing Tax Credits (LIHTC)** – A way of obtaining financing to develop low-income housing. Government programs provide dollar-for-dollar credit toward taxes owed by the housing owner. These tax credits can be sold, or used to back up bonds that are sold, to obtain financing to develop the housing. In Texas, the LIHTC program is administered by the Texas Department of Housing and Community Affairs (TDHCA) in Austin, Texas.

**Major Rehabilitation** – Rehabilitation that involves costs in excess of 75 percent of the value of the building before rehabilitation.

**Market Analysis** – An evaluation of the economic conditions of supply, demand and pricing; sometimes referred to as a Market Study.

**Market Rent** – The unrestricted rent as concluded in the Market Analysis for a particular unit type and size after adjustments are made to comparable units.

**Match** – Eligible forms of non-federal contributions to a program or project in the forms specified in 24 CFR 92.220 (HOME) and 42 U.S.C. 11375 (ESG). For the HOME program, the contribution must equal not less than 25 percent of the HOME funds drawn down for projects in that fiscal year. For the ESG program, the contribution must equal not less than 100 percent of the ESG funds drawn down for projects in that fiscal year. There is no federal match requirement for CDBG funds; however, CSD requires that all applicants secure leveraging funds for all proposed projects.

**Mortgage Assistance-** Mortgage assistance may be paid on a letter from the mortgage company or note holder detailing the amount owed and that foreclosure is imminent. Handwritten documentation, mortgage coupons or regular mortgage letters indicating past due payments will not be accepted.

**National Objectives** – Participating jurisdictions are responsible for assuring that each eligible CDBG activity meets one of three national objectives:

- Benefit to low-income persons
- Aid in the prevention of slum and blight
- Urgent Need

**Office of Management and Budget (OMB)** - The Office of Management and Budget is the largest office within the Executive Office of the President of the United States. The OMB issues circulars addressing administrative financial requirements and reviews agency regulations to comply with the President’s budgeting requests.

**Operational Costs** – Expenses incurred by a subrecipient operating a facility with respect to the maintenance, repair, security and utilities. Personnel costs related to the operations of a homeless shelter are subject to a 10 percent cap of the total ESG award.

**Nonprofit Organization** – A public or private organization that:

- Is organized under state or local laws;
- Has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual;
- Has an accounting system;
- Has a voluntary board;
- Practices nondiscrimination in the provision of assistance; and
- Has a tax exemption ruling from the Internal Revenue Service under the Internal Revenue Code of 1986, §501 (c), as amended.

**Participating Jurisdiction (PJ)** – Any state or local government or consortium that has been designated by HUD to administer an entitlement program. HUD designation as a PJ occurs if a state or local government meets the funding thresholds, notifies HUD that they intend to participate in the program and has a HUD-approved Consolidated Plan.

**Person with a disability** – A person who is determined to:

- (1) Have a physical, mental or emotional impairment that:
  - a. Is expected to be of long-continued and indefinite duration;
  - b. Substantially impedes his or her ability to live independently; and
  - c. Is of such a nature that the ability could be improved by more suitable housing conditions; or
- (2) Have a developmental disability, as defined in section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001-6007); or
- (3) Be the surviving member or members of any family that had been living in an assisted unit with the deceased member of the family who had a disability at the time of his or her death.

**Project Completion** – The point in time when all necessary title transfer requirements and construction work have been performed; the project complies with all grant requirements; the final draw-down has been disbursed for the project; and the project completion information has been entered in the disbursement and information system established by HUD. For HOME projects, the affordability periods begin upon project completion.

**Program Income** – Gross income received by the Department directly generated from the use of entitlement funds or matching contributions.

**Religious Organizations** - Assistance may be provided to a recipient that is a primarily religious organization if the organization agrees to provide all eligible activities under this program in a manner that is free from religious influences and in accordance with the regulations. A religious organization that participates in the RFP process will retain its independence from Federal, State and local governments, and may continue to carry out its mission, including the definition, practice, and expression of its religious beliefs, provided that it does not use direct funds to support any inherently religious activities, such as worship, religious instruction, or proselytization. Among other things, faith-based organizations may use space in their facilities, without removing religious art, icons, scriptures, or other religious symbols. In addition, a funded religious organization retains its authority over its internal governance, and it may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents. An organization that participates in the program shall not, in providing program assistance, discriminate against a program beneficiary or prospective program beneficiary on the basis of religion or religious belief.

**Rental Assistance-** Rental assistance may be paid on vacate notices from landlords. A vacate notice usually gives the tenant three days notice to either pay rent or voluntarily vacate the premises. The landlord may give this notice before an eviction notice. Handwritten documentation is not an acceptable form of documentation. Subrecipients must verify that the rental assistance will preempt eviction by having the landlord sign a statement to that fact.

**Rental Housing Development** – A project for the acquisition, new construction, reconstruction or rehabilitation of multi-family or single family rental housing, or conversion of commercial property to rental housing.

**Renovation** – Rehabilitations that involve costs of 75 percent or less of the value of the building before rehabilitation.

**Section 8 Housing Choice Voucher Program** – A federally assisted housing assistance payments program, authorized by the Housing and Community Development Act of 1974. The Harris County Section 8 Program is administered by the Harris County Housing Authority, 8410 Lantern Point, Houston, Texas, 77054, (713) 578-2100.

**Service Area** – The CSD service area is comprised of the unincorporated areas of Harris County and 15 incorporated cities that chose to sign cooperative agreements with Harris County in the application for HUD entitlement funds. Harris County may only spend its funds on residents living within the CSD service area. The Cities of Houston and Pasadena, as entitlement communities, are not included in the CSD service area. To access those cities' funds, contact those cities directly. The City of Baytown receives CDBG funding directly from HUD, but has recently entered into a cooperative agreement with Harris County to utilize HOME funds within its jurisdiction.

**Special Needs** – Those individuals or categories of individuals determined by the Department to have unmet housing needs consistent with 42 USC §12701 et seq. and as provided in the Consolidated Plan. Examples include frail elderly persons, persons living with AIDS, and persons with disabilities.

**Subrecipient** – A successful applicant that has been awarded funds by the CSD to administer a program funded with HUD entitlement funds, including a non-profit organization, municipality, Municipal Utility District (MUD), Freshwater Supply District (FWSD), Community Housing Development Organization (CHDO), Community Based Development Organization (CBDO), or for-profit housing developer (HOME only).

**Tenant-Based Rental Assistance (TBRA)** – A form of rental assistance in which the assisted tenant may move from a dwelling unit with a right to continued assistance. TBRA also includes security deposits, utility deposits, and allowances for rental of dwelling units.

**Transitional Housing** – Rental housing intended solely for short-term occupancy by individuals or households transitioning from homelessness or abusive situations to permanent housing and typically consisting primarily of efficiency units. This type of program provides housing to homeless persons for up to 24 months and provides supportive services that enable them to live more independently.

**Urgent Need** – One of the three national objectives under the CDBG Program. In order to comply with this objective, an activity must be designed to alleviate conditions that the grantee certifies:

- Pose a serious and immediate threat to the health or welfare of the community,
- Are of recent origin or recently became urgent (within 18 months),

- The grantee is unable to finance the activity on its own, and
- Other resources of funding are not available to carry out the activity.

**Utility Assistance-** Utility assistance can be provided based on a termination notice. Utilities include electricity, gas and water. Telephone utility assistance is only allowed for persons who are disabled and require TTD services. If the termination notice covers two months' amounts due, the one notice is sufficient. If the client is not able to pay the amount due immediately following the termination notice, CSD will authorize this amount to be paid based on the reasonableness of the client resuming payment after a reasonable period of time.

**Value of the Building** – The monetary value assigned to a building by an independent real estate appraiser, or as otherwise reasonably established by the grantee.